



General Purchasing Terms and Conditions

Under the Laws of the People's Republic of China

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1. DEFINITIONS

Notwithstanding anything to the contrary, the following words and expressions, when used with capital initial letters in the Contract, shall have the following meanings:

GPC	are the General Purchasing Terms and Conditions, consisting of this document and any document attached hereto or incorporated by reference.
Affiliated Company	is (i) with respect to Forvia, any legal unit controlled by Forvia S.E. or by a successor of Forvia S.E. or (ii) with respect to the Supplier, any entity controlling, controlled by or under common control with the Supplier, where " controlled " means direct or indirect possession of at least thirty five percent (35 %) of the shares or voting rights in such legal entity.
AI Output	refers to the results generated by AI, such as texts, images, videos, code, content, predictions, recommendations and decisions.
AI Regulations	Include the Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on Artificial Intelligence (" EU AI ACT ") and any applicable legal acts on Artificial Intelligence.
Artificial Intelligence ("AI")	means artificial intelligence systems, system components, base models and/or generative artificial intelligence systems in accordance with the AI Regulations.
Audit	is the auditing of the contractual obligations, means of production and facilities (including, but not limited to production processes, design processes and quality standards) of the Supplier.
Auditor	is the person or group of persons that are appointed by the Company at its sole discretion to undertake the Audit.
Background	is the entirety of the respective Contracting Party's Industrial and Intellectual Property that may be shown by each party to be already in existence prior to the entry into the Contract, performance of the Contractual Services or development of the Contractual Products and therefore, excluding Results, or can be shown to be developed by such Party independent of any Confidential Information, Results or Background of the other Party.
Closed Order	is a Purchase Order that contains all requisite characteristic of Contractual Products and/or Contractual Services, including delivery dates and exact delivery quantities.



Company	is the Affiliated Company of Forvia that issues the Purchase Order.
Confidential Information	Shall have the meaning set forth in Section 22.1 herein.
Contract	is the entirety of all contractual documents that are listed in Section 3.1.
Contracting Parties	means collectively the Company and the Supplier; and Contracting Party means either of them.
Contractual Products; or Products	are all goods, products, equipment, tooling, components, assemblies or sub-assemblies or materials that are a subject matter of the Contract including the drawings, models, templates, samples, or similar objects or data on which the Contractual Products are based on, regardless of their form (tangible or intangible) or medium (including but not limited to paper, sample, electronic device).
Contractual Services or Services	are all services that are a subject matter of the Contract.
Copyleft	means any FOSS License having binding effects on subsequent downstream licenses including a contaminating/viral effect and the obligation for the licensee to disclose the source code of the related software.
Customer	is the automobile manufacturer, whether consumer, commercial, off-road or similar, mobility provider, non-automotive company (including, but not limited to, electronics and consumer product technology providers) or other person, company, entity or sub-contractor to which the Company directly or indirectly delivers the Customer Products. If the Company was not nominated directly by any automobile manufacturer, the Customer is the company that nominated the Company for the delivery of the Customer Products or, as the case may be, engaged the Company therewith.
Customer Products	are the Company's products, including but not limited to the Contractual Products and/or Contractual Services.
Default	is constituted when the concerned Party is in breach of its contractual obligations.
Defects	are material and legal defects. The Contractual Products and/or Contractual Services have a material defect if (1) the Contractual Products and/or Contractual Services do not meet the agreed quality or Specifications, (2) is not suitable for the use intended under the Contract or (3), to the extent the quality and/or the intended use has not been explicitly or implicitly agreed upon, is not suitable for the customary use



and its quality is not equal to items of the same kind. Delivery by the Supplier of a different kind of item or of an item of lesser value than the Contractual Products and/or Contractual Services constitutes a material defect.

The Contractual Products and/or Contractual Services have a legal defect if third parties, in relation to the Contractual Products and/or Contractual Services, can assert any rights or claims of any kind, other than those rights or claims assumed pursuant to the Contract, against the Company

Equipment	are auxiliary items, such as but not limited to samples, prototypes, calibers and tooling, manufactured or provided by the Supplier in order to perform the Contractual Products and/or Contractual Services.
Forvia	is the factual group formed by Forvia S.E.'s Affiliated Companies and HELLA including its Affiliated Companies, including the Company.
Forvia Indemnified Parties, (each, a "Forvia Indemnified Party")	is Forvia, Forvia S.E., the Customer and each of such party's respective Representatives, agents, subsidiaries, affiliates, distributors, end-user customers; and successors and assigns of such parties.
Forvia S.E.	is Forvia S.E., a European company headquartered at 23-27, avenue des Champs Pierreux, 92000 Nanterre, France, registered in the Commercial Register of Nanterre under number 542 005 376.
Force Majeure	is an event which was not foreseeable, and not the fault of, nor caused by a Party's negligence, and which is beyond the reasonable control of the Contractual affected Party and would impair the ability of the affected Contracting Party to perform normally its contractual obligations, such as acts of God, or of a public enemy/acts of terror or governmental action specifically restricting the performance, fires, floods, unusually severe weather, explosions, riots or war. Force Majeure does not include, however, any delay arising from or as a result of (i) Strikes of the Supplier's personnel or strikes of its Subcontractors' (ii) Supplier's financial difficulties; (iii) a change in cost or availability of materials or components based on market conditions or Supplier actions; (iv) labour shortages or absenteeism on the part of Supplier or Supplier's Subcontractors; or (v) delays arising out of any cyber-security or information system service disruption event.
FOSS (Free and Open Source Software)	Free and Open Source Software (FOSS) means software components, parts of these or individual files that are available as source code and without payment of license fees and are under a license that grants the user rights to edit and distribute. This applies in particular to licenses that have been classified by



