General Terms and Conditions of Purchase

§ Applicable Terms and Conditions

(1) These General Terms and Conditions of Purchase shall apply to all business relationships of the Bernecker Group, including Bernecker Umformtechnik GmbH and Bernecker Engineering GmbH, both based in Mühlacker, BeShapeTech k.s. in Slovakia and Bernecker rollforming & tubes GmbH in Pausa (hereinafter referred to as "**Bernecker**" or "**us**" or "**we**") and our business partners and suppliers (hereinafter referred to as the "**Supplier**"). They shall apply in particular to contracts for the sale and/or delivery of movable things (hereinafter referred to as "**Goods**", "**Product**" or "**Delivery item**"), irrespective of whether the Supplier manufactures the Goods itself or purchases them from suppliers (Sections 433, 650 BGB *[German Civil Code]*). They shall apply only with respect to entrepreneurs (Section 14 BGB), legal entities under public law and special funds under public law.

(2) Our Terms and Conditions of Purchase shall apply exclusively. We do not acknowledge any terms to the contrary or any deviating or supplementary general terms and conditions used by the Supplier, unless their validity has been expressly approved by us in writing. Our General Terms and Conditions of Purchase shall apply in each and every case, even if we accept or pay for the Supplier's deliveries and services without reservation although being aware of conflicting terms and conditions or terms deviating from our terms used by the Supplier. In this respect, our silence shall not be interpreted as acknowledgment or approval of such terms.

(3) General terms and conditions used by the Supplier and its suppliers shall not apply, including shrink wraps, clickwraps or other pre-formulated provisions.

Unless otherwise agreed, our Terms and Conditions of Purchase shall apply as a framework agreement also for similar future contracts in the version applicable at the time the order was placed, at any rate, in the text form last communicated *["text form" as defined under § 126b BGB]* to the Supplier, without any requirement on our part to refer to them once again in each individual case.

§ 2 Offer, Orders, Conclusion of Contract and Order Processing

(1) In the absence of an express agreement to the contrary, cost estimates from the Supplier shall be binding and free of charge for us.

(2) The Supplier shall expressly notify us in writing or in text form, at the time of submitting the offer, of any hazards and environmental risks associated with the delivered Goods as well as of any need for special handling of the Goods.

(3) Goods or components of Goods and/or services or components of services that are not listed in the Supplier's offer but are essential for the safe and efficient operation or corresponding use of the Goods and/or service shall, unless otherwise agreed, be deemed to be part of the scope of delivery and/or service and shall be owed by the Supplier together with it.

(4) Orders, contracts and delivery call-offs as well as any amendments and additions thereto must be in writing. However, they may also be transmitted by fax or by remote data transmission.

(5) The Supplier must confirm the order in writing or in text form within 7 calendar days of receipt of the order, whereby the receipt of the confirmation by us shall be decisive. After the expiry of this period, and in the absence of any other agreement, we shall be entitled to withdraw our order. The Supplier shall not be entitled to any claims arising from a valid withdrawal made on these grounds.

(6) In the case of framework agreements, the call-offs shall be made by individual call-off orders. These must be accepted by the Supplier within 7 calendar days of receipt by the Supplier, unless the Supplier has objected to the acceptance of the order in writing or in text form within the aforementioned period. An objection shall only be effective if it is made for one of the material reasons set out below:

(i) required raw materials, basic materials or parts are not available on the global procurement market,
(ii) legal impossibility of delivery (e.g. due to an embargo), or
(iii) the call-off quantity exceeds 115% of the forecasted expected demand for the order period as communicated to the Supplier by us.

(7) If the order confirmation deviates from the order, in particular with regard to price or delivery time, the Supplier must highlight these deviations in its order confirmation. The Supplier shall also inform us in writing or in text form of any changes to the terms and conditions of the contract or order details and/or terms of order. These deviations shall only become part of the contract if they are confirmed by us in writing.

(8) If there are obvious errors, typing or calculation errors in our order or the respective underlying documents or data, we shall not be bound in this regard. In such cases, the Supplier shall be under the obligation to inform us of the respective errors in writing or in text form, so that we are in a position to amend and renew our order. If clearly required documents were not provided with the order, this obligation shall apply accordingly.

(9) In the absence of any agreement to the contrary and subject to evidence to the contrary, official values shall be authoritative for quantities, weights, dimensions and delivery volumes; in the absence of such official values, the values determined by us during the incoming goods inspection shall apply. The weights must be indicated in the accompanying shipping documents for all deliveries.

(10) Any documents to be provided by us must be named and requested by the Supplier in a timely manner in writing or in text form.

(11) If the specifications and the terms of delivery are determined by our customer, these terms shall be decisive if we make reference to them.

