

1. Terms of supply

1.1 These purchasing terms govern the business relationship between the supplier and all enterprises of the AES group of companies ("AES") listed below:

- AES Technology GmbH, Bielefeld
- AES Technology GmbH, Osterode
- AES Technology GmbH, Göttingen

1.2 Any and all orders of goods or services ("Contractual Items") by AES will be carried out exclusively in accordance with these purchasing terms unless specifically agreed otherwise.

1.3 The supplier's general terms and conditions (such as terms of sale) do not become part of the contract even if AES does not expressly object thereto in each individual case. For the supplier's general terms and conditions to be incorporated into the contract, AES and the supplier must expressly agree so in writing.

1.4 In addition, any and all orders by AES are subject to the following documents, as amended at the time of closing (see www.aes-technology.com/downloads/):

2. Order

2.1 Unless expressly agreed otherwise, deliveries will be made on the basis of written individual orders or rolling delivery schedules from AES.

2.2 Delivery projections/forecasts and planned quantities stated in blanket orders serve as reference values for capacity planning and do not give rise to an acceptance obligation on AES' part. A binding obligation to accept goods arises only through delivery call-offs or individual orders confirmed by the supplier.

2.3 Individual orders must be confirmed by the supplier immediately (within 3 days at the latest) after receipt. AES is entitled to cancel individual orders until the supplier confirms them.

2.4 An individual order or delivery schedule is based on delivery projections/forecasts and shows the specifics of a given delivery, including but not limited to binding delivery volume/s, delivery date/s and place/s of delivery. The supplier is deemed to have declared its acceptance if it does not object to an incoming delivery call or order within 3 (three) business days (Monday to Friday) of receipt or if it begins executing the order.

2.5 AES may demand changes to how the Contractual Items are designed and made to such extent as may be reasonable for the supplier. The supplier assesses the effects of such changes, especially in terms of higher or lower costs and delivery dates, and must inform AES thereof immediately in writing. AES and the supplier will then come to an amicable agreement as to the implementation of such changes. If there is no proper response within two weeks of the communication of a change request, the previously agreed price will continue to apply unless the supplier explains to AES within such two-week period why no response can be provided by such deadline.

2.6 With respect to Capital / investment goods (including tools), AES reserves the right – subject to adequate notice, applicable legal requirements and any conflicting confidentiality agreement of the supplier – to conduct an audit to verify that prices are reasonable. If such an audit reveals that the prices agreed are not reasonable in relation to the actual value, the parties must negotiate new prices for the Capital / investment goods concerned.

3. Material provided

3.1 Materials and devices provided by AES for the supplier's services remain the property of AES. The supplier is obligated to handle them carefully, store them properly and insure them to a reasonable extent against damage and loss at replacement value.

3.2 Prior to the start of production, the supplier must inspect any material provided for visible defects and perform an identity check. During production, the supplier must carry out further tests and document them in accordance with applicable regulations to the extent that

such tests were specifically agreed with AES or are necessary pursuant to its quality management system. If the supplier detects quality defects in the materials or devices provided by AES, it must immediately notify AES, so that further measures may be coordinated.

3.3 The materials provided by AES must be processed exclusively for AES. If the value of the material provided by AES exceeds the value of the processing and, if applicable, the value of the other components of a newly created item, such item become the property of AES; otherwise, co-ownership accrues to AES and the supplier at the rate corresponding with the value of the material provided and the value of processing and other components, respectively.

3.4 Contractor's liens for the supplier according to § 647 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*) are excluded. At the supplier's request, AES will furnish a bank guarantee to secure claims. The amount of the bank guarantee depends on what the parties agree. If the parties do not reach an agreement, AES is entitled to furnish a bank guarantee in an adequate amount as security.

4. Quality and documentation

4.1 The quality of goods and the performance of services are subject to the specifications, drawings, descriptions and other documents agreed between AES and the supplier.

4.2 In addition, the goods or services must meet all legal and regulatory requirements.

4.3 The supplier must inspect all goods and services for defects ahead of shipment and document such inspection.

4.4 The supplier must provide its services on the basis of a quality management system meeting or exceeding the requirements of EN ISO 9001, as amended, hold corresponding certifications and see to the ongoing improvement of such system in accordance with the applicable state of the art (*Stand der Technik*).