§ 3 Prices and Packaging

(1) Unless otherwise agreed in writing, the agreed prices shall be fixed prices and binding and shall include – unless otherwise agreed in writing – all costs for packaging, transport to the agreed place of receipt or dispatch (delivery DDP Incoterms 2020), for customs

formalities and customs duties. Unless otherwise agreed, the place of delivery shall be the registered office of our respective company that has become the contracting party of the Supplier. The applicable value-added-tax is included in the price, unless it is expressly designated as a net price.

(2) The price risk, in particular the calculation risk and the risk of changes in raw material prices and/or changes in procurement costs for required services/performance, shall be borne by the Supplier exclusively. For the avoidance of doubt, it is acknowledged that, in the absence of an express agreement to the contrary, such changes in procurement costs and/or raw material costs shall not entitle the Supplier to adjust prices or to suspend deliveries, nor shall they constitute an event of Force Majeure and/or a frustration of contract.

(3) If our customer has agreed the prices with the Supplier and if these are more favorable than those negotiated between the Supplier and us, the prices agreed between our customer and the Supplier shall apply.

(4) The Supplier shall package the Goods to be delivered exclusively in environmentally friendly packaging material or containers and in a manner that prevents transport damage. The packaging of the respective shipment is included in the price, unless otherwise agreed in writing between us and the Supplier. Any waste generated by the Supplier during delivery or installation by the Supplier must be disposed of by the Supplier free of charge for us.

(5) If, by way of exception, other agreements have been made between the Supplier and us, the Supplier must charge for the packaging at cost price. In this case, the Supplier must use the packaging specified by us. If the packaging selected by us is not suitable for the safe and appropriate packaging of the Delivery Item, the Supplier shall notify us of this without delay, and in writing if we so request.

§ 4 Invoices – Terms of Payment – Assignment – Retention

(1) Invoices must be sent to us in electronic form, stating our order number and our reference number. We can only process invoices that - in accordance with the requirements set out in our purchase orders and delivery call-offs - state the order number indicated therein; the Supplier shall be responsible for all consequences resulting from non-compliance with this obligation, unless the Supplier proves that it is not responsible for such consequences.

(2) Unless otherwise agreed in writing, we will pay invoices received by us

- within 60 calendar days, calculated from the date of the invoice, net.

Cash discounts shall also be permissible if we make use of a right of set-off.

(3) Payments shall not be deemed acceptance or a waiver of potential claims for defects, nor shall they constitute any acknowledgment of proper contractual performance.

(4) If early delivery is accepted, the due date for payment shall, unless otherwise agreed, be based on the originally agreed delivery date.

(5) In the event of incomplete or defective delivery, we shall be entitled to withhold payment in full or on a pro rata basis until proper performance has been rendered. We shall not owe any interest on maturity. The statutory provisions shall apply if payment is delayed.

(6) The Supplier shall only be entitled to rights of set-off and retention against our claims if such claims have been acknowledged by us or have been legally established by non-appealable judgement.

(7) The assignment of claims against us by the Supplier shall require our prior consent, unless the claims concern monetary receivables.

§ 5 Delivery Time – Delay in Delivery – Scope of Delivery

(1) The delivery time stated in our order shall be binding. Compliance with the delivery time shall be determined by the receipt of the Goods at our premises. If the delivery time has not been specified in the order and has not been otherwise agreed, it shall be ... calendar weeks from the conclusion of the contract.

(2) The Supplier undertakes to inform us in writing and without delay if circumstances arise or become apparent to the Supplier which indicate that compliance with the agreed delivery time may not be possible.

(3) In the event of a delay in delivery, we shall be entitled to the statutory claims. In particular, we shall be entitled to claim damages in lieu of performance and to withdraw from the contract after a reasonable grace period has expired without result. If we claim damages, the Supplier shall have the right to prove that the Supplier is not responsible for the breach of duty.

(4) If, as a result of Force Majeure, official measures, labor disputes, operational disruptions or other unavoidable events, it becomes impossible or significantly more difficult for us to fulfil our contractual obligations, we may – without prejudice to our other rights – withdraw from the contract in whole or in part or demand delivery at a later date without any claims arising on the part of the Supplier, insofar as the events are not of insignificant duration and result in a substantial reduction of our demand.

(5) Our delivery lots shall be binding. Over- or under-deliveries shall only be allowed after express approval by us. Partial deliveries or partial performance shall not be permitted unless we have expressly agreed to them in writing.

(6) The Delivery Item must be packaged by the Supplier in accordance with our specifications. In the absence of such specification, packaging must be performed properly and shall, in particular, provide sufficient protection of the Delivery Item against transport damage and contamination.

(7) The acceptance of a delayed delivery shall not constitute a waiver of our rights to claim damages and the contractual penalty.

§ 6 Shipment - Passing of Risk - Default of Acceptance

(1) Without our prior written consent, the Supplier shall not be entitled to have the performance owed by the Supplier performed by any third party (e.g. subcontractors). The Supplier shall bear the procurement risk for its performance, unless otherwise agreed in the individual case (e.g. restriction to stock).

(2) Delivery shall be effected DDP- Incoterms 2020 to the place specified in the order. If the place of destination is not specified, and unless otherwise agreed, the delivery must be made to the registered office of the Bernecker company that has become the contracting party. The respective place of destination shall also be the place of performance for the delivery and any subsequent performance ("obligation to deliver to the place of performance" – *German "Bringschuld"*).

(3) The Supplier shall be under the obligation to indicate our exact order number on all shipping documents and delivery notes. If the Supplier fails to do so, we shall not be responsible for any delays in processing and payment. The risk of accidental loss and accidental deterioration of the item shall pass to us upon delivery at the place of performance. If acceptance has been agreed, such acceptance shall be authoritative for the passing of risk. In other respects, the statutory provisions of the law on contracts for work and services *[German "Werkvertragsrecht"]* shall apply mutatis mutandis if acceptance has been agreed. If we are in default of acceptance of delivery, this shall be deemed equivalent to delivery *[German "Übergabe"]* or acceptance *[German "Abnahme"].*

(4) In the case of contracts for work and services and purchase contracts for which acceptance of the delivery item has been agreed, the risk shall only pass upon our acceptance of the performance and/or delivery. In all other respects, the risk shall pass to us upon delivery of the Delivery Item to us or to the agreed place of delivery and performance.

(5) The provisions laid down by law shall apply regarding the commencement of our being in default of acceptance. However, the Supplier must also expressly offer us its performance if a specific or determinable calendar time has been agreed for a cooperation or contribution on our part (e.g. provision of material). If we are in default of acceptance, the Supplier may demand compensation of its additional expenditure in accordance with the statutory provisions (Section 304 BGB). In the case of contracts on the production of non-fungible goods (custom-made items) by the Supplier, the Supplier shall only be entitled to further rights if we undertook to cooperate and are responsible for the lack of cooperation.

(6) The Supplier undertakes to handle each individual order separately in all correspondence within the framework of the business relationship. It shall be incumbent on the Supplier to state as a minimum our complete order number, the order date and the respective reference as well as our transaction number in all documents such as emails, letters, shipping notifications, delivery notes, packing slips, invoices, waybills, accompanying addresses, etc.

(7) The aforementioned documents - such as invoices, delivery notes and packing slips - must be enclosed in a single copy with each shipment. The contents of these documents for goods deliveries must include, as a minimum, the following:

quantities and unit of measure, gross weight, net weight and, where applicable, calculated weight as well as order number, article description, remaining quantity in the case of partial deliveries and our order number.

§ 7 Change Management

(1) The need for modifications to the content of the order cannot always be avoided, also due to requests for changes from end customers. We shall therefore be entitled to request changes to the Delivery Item and/or performance in accordance with the following regulations even after the conclusion of the contract, provided that the deviations are technically and/or logistically reasonable for the Supplier - taking into account the Supplier's business purpose, production expertise and order situation from an objective point of view. The Supplier must promptly examine the change request and inform us in writing without delay of its impact on the contractual structure. This notification obligation shall include a statement as to whether the requested changes are technically and/or logistically feasible and appropriate in the first place, as well as a statement regarding the effects of the requested changes on the contractual structure hitherto agreed, such as the concept, deadlines, dates, acceptance procedures and remuneration in the form of an offer. We will then make a prompt decision regarding the implementation of the changes vis-à-vis the Supplier.

(2) The modification to the order shall become part of the contract upon our positive decision and mutual agreement on the amendments to the terms of the contract.

(3) In the case of technical changes that are economically insignificant for the Supplier, an amendment to the terms of the contract cannot be requested by the Supplier.

§ 8 Acceptance

(1) Any performance by the Supplier for which acceptance is possible shall be subject to acceptance. If verification of the Supplier's performance requires the commissioning of an entire system, acceptance shall only take place after successful completion of the agreed functional tests. In all other respects, unless otherwise agreed, the inspection shall be 4 calendar weeks after notification of completion. In this respect, the Supplier shall waive the defense of delayed notification of defects.

(2) If the Supplier has to render a performance that requires acceptance by us, the Supplier must submit its request for acceptance in writing or in text form at least 14 calendar days prior to the acceptance date to be agreed.

(3) If defects are detected during the acceptance inspection, partial acceptance of defect-free portions of the performance is possible after consultation with us. However, such partial acceptance shall not constitute final acceptance within the meaning of Section 640 BGB.

(4) Acceptances shall require a written acceptance report signed by the parties. Implied acceptance *[German "Abnahmefiktion"]* shall be expressly excluded, unless we use the work result commercially in accordance with its intended purpose and outside of test purposes continuously for more than 14 calendar days.