4.5 The supplier must retain quality records (especially with regard to production times/batches, its inspection of outgoing goods and such documents as may be needed to ensure trackability) as well as documentation related to safety and development for a period of at least 15 years.

5. Dates, delay in delivery

5.1 Agreed delivery dates are binding and, unless otherwise agreed, refer to the receipt of goods at the unloading point specified in a given order.

5.2 The supplier must inform AES of any imminent delay in delivery immediately after becoming aware thereof.

5.3 If the supplier fails to meet agreed delivery deadlines, it must compensate AES for any damage related to such delay if and to the extent that the delay is attributable to the supplier.

5.4 In the event of a culpable delay in delivery, the supplier pays AES a contractual penalty equaling 0.3% of a given order value for each full or partial working day (Monday to Friday) in a total amount not to exceed 5% of such order value. The right to assert further claims for damages is not affected. Claims for damages, if any, are to be adjusted for contractual penalties paid. The supplier is free to furnish proof of lesser damages.

5.5 Once a grace period has been allotted and lapsed without producing the desired outcome, AES may demand compensation for non-fulfilment and/or rescind the order in question. In the event of recurring delays in delivery, AES is entitled, subject to prior notice, to cancel any order(s) not yet completed by such time with immediate effect.

5.6 Premature, partial and short deliveries are subject to AES' prior written consent. In the absence of such consent, AES may return such deliveries at the supplier's risk and expense or charge a storage fee.

6. Transport, packaging, transfer of risk

- 6.1 Unless otherwise agreed, delivery is effected DDP INCOTERMS 2020, and the supplier bears any cost of disposal related to packaging.
- 6.2 Irrespective of circumstances, the transfer of risk only takes place after the goods have been delivered to the unloading point agreed. This also applies if AES is required to bear shipping costs under a special contractual arrangement. If AES pays for shipping, AES' shipping instructions (*Versandvorschriften*) must be observed.
- 6.3 Each delivery must be accompanied by a delivery note in duplicate as well as a label placed on the goods in the designated place. The information provided is based on AES' specifications under the logistics and packaging requirements (*Logistik- und Verpackungsanforderungen*).
- 6.4 If delivered goods are not labeled in accordance with the provisions of the logistics specifications (*Logistiklastenheft*), we reserve the right to charge an additional fee per transaction at our equitable discretion. The supplier is entitled to furnish proof of lesser damages. Other claims for damages, if any, are to be adjusted by such fees.
- 6.5 The existing house rules for external companies (*Hausordnung für Fremdfirmen*) must be observed when working on AES' premises.
- 6.6. The individual delivery points at AES plants and the hours of acceptance are set forth in the general guidelines for the acceptance of goods (*Allgemeine Richtlinien zur Warenannahme*). In addition, the packaging and logistics requirements apply.

7. Payment and terms of payment

- 7.1 Unless otherwise agreed, the prices agreed are fixed and stated exclusive of statutory VAT (where applicable). The prices agreed fully cover all of the supplier's work, services and expenses in connection with an order, and specifically include the transfer of IP rights and the grant of rights of use or licenses.
- 7.2 Unless otherwise agreed, prices are DDP, with a place of delivery as agreed and INCOTERMS 2020.
- 7.3 AES effects payment by the 25th day of the month following invoice receipt for a 3% discount, or in full within 60 days. Payments are made using means of payment of AES' choice. Terms of payment commence upon AES' receipt of goods.
- 7.4 Invoicing and payments for deliveries are based on the weights or quantities determined at the unloading point. In the event of defective delivery, AES may withhold such portion of payment as may be commensurate with the underlying value until proper fulfilment. Drafts, drawings and samples are subject to payment only if and to the extent that a prior written agreement to that effect was executed.
- 7.5 The supplier may not assign its claims or have them collected by third parties without AES' prior written consent, which must not be withheld unreasonably. In the event of an extended retention of title, such consent is deemed to have been given. If, contrary to sentence 1, the supplier assigns its claims against AES to a third party without AES' consent, such assignment is nevertheless effective. However, AES may then, at its option, effect payment with debt-discharging effect to either the supplier or such third party.
- 7.6 The supplier may adjust AES' claims by its own or assert a right of retention only if and to the extent that its claim is undisputed or its counterclaim has been effectively established. AES may adjust the supplier's claims by such claims as may be due to an affiliated company within the meaning of § 15 of the German Stock Corporation Act (*Aktiengesetz - AktG*).