§ 9 Quality and Documentation

(1) The delivery must be accompanied by a delivery note stating the date (issuing date and date of dispatch), the contents of the consignment (item number and quantity) as well as our order reference (date and number). If the delivery note is missing or incomplete, we shall not be responsible for any resulting delays in processing and payment. A corresponding shipping notification, containing the same information, must be sent to us separately from the delivery note.

(2) The Supplier must comply with the recognized standards of technology, applicable safety regulations and the agreed technical specifications for its delivery. Any changes to the Delivery Item shall require our prior written consent.

(3) The Supplier may not rely on documents, advertising statements or drawings that contain statements about the quality or characteristics of the Delivery Item if the requirements stated therein do not match those in our specifications and/or the conditions set out below and/or other agreements with the Supplier. In all other respects, however, the Supplier shall be bound by such statements to the extent that they exceed the requirements stipulated by us in these Terms and Conditions of Purchase and the other agreements.

(4) The Supplier must establish and provide proof of a quality management system in accordance with IATF ISO/TS 16949. We reserve the right to verify the effectiveness of the quality management system on-site. Changes to the Delivery Item shall require prior written consent. For the initial sample inspection, reference is made to VDA *[German Association of the Automotive Industry]* publication “Volume 2” “Quality Assurance for Supplies, Supplier Selection, Sampling, Quality Performance in Series Production”. Irrespective of this, the Supplier must continuously check the quality of the Delivery Items. The contracting parties shall keep each other informed about opportunities to improve quality.

(5) If the type and scope of inspection as well as the testing equipment and methods are not firmly agreed upon between the Supplier and us, we shall be prepared - at the request of the Supplier and within the scope of our knowledge, experience and capabilities - to discuss the inspection with the Supplier in order to determine the required state of the art in testing technology.

(6) In addition, the Supplier must record in its quality records for all products when, how and by whom the defect-free production of the delivery was ensured. These records must be retained for 30 years and submitted to us if required.

If the Supplier discontinuous its business operations before the expiry of the 30-year retention-period, the documentation must be provided to us free of charge at that point in time.

The Supplier must bind upstream suppliers to the same extent within the scope possible by law. As guidance, reference is made to “VDA Volume 1” “Code of Practice for the Documentation and Archiving of Quality Requirements and Quality Records”.

§ 10 Notification of Defects

The statutory provisions (Sections 377, 381 HGB *[German Commercial Code]*) shall apply to the commercial inspection and notification obligation with the following proviso:

Our inspection duty shall be limited to defects that become clearly manifest during external examination, including delivery documents, in our incoming goods inspection (e.g. transport damage, incorrect or short delivery) or become apparent in random checks during our quality controls. If acceptance has been agreed there is no obligation to inspect the Delivery Items. In all other respects it depends on to what extent an inspection in the ordinary course of business is feasible when the circumstances of the particular case are taken into account. Our obligation to report defects if such defects are detected at a later date shall remain unaffected. Without prejudice to our inspection duty, however, our complaint (notification of defect) shall be deemed made without delay and in good time if it is sent within 10 working days from the date of detection or – in case of apparent defects – from the date of delivery.

§ 11 Warranty - Liability for Material Defects

(1) The provisions laid down by law shall apply to our rights relating to material defects and defects of title of the Goods (including incorrect delivery and short delivery as well as improper assembly/installation or inadequate instructions) as well as to other breaches of duty by the Supplier; in addition, and exclusively to our benefit, the following supplements and clarifications shall also apply.

(2) Pursuant to the provisions laid down by law, the Supplier shall be liable in particular for ensuring that the Goods have the agreed quality at the time the risk passes to us. In any case, those product descriptions shall be deemed to constitute an agreement on the quality of the Goods which – in particular by designation or reference in our purchase order – are the subject matter of the respective contract or have been incorporated into the contract in the same manner as these General Terms and Conditions of Purchase.

(3) In the case of Goods with digital elements or other digital content, the Supplier shall owe the supply and updating of the digital content insofar as this ensues from a quality agreement as per paragraph (2) above or other product descriptions of the manufacturer or on its behalf, in particular on the internet, in advertising or on the product label.

(4) We shall be under no obligation to inspect the Goods or to make special inquiries about any defects at the time of the conclusion of the contract. By derogation in part from Section 442 [1], sentence 2, BGB, we shall therefore also be entitled to claims for defects without any restriction even if we were unaware of the defect at the time of the conclusion of the contract due to gross negligence.

(5) We shall be entitled to the statutory claims for defects in full; in any case, we shall be entitled to demand that the Supplier remedy the defect or deliver a new item at our discretion. The right to claim damages, in particular the right to claim compensation in lieu of performance, shall be expressly reserved.

(6) Supplementary performance shall also include disassembly of the defective Goods and re-installation, insofar as the Goods have been installed in another item or attached to another item in accordance with their nature and purpose of use before the defect has become apparent; our statutory claim to reimbursement of the respective expenses (costs of disassembly and installation) shall remain unaffected thereby. The expenditure

required for inspection and supplementary performance, including but not limited to transport, travel, labor and material costs as well as dismantling and installation costs, if applicable, shall be borne by the Supplier even if it turns out that there was actually no defect. Our liability for damages in the event of an unjustified request to remedy defects shall remain unaffected; in this respect, however, we shall only be liable if we have realized or failed to realize based on gross negligence that there was no defect.

(7) Without prejudice to our rights laid down by law and the provisions stipulated in item 10 above the following shall apply:

If the Supplier fails to fulfil its obligation to effect supplementary performance – at our option by either remedying the defect (repair) or by delivering a defect-free item (replacement delivery) – within a reasonable time period set by us, we may remedy the defect ourselves and demand compensation from the Supplier for the expenses required therefore and/or demand a corresponding advance payment. If supplementary performance by the Supplier has failed or cannot be expected of us (e.g. due to special urgency, risk to operational safety or the threat of disproportionate damage), the setting of a deadline shall not be required; we will inform the Supplier of such circumstances immediately, if possible in advance.

(8) Claims against the Supplier for material defects shall become statute-barred 36 months after the passing of risk in the case of purchase contracts, and 36 months after acceptance in the case of contracts for work and services.

(9) The limitation period for defects of title shall be 5 years, starting from the date of acceptance or, where acceptance is not provided for, from the delivery of the contractually owed performance result.

(10) If, with our consent, the Supplier undertakes to examine the existence of a defect or to remedy the defect, the limitation period shall be suspended until the Supplier has informed us of the result of the inspection in writing or in text form, or declares to us that the defect has been remedied, or until the Supplier refuses to continue remedy of the defect.

§ 12 Recourse against the Supplier

(1) In addition to claims for defects we shall be entitled to assert in full, without any restrictions, claims in recourse and claims for reimbursement of expenses within the supply chain as laid down by law (recourse against the supplier as per Sections 478, 445a, 445b and/or Sections 445c, 327 [5], 327u BGB). We shall in particular have the right to require the Supplier to provide the exact type of supplementary performance (repair or replacement) owed by us to our customer in each individual case. Our statutory right to select the respective cure (Section 439 [1] BGB) shall not be restricted by this.

(2) Before we acknowledge or comply with a claim for defects asserted by one of our customers (including reimbursement of expenses as per Sections 445a [1], 439 [2], [3], [6] sentence 2, and Section 475 [4] BGB) we will notify the Supplier by providing the Supplier with a brief account of the facts and invite him to provide its comments in writing. If the Supplier fails to submit a substantiated statement within a reasonable period of time and if a solution is not achieved by mutual consent, the claim for defect in effect granted by us shall be deemed as owed to our customer. In such case, it shall be incumbent upon the Supplier to provide evidence to the contrary.

(3) Our claims for recourse against the Supplier shall also apply if the defective product has been combined or processed in any other way - e.g. by way of incorporation, attachment or installation - either by us, our customer or a third party.

§ 13 Manufacturer Liability

(1) Unless otherwise stipulated, the materials and parts to be delivered to us are intended for installation in cars, trucks, buses, construction machinery, agricultural machinery, wind turbines, rail vehicles, etc. These products are distributed worldwide.

(2) The Supplier must carry out all inspections and controls of the Products manufactured and/or delivered by it regardless of any incoming goods inspection we may conduct and shall be responsible for the defect-free condition of the Delivery Item. Any inspections carried out by us shall not release the Supplier of such responsibility.

(3) The statutory provisions shall apply to our claims against the Supplier arising from manufacturer liability.

Where the statutory provisions do not provide any provisions for situations in which we can nevertheless be held liable for manufacturer liability or for violation of official safety regulations or for breaches of protective duties under domestic or foreign law, the Supplier shall compensate us for the resulting damage, including the legal costs, if the Supplier delivered the defective part or the part that caused the defect. Liability on the part of the Supplier shall also apply in cases where the Supplier is not at fault or not responsible, insofar as we can be held liable for these defective delivery parts of the Supplier under domestic or foreign law on the basis of strict liability.

The same rules on the burden of proof shall apply to the relationship between us and the Supplier as apply to the relationship between the injured party and us. If two or more parties are liable to pay damages for the same damage, Section 5 of the German Product Liability Act *[ProdhaftG]* shall apply. Where fault on our part contributes to the occurrence of the damage, Section 6 of the German Product Liability Act shall apply.