8. Force Majeure

- 8.1 Industrial disputes, riots, official measures and other unforeseeable, unavoidable and serious events release AES and the supplier from their respective performance obligations for the duration of such disruptions and to the

extent of their effect. If the disruption lasts longer than one month, the parties must adapt their mutual obligations to the prevailing circumstances in good faith.

- 8.2 The parties are obligated to use their best efforts to eliminate the disruption and mitigate its effects.
- 8.3 For the duration of any delay on the supplier's side, AES is entitled to procure Contractual Items from other sources or have them manufactured, as well as to reduce the delivery volume set forth in orders or delivery schedules without incurring any obligation vis-à-vis the supplier.

9. Reliability of supply

- 9.1 The supplier will notify AES of any intended technical change to the supply of goods cleared for delivery well enough in advance and, where possible, at least 3 months before the change is introduced. Irrespective of circumstances, the supply of modified goods in all cases requires AES' prior express written consent – for instance, in the context of another initial sample approval. If goods are made according to AES' specifications, this further applies to the change itself.
- 9.2 The provisions in item 9.1 above apply *mutatis mutandis* to changes in procurement sources for raw materials or components as well as changes in manufacturing sites or significant changes to the supplier's manufacturing process.
- 9.3 Where the Contractual Items are specially developed for AES, and whenever AES has directly or indirectly contributed to the costs of development and/or production resources, the supplier undertakes to supply AES with the Contractual Items based on demand, and to accept orders from AES for as long as AES requires the Contractual Item in question. The supplier is to be given reasonable advance notice of projected delivery volumes on the basis of the customer demand anticipated by AES. Notwithstanding the provision in item 2.2, however, the supplier holds no claim to the acceptance of certain quantities unless expressly agreed otherwise.
- 9.4 In order to secure the availability of spare parts to AES, the supplier must guarantee the delivery of any needed Contractual Item for a period of 15 years after serial production ends for the AES product in which a given Contractual Item is installed. If it becomes apparent to the supplier within such period that it will no longer be able to do so, it must immediately notify AES that a given Contractual Item will cease to be available and give AES an opportunity to procure an all-time supply in the absence of reasonable alternatives.

10. Acceptance and notification of defects

- 10.1 If acceptance is required under the terms of the agreement between AES and the supplier, due to the nature of the supplier's performance obligation or as a result of applicable statutory provisions, and where it has not been agreed otherwise, acceptance is formally completed by means of an acceptance protocol following completion and delivery of a given Contractual Item. Acceptance must not be deemed to have been effected tacitly if no response is offered to the supplier's request for acceptance, if payment is made or if the Contractual Item is put to use. § 640 (2) of the German Civil Code is not affected by this clause.
- 10.2 AES' inspection of incoming goods is limited to verifying the identity and quantity of the products delivered and checking for visible damages sustained during transport. AES is to be notified immediately if any defect is found – but in any case no later than 10 business days from detection. Similarly, AES must promptly notify the supplier of other ("hidden") defects, but in any case within 10 business days from discovery. To such extent, the supplier waives the defense of belated notification of defects.
- 10.3 With regard to the quality-assurance measures to be adopted, consideration is to be given to such

determinations as may have been made under special contractual arrangements – e.g., quality assurance agreements, ship-to-stock agreements, etc.

11. Warranty

11.1 The supplier represents and warrants that the Contractual Items are free from defects, specifically reflect agreed specifications as well as the state of the art in science and technology and are fit for the intended purpose.

11.2 If defective goods are delivered, AES may demand that such goods be either replaced or repaired.

11.3 If goods are repeatedly delivered with the same defect or if an attempt at rectifying the defect is unsuccessful, AES may cancel the order(s) with immediate effect following written notice in the event of another defective delivery/failed attempt at rectification – even with respect to the scope of delivery that remains outstanding at such time.

11.4 AES is entitled, subject to prior consultation with the supplier, to sort out and return or scrap defective Contractual Items at the supplier's expense.

11.5 In the event that the supplier does not comply with AES' demand for remedial performance immediately, or if it cannot carry out or definitively refuses such performance, AES may rescind the order in question and return the goods at the supplier's risk and expense.