If we and/or our customer are under the obligation to conduct a recall due to a defect for which the Supplier's Delivery Item was the cause, or if conducting a recall is at least appropriate and/or if we are obligated to bear the recall costs, the Supplier shall be under the obligation to bear the costs vis-à-vis us. If the costs are to be apportioned due to multiple parties being responsible, Sections 5, 6 of the German Product Liability Act shall apply mutatis mutandis.

(4) The Supplier undertakes to take out and maintain appropriate liability insurance, in particular adequate product liability insurance, that also covers recall costs. At our request, the Supplier must provide evidence of such insurance coverage without delay.

§ 14 Liability for Defects of Title

The provisions laid down by law shall apply to liability for defects of title. By way of derogation from the statutory provisions, claims arising from the infringement of defects of title shall become statute-barred one year after we have become aware of the circumstances giving rise

to the claim for defects of title, or could have become aware of them without gross negligence – however, no later than 10 years after the passing of risk. In the event of defects of title, the Supplier shall indemnify and hold us and our customers harmless from and against all and any claims by third parties in this regard, including the costs of legal defense and our administrative costs. The aforesaid indemnification obligation shall not apply if the Supplier has rendered its delivery or performance based on documents provided by us - such as models or drawings - or upon our express instructions, and could not have known that this would infringe the intellectual property rights of any third party.

The limitation period for defects of title shall be 5 years starting from acceptance or, where acceptance is not provided for, from the date of delivery of the contractually owed performance result.

§ 15 Product Liability – Indemnification – Liability Insurance Coverage

(1) If the Supplier is liable for a product defect - and unless otherwise agreed - the Supplier undertakes to indemnify and hold us and our customers harmless from and against any claims for damages and reimbursement of expenses of any third-party in this respect, provided that the cause thereof is within its sphere of control and organizational responsibility. In addition to the payment of damages to third parties, the Supplier's obligation to pay compensation shall also include the usual costs of legal defense, recall costs, inspection costs, costs of installation and disassembly as well as the administrative expense and other expenses incurred by us for the settlement of the claim.

(2) Within the scope of its liability for damages within the meaning of paragraph (1) above, the Supplier must also reimburse expenses, if any, in accordance with Sections 683, 670 BGB arising out of or in connection with claims asserted by any third party, including costs on account of recall actions conducted by us. To the extent possible and reasonable, we will inform the Supplier on the content and scope of recall measures to be conducted and will give the Supplier the opportunity to comment on the same. Any further claims laid down by law or by contract shall remain unaffected.

(3) The Supplier undertakes to take out and maintain product liability insurance with an appropriate coverage of at least EUR 2.5 million per personal injury / material damage; should we be entitled to additional claims for damages, such shall remain unaffected. The Supplier must provide us with proof of the aforesaid insurance and the respective premium payments. If proof of insurance and the payment of premiums is not provided to us within 7 calendar days of our request, we shall be entitled to withdraw from contracts that have not yet been fulfilled either in whole or in part (with regard to the part not yet fulfilled).

§ 16 Software

(1) If the Delivery Item includes software developed for us, we shall be granted - free of charge - the right to use the software throughout the corporate group, to reproduce it without limitation as to quantity and manner and to provide it to third parties worldwide together with the Delivery Item free of charge.

(2) For the purpose of maintenance and further development, we shall be entitled to decompile the software.

(3) Payment for the software shall become due only upon completion of a formal acceptance procedure and issuance of a written declaration of acceptance by us.

(4) In the case of software delivery, any subsequent performance in the form of new program versions shall only be permitted with our prior written consent. If we have given our consent, the Supplier shall be obligated to train our employees on the new program version at its own expense.

§ 17 Drawings, Models, Tools

(1) Drawings, models, tools, samples, work materials and the like that we provide to the Supplier or pay for shall remain or become our property. Any transfer of possession that might be required shall be substituted by the Supplier storing these items on our behalf free of charge with the care of a prudent businessman. Where a tool loan agreement exists between us and the Supplier, such agreement shall take precedence.

(2) Without our express prior written consent, the Supplier must not make the items referred to in item 17 (1) above available for inspection or otherwise accessible to any third party, nor reproduce them. The items manufactured on the basis of the documentation and records must not be delivered to any third party without our express written consent.

(3) Upon completion of the order, the items must be returned to us free of charge without requiring any special request on our part.

Section 18 Provision of Material, Co-ownership, Retention of Title

(1) Any tools, materials, substances, parts, containers and packaging provided by us may only be used by the Supplier in accordance with their intended purpose in order to execute the order placed by us.

(2) We retain title to any tools provided by us.

(3) If we provide parts to the Supplier, we reserve title to them (hereinafter referred to as “goods subject to retention of title”). Processing or transformation by the Supplier shall be carried out for us. If our goods subject to retention of title are processed with other items that do not belong to us, we shall acquire co-ownership of the new item in proportion to the gross value of our item (purchase price plus VAT) and the other processed items at the time of such processing.

(4) If the item provided by us is inseparably mixed with other items that do not belong to us, we shall acquire co-ownership of the new item in proportion to the gross value of the item subject to retention of title (purchase price plus VAT) and the other mixed items at the time of such mixing. If the item provided by us is mixed in such a way that the product of the Supplier is to be regarded as the principal thing, it shall be deemed as agreed that the Supplier shall assign to us co-ownership of this product on a pro rata basis; the Supplier shall store such sole property or joint property for us. The Supplier undertakes to insure the tools belonging to us at its own expense at replacement value against fire and water damage and theft.

(5) At the same time, as early as with the present, the Supplier shall assign to us all claims for compensation under this insurance; we hereby accept the assignment.

(6) The Supplier also undertakes to carry out any necessary maintenance and inspection work, if applicable, as well as all servicing and repair work on our tools at its own expense and in a timely manner, and to provide us with proof of the work carried out. The Supplier must notify us in writing without delay of any malfunctions affecting the machines and/or tools provided; if the Supplier culpably fails to do so, we shall be entitled to claim damages in the event of any resulting damage.

(7) If the Supplier holds co-ownership rights in tools, materials, substances, parts, containers and packaging, the return thereof shall be effected concurrently with compensation for the supplier’s co-ownership share. If there is a dispute about the amount of the co-ownership share, we may avert the Supplier's right of retention with respect to its co-ownership share by providing a guarantee in the amount of the disputed portion that can be reasonably substantiated.

In all other respects, the Supplier shall not be entitled to assert any right of retention over production equipment if the claim on which the right of retention is based is disputed between the parties or has not been legally recognized by non-appealable judgement.

(8) Upon request of the Supplier, we undertake to release the security rights, at our option, insofar as the security rights to which we are entitled to in accordance with paragraphs (1) to (6) above exceed the purchase price of the total of our unpaid goods subject to retention of title by more than 10%.

§ 19 Replacement Parts and Readiness to Deliver

(1) Unless otherwise agreed in writing with us regarding replacement parts availability, the Supplier guarantees the supply of replacement parts by the Supplier for a period corresponding to the normal technical service life of the Delivery Item – i.e. 10 years for passenger cars, 15 years for trucks, 30 years for rail vehicles and in all other cases at least 10 years or in accordance with industry standards, starting from acceptance of the last delivery. During this period, the Supplier undertakes to supply these parts at standard market conditions.

(2) If the Supplier intends to discontinue the supply of the replacement parts for the contractual Delivery Item after the expiry of the aforesaid period, we shall be given the opportunity to place a final order with a lead time of at least 90 calendar days. The same shall apply if the supply is discontinued before the expiry of the period; in such case, placing a follow-up order shall not affect our right to claim damages.

Section 20 Intellectual Property Rights of Third Parties

(1) The Supplier shall be responsible for ensuring that no rights of any third party are infringed in connection with the deliveries and/or services provided by the Supplier. Liability shall be excluded if the Supplier proves that, at the time the Delivery Item was delivered, the Supplier did not know that such rights existed nor could have known that they may arise in the future.

(2) If claims are asserted against us by a third party on account of an infringement of such rights, the Supplier undertakes to indemnify us and hold us harmless from and against any such claims upon first written request; we shall not be entitled to enter into any agreements with the third party – in particular to conclude a settlement – without the consent of the Supplier.

(3) The Supplier's indemnification obligation shall cover all expenses necessarily incurred by us as a result of or in connection with claims asserted against us by a third party.

(4) The limitation period for liability arising from the infringement of intellectual property rights commences as soon as the claim arises and we become aware - or should have become aware without gross negligence - of the circumstances giving rise to the claim.

The statute of limitation shall be 5 years.

§ 21 Limitation of Liability

(1) We shall be liable for intent and gross negligence.

(2) We shall only be liable for slight negligence in the event of injury to life, limb or health or in case of a breach of essential contractual obligations arising from the nature of the contract or the breach of which endangers the fulfilment of the contractual purpose. In this case, however, damages shall be limited to the foreseeable damage.

§ 22 Records and Confidentiality

(1) The Supplier undertakes to treat our order and all related commercial and technical details as trade secrets. This obligation shall survive the termination of the supply contract and shall remain in full force and effect until such trade secret becomes publicly known without any involvement by the Supplier.

(2) Products manufactured based on documentation created by us, such as drawings, models and the like, or based on information disclosed by us in confidence, or produced using our tools or replicated from our tools, must neither be used by the Supplier itself nor offered or supplied to any third party.

(3) Parts that we have developed or further developed in cooperation with the Supplier may only be delivered to third parties by the Supplier with our written consent.

(4) In all other respect, the handling of trade secrets shall be governed by the provisions on the protection of trade secrets (implemented in Germany by the Trade Secrets Act and in the other Member States of the European Union by the respective implementing laws of Directive 2016/943) as well as any agreements made in non-disclosure agreements.