11.6 In cases of urgency and, whenever possible, after having placed the supplier on advance notice, AES may, at its option, itself rectify defects or have third parties do so if and to the extent that such rectification is required for the fulfillment of its own supply obligations, or procure Contractual Items that are free from defects from third parties. The supplier will bear any related necessary expense. Cases of urgency refer to those in which a (further) delay in delivery or (further) damage to AES or its customers is imminent.

11.7 If a defect is discovered only after a given Contractual Item undergoes further processing even as the provisions of item 10 of these terms were complied with, the supplier must bear such costs of defect detection, of installation and dismantling as well as of transport, travel, labor, material, testing and sorting as may arise as a result, irrespective of whether such costs were incurred by AES itself, its customers or within the customers' sales organization. Such obligation further extends to the cost of any necessary repair or replacement of products in which AES installed defective Contractual Items.

11.8 If an entire series/batch/supply of Contractual Items or AES products in which Contractual Items were installed must be replaced on account of a recurring defect of Contractual Items (e.g., because an error analysis is not economical, not possible or not reasonable in a given case), the supplier must also cover the aforementioned costs for any part of the series in question that is not afflicted with such defect.

11.9 Insofar as the parties have made separate agreements for processing and settling warranty claims, especially in the event of complaints from AES' customers, such agreements prevail over the provisions of these purchasing terms.

11.10 Insofar as AES has concluded warranty agreements with its own customers in keeping with industry practice, the supplier bears any cost and damage resulting from its share of deliveries, which are calculated in accordance with such agreements. AES must keep the supplier informed of and involve it in diagnoses and claims processing to the extent possible – for example, through the submission of parts from reference markets and participation in diagnoses.

11.11 Unless the parties have expressly agreed otherwise in writing or applicable law prescribes a longer period, warranty claims become time-barred 48 months from delivery to AES or, depending on the type of performance obligation, from AES' acceptance of a given Contractual

Item. Notices of defect have the effect of suspending the limitation period.

11.12 Unless specified otherwise above, warranties are subject to applicable statutory provisions in all other respects.

12. Liability

12.1 Insofar as AES or a third party suffers damage due to the supply of defective goods, deficient performance or another breach of contractual obligations, the supplier must cover any resulting damage as required by applicable statutory provisions. This also applies if and to the extent that the supplier's sub-suppliers caused the damage in question.

12.2 If a recall or call-back campaign is conducted by AES, one of AES' customers or a third party in order to avoid personal injury or property damage that is based at least in part on a Contractual Item from the supplier, the supplier must bear and indemnify AES against any related cost insofar as such cost is attributable to the Contractual Items it supplied. The same applies in cases of quality-related field and service campaigns. To the extent possible, AES will inform the supplier in due time, provide it with an opportunity to participate and coordinate with it in the interest of efficient implementation.

12.3 The supplier undertakes to take out product liability insurance (product liability model) with coverage commensurate with the risks of the automotive industry in an amount of at least EUR 10,000,000.00 (in words: ten million euros) per calendar year for property damage and personal injury, as well as vehicle recall cost insurance with an adequate coverage sum of at least € 10,000,000 per calendar year, and to maintain such coverage for at least 15 years after delivery/performance. The type and scope of such insurance coverage, including the name of the insurer, must be verified upon AES' request. The supplier must further inform AES of any substantial changes (e.g., validity, scope or coverage sum) to the insurance policies on its own initiative.

13. Rescission

13.1 If either party's assets become subject to a petition for the institution of insolvency proceedings, the other party may rescind the order with respect to any unfilled portion thereof, provided that it has fulfilled its obligations under the order.

13.2 Subject to the same conditions, each party is entitled to rescind the master agreement concluded.

13.3 In all other respects, the statutory provisions on rescission apply.

14. Property rights

14.1 The supplier is liable for ensuring that its deliveries or performance do not infringe third-party industrial property rights and copyrights. Accordingly, it indemnifies and holds AES and its customers harmless from and against all claims arising from the use of such property rights.

14.2 No liability is incurred if and to the extent that the supplier has manufactured the Contractual Items in accordance with AES' mandatory specifications.