(5) The Supplier shall bind its subcontractors in accordance with the above paragraphs (1) to (4). If requested by us, the Supplier must submit to us a corresponding written agreement entered into with its subcontractor.

Section 23 Auditing

(1) We – and as a genuine contract for the benefit of third parties within the meaning of Section 328 BGB also our customers – shall be entitled, but not under the obligation, to conduct an audit of the Supplier ourselves or to have such audit conducted by an expert and/or consultant of our choice – also in view of our own certification, if applicable. This shall include an inspection of the Supplier's operations and quality assurance system, followed by an evaluation. Within the scope of its legal capabilities, the Supplier shall ensure that its subcontractors grant us and our customers the same auditing rights. The findings from such audits will form the basis for further contract awards and for our internal classification (rating) of the Supplier’s operations.

(2) We shall be entitled to conduct scheduled inspections of the Supplier's ongoing business operations and to monitor quality assurance measures during regular business hours and with prior notice.

(3) Provided we demonstrate a reasonable and legitimate interest, we shall have the right to review the relevant documents of the Supplier. Such a legitimate interest shall be deemed to exist in particular if the review could yield information that allow for the assessment of the necessity and handling of a product recall.

(4) In the course of exercising our rights under the above paragraphs (1) to (3), the Supplier shall not be obligated to disclose trade secrets.

§ 24 Compliance

(1) The Supplier undertakes to refrain from any actions or omission that could lead to criminal liability for fraud or breach of trust, insolvency offences, offences against competition, the granting or acceptance of advantages, bribery, corruption or comparable offenses by individuals employed by us or by other third parties. In the event of a violation hereof, we shall have the right to immediately withdraw from or terminate all legal transactions existing with the Supplier without notice and to cease all ongoing negotiations.

(2) In our Code of Conduct, we have committed ourselves to complying with the rules and principles on human rights, labor relations, the environment and anti-corruption as set out within the framework of the United Nations Global Compact Initiative (see Bernecker Code of Conduct at https://www.bernecker-group.com/downloads/code-of-conduct.pdf). We expect the same commitment from all our business partners. The Supplier therefore

undertakes to comply with the principles set out in our Code of Conduct and shall ensure that its subcontractors / (upstream) suppliers also adhere to these principles.

(3) The Supplier shall take appropriate preventive and corrective measures with the aim of identifying, preventing, ending or at least minimizing risks to human rights, infringements of legal interests as well as environmental harm along the supply chains.

§ 25 Termination of Contract

(1) Either contracting party may terminate the contractual relationship without notice for good cause. Good cause shall in particular be deemed to exist if insolvency proceedings have been initiated against the assets of the other contracting party, if judicial or extrajudicial composition proceedings have been initiated, if a corresponding application has been filed - even if such an application has been rejected for lack of assets -, if grounds exist for the initiation of insolvency proceedings or comparable proceedings against the assets of the other contracting party or if enforcement measures have been initiated against all or a substantial part of the assets of the other contracting party. Good cause shall also in particular be deemed to exist in our favor if the financial situation of the other party deteriorates significantly and the stability of the supplies is endangered as a result.

(2) In the event of termination of the supply contract, we shall be entitled to disclose to third parties all information from the terminated business relationship that is strictly required by such third parties for the production of the volumes specified in this supply contract in order to meet our requirements - provided such information is not protected by industrial property rights. Any agreements concerning the handling of development results shall remain unaffected thereby and shall survive the termination of the supply contract.

Section 26 Jurisdiction – Place of Performance – Applicable Law

(1) Unless otherwise agreed, place of performance for all and any obligations arising out of the contractual relationship shall be the registered office of our respective company that has become the contracting party of the Supplier.

(2) If the Supplier is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, exclusive place of jurisdiction - also internationally - for all and any disputes arising out of the contractual relationship as well as its creation and effectiveness shall for both parties be the court having jurisdiction for the registered office of our respective company which has become the contracting party of the Supplier. Any statutory provisions taking priority, in particular with regard to exclusive jurisdiction, shall remain unaffected thereby. In each and every case, however, we shall also be entitled to take legal action at the place of performance of the delivery obligation in accordance with these General Terms and Conditions of Purchase or an individual agreement taking precedence or at the general place of jurisdiction of the Supplier.

(3) If the Supplier has its place of business in the Federal Republic of Germany, German law shall apply exclusively. If the Supplier does not have its place of business in the Federal Republic of Germany, the UN Convention on Contracts for the International Sale of Goods (CISG) shall apply; this shall also apply if the Supplier's place of business is not located in a contracting state of the UN Convention on Contracts for the International Sale of Goods. In addition, German law shall apply exclusively, to the exclusion of the conflict-of-law provisions of German private international law.