14.3 AES receives a right of use for any industrial property rights and copyrights related to the Contractual Items and necessary for the use thereof as contractually provided that are held by the supplier as of the closing.

14.4 Insofar as AES has contributed to the costs of developing the Contractual Items, AES receives, without prejudice to any further rights on the basis of a separate agreement with the supplier, a non-exclusive right of use for all purposes, unlimited in time and place and free of charge, including the right to sublicense inventions used in or copyrights to the Contractual Items. Insofar as the supplier's services include the creation of software, the supplier will make the source code, including any software documentation, available to AES on request.

15. Transfer of information and items

15.1 The supplier is obligated to treat as confidential all business secrets obtained in the course of the cooperation, along with such knowledge and information, including but not limited to drawings, templates, models, tools, documents, software and other data carriers, as AES may have made available to the supplier, and not to disclose them to third parties unless doing so is absolutely necessary for the performance of the contractual services. Individuals working for the supplier or its sub-suppliers to carry out the services are to be required to maintain secrecy accordingly.

15.2 The duty of confidentiality pursuant to the preceding clause does not apply if and to the extent that the information concerned demonstrably is or becomes generally known through no fault of the supplier's own, or has been or will be lawfully obtained from a third party or was already available to the supplier before the cooperation commenced or must be disclosed under applicable regulations.

15.3 The duty of confidentiality survives the termination of an order or contract.

15.4 The supplier may only advertise its business relationship with AES with AES' prior written consent.

15.5 Contractual Items that have been manufactured according to information, drawings or models provided by AES, or with tools paid for by AES, in whole or in part may not be offered or delivered, including in the form of samples, to third parties without AES' express prior written consent.

16. Tools

Insofar as the supplier manufactures the Contractual Items using tools, devices, machines or other manufacturing equipment (means of production) for which AES bears the costs in whole or in part, AES acquires, no later than upon payment of the agreed costs, ownership or co-ownership thereof in proportion to the costs borne by AES. If the means of production remain with the supplier, the transfer is to be substituted by an arrangement under which the supplier stores such means at no charge to AES using the care it applies to its own affairs. In all other respects, such relevant agreements as may have been entered into separately between the parties, such as AES tool contracts (*AES-Werkzeugverträge*), apply.

17. General provisions

17.1 Insofar as these terms require the parties' notifications or declarations to be made in writing, such requirement is deemed to have been satisfied if a declaration is transmitted by facsimile/EDI/email.

16.2 If any provision of these terms is or becomes invalid, this will not affect the validity of the remaining provisions. In such a case, the parties are obligated to replace the ineffective provision with one that approximates, to the extent possible, the economic outcome of the ineffective provision.

16.3 Changes, amendments and other subsidiary agreements must be made in writing. This also applies to any waiver or amendment of this requirement as to written. Only individual agreements between the parties are exempted from this rule.

16.4 The place of performance is the registered office of AES or the receiving locations specified by AES.

16.5 The law of the Federal Republic of Germany applies exclusively, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

16.6 The place of jurisdiction for all disputes arising from or in connection with these terms and the deliveries made hereunder is the registered offices of AES or, with respect to legal actions by AES, any other competent court.

16.7 If the supplier has its registered offices outside of the European Union (EU) or the European Free Trade Association (EFTA), all disputes arising from or in connection with these terms or any contractual

relationship established on the basis thereon, be it directly or indirectly, are to be settled in accordance with the arbitration code of the German Arbitration Institute (*Deutsche Institution für Schiedsgerichtsbarkeit - DIS*) without recourse to a court of law. This arbitration clause is subject to German law. The arbitration tribunal consists of three arbitrators, one of whom must be qualified to hold the office of judge in Germany. Arbitration proceedings are conducted in Frankfurt am Main, Germany. The language of the arbitration proceedings is English.

16.8 If the supplier has its registered offices in the People's Republic of China, all disputes arising from or in connection with these terms or any contractual relationship established on the basis thereon, be it directly or indirectly, are to be settled in accordance with the arbitration code of the Hong Kong International Arbitration Center (HKIAC) without recourse to a court of law. This arbitration clause is subject to German law. The arbitration tribunal consists of three arbitrators, one of whom must be qualified to hold the office of judge in Germany. Arbitration proceedings are conducted in Frankfurt am Main, Germany. The language of the arbitration proceedings is English.