the OSI (<https://opensource.org/licenses>) and / or the FSF (<https://www.gnu.org/licenses/license-list>) as a FOSS license or are included in the SPDX license list (<https://spdx.org/licenses/>).

Software components, parts of these or individual files that have been marked as Public Domain by the legal owner are treated like FOSS within the framework of the contract. The designation as Public Domain means that the right holders have expressed that they no longer want to have any rights to the corresponding software components, parts or files and that they want to make these available in the public domain or license them to anyone without conditions.

General Terms and Conditions for the Use of FOSS

are General Terms and Conditions for the Use of Free and Open-Source Software, which apply to all deliveries and services containing FOSS in any form, whether permanent or temporary, as separate FOSS or as FOSS combined with software and/or hardware and includes FOSS used by the Supplier as well as FOSS used by its sub-suppliers.

HELLA

is HELLA GmbH & Co. KGaA, a German company headquartered at Rixbecker Str. 75, 59552, Lippstadt, Germany, registered in the Commercial register of Paderborn under number HRB 6857.

Incompatible License

means any license (including any FOSS License) containing at least one term contrary to the terms of another licence (including a FOSS License) preventing the Company from complying with the terms of both of such licenses for use, representation, reproduction, adaptation, modification or distribution of the corresponding software(s).

Industrial and Intellectual Property

is constituted by the industrial and intellectual property of a Contracting Party or third party, including the Proprietary Rights and Know-How.

Invoice

is a commercial invoice that contains all the information necessary for identification and verification of the relevant delivery of the Contractual Products and/or Contractual Services.

Know-How

is know-how of any kind, particularly inventions, test and development reports, drawings, models, ideas, suggestions, and calculation results of the Contracting Party, which are not Proprietary Rights.

Letter of Nomination

is the document and its appendices whereby the Company appoints the Supplier for the supply of Contractual Products and/or Contractual Services.



Liabilities	include but are not limited to any claims, deductions, debits, losses, damages, demands, costs, expenses, of any kind or any nature, whether actual or threatened, including consequential, punitive and special damages, moral rights collections, personal and property damages, lost profits, production interruption costs, inspection, handling, reworking, labor, legal and other professional fees, witness and expert fees, costs of defense and any other costs associated with Forvia's internal or external time, labor, materials or similar cost; as such costs are incurred by or threatened against any Forvia Indemnified Party, caused by, arising from or related to Supplier's performance of its obligations or Default, or otherwise and/or occasioned by Supplier's or Supplier's Representatives actions, omissions, negligence, gross negligence or misconduct, and including but not limited to (i) improper, unsafe or defective materials, workmanship or design of the Contractual Products and/or Contractual Services, except where strict and complete compliance by the Supplier with the Specifications prescribed by and originating with the Company constitutes the sole basis of the claim or alleged claim, or (ii) breach of any provisions of any Purchase Order or this Agreement, including but not limited to any of the representations or warranties provided herein, (iii) the Supplier's failure to comply with all applicable laws; or (iv) breach or alleged breach of intellectual property rights of a third party.
Mandated Supplier	is any Supplier that the Company's Customer has directed, recommended or requested the Company to utilize, source, or otherwise engage.
Open Order	is a Purchase Order containing all requisite characteristics of Contractual Products and/or Contractual Services, with the exception of certain particulars, including delivery dates or exact delivery quantities, and which provides that delivery dates and exact delivery quantities are to take place within the framework of Releases, delivery schedules, purchase orders or other similar documents.
Order Confirmation	is a copy or separate confirmation of the Purchase Order communicated by the Supplier.
Particular Conditions	are separate business terms and conditions, including any appendices, that contain specific requirements which address special product, local market or delivery requirements, including legal matters specific to country where the Company or the Supplier is located. The Particular Conditions are intended to be applicable as per the Purchase Order and are binding on the Company and the Supplier.
Personal Data	is any information relating to an identified person or a person who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification



number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

Price	is the price that the Company has agreed to pay as consideration for the Contractual Products and/or Contractual Services.
Proprietary Rights	are all intellectual property rights including, but not limited to, patents, trademarks, trade names, copyrights and all rights of whatsoever nature in computer software and data, rights in logos, inventions, moral and artists' rights, design rights, trade or business names, domain names, database rights and semiconductor topography rights and all intangible rights and privileges of a nature similar, analogous or allied to any of the above in every case whether registered or unregistered and all rights or forms of protection of a similar nature anywhere in the world.
Provided Material	is any material and/or equipment provided free of charge by the Company to the Supplier.
Purchase Orders	are all documents, including Open Order, by means of which the Company orders Contractual Products and/or Contractual Services.
Quality Assurance Agreement (QAA) or Warranty Agreement	means the Quality Assurance Agreement or Warranty Agreement provided by the Company to the Supplier, as may be amended, by the Company from time to time setting forth certain minimum quality requirements for the Contractual Products and/or Contractual Services and shall be binding upon the Supplier pursuant to these GPCs. The Company may mandate additional quality requirements specific to the Contractual Products and/or Contractual Services to be provided. In such case any additional requirements shall be deemed incorporated into the QAA by reference.
Release	is a call-off for Contractual Products and/or Services pursuant to an Open Order.
Representative(s)	means any employee, agent, contractor, subsidiary, affiliate, or successor and assign authorized to, or otherwise acting on behalf of a Contracting Party.
Results	is the entire Industrial and Intellectual Property, and all intellectual work and inventions, excluding Background, created by the respective Contracting Party after entering into the Contract within the framework of rendering of the Contractual Products and/or Contractual Services, and protectable, or not, by Intellectual Proprietary Rights, including by patents of invention.



Right of Use	is the right to exploit an item or a right. It encompasses, in particular, the right of manufacturing, of performing further development, reproduction, dissemination, presentation, adaptation, redesign, use, and marketing. Unless otherwise expressly provided in the Contract, the Right of Use can be freely transferred and/or sub-licensed, is irrevocable, unlimited in duration and valid worldwide.
Spare Parts	are Contractual Products or sub-components of Contractual Products which the Company sells as replacement part to the Customer either during or after series production of the Customer Products.
Specifications	are the required properties for the Contractual Products and/or Contractual Services, specified by the Company, usually contained in documents attached to the Purchase Order and/or any Letter of Nomination.
Subcontractor	is any third party that the Supplier entrusts with the execution of at least part of the Contractual Products and/or Contractual Services.
Supplier	is the Contracting Party or any of its Affiliated Companies that is required to provide Contractual Products and/or Contractual Services to the Company.

2. SCOPE OF APPLICATION

These GPC shall apply to all Purchase Orders, Letters of Nomination, Statements of Work, Particular Conditions, and any and all documents termed "purchase agreements" issued by the Company to the Supplier. The applicability of the general terms and conditions, or similar Supplier terms, of the Supplier shall be barred, even if an objection is not specifically raised against them.

3. CONTRACTUAL DOCUMENTS

- 3.1 **Contract.** The Contract consists of the following documents, in a decreasing order of priority: (i) the Releases, (ii) the Purchase Order issued by the Company, (iii) the Letter of Nomination, if applicable (iv) Particular Conditions, especially General Terms and Conditions for the Use of FOSS, provided in writing by the Company, if applicable, (v) one or more QAA or Warranty Agreement issued by the Company; and (vi) these GPC. In the event of conflicts between provisions of the Contract, the priority of the documents shall be determined according to the foregoing sequence.
- 3.2 **Entire Agreement.** The Contract constitutes the entire agreement between the Contracting Parties and supersedes all prior, contemporaneous, express or implied, written or verbal, representations and/or agreements.
- 3.3 **Amendment.** Any request for amendment of the Contract shall not unreasonably delay or suspend performance of the Contractual Products and/or Contractual Services. Amendments to the Contract are only



enforceable if set forth in writing and validly signed by authorized Representatives of the Contracting Parties.

4. FORMATION OF THE CONTRACT

- 4.1 **Binding Purchase Order.** The Purchase Order issued by the Company may be sent by letter, email or any other electronic means determined by the Company. Acceptance of a Purchase Order constitutes the Supplier's acceptance of the express terms of the Company's offer as set forth in these GPC, Particular Conditions, the QAA and the Purchase Order. Any proposal for additional or different terms or any attempt whatsoever by the Supplier to vary any of the terms of a Purchase Order (whether in the Supplier's quotation form, acknowledgement form, invoice or otherwise) shall be deemed material and is hereby objected to and rejected. The Company only agrees that these GPC apply. The first occurring expression of acceptance of a Purchase Order or Particular Conditions by Supplier shall be the earliest of: (i) the Supplier's written acceptance of the Purchase Order; (ii) Supplier's commencement of work on the Contractual Products and/or Contractual Services; (iii) performance of all or any portion of the Contractual Services for which a Purchase Order has been issued; (iv) shipment of any Contractual Products hereunder; (v) Supplier's failure to object to any Purchase Order or Particular Conditions in writing, within three (3) days of receipt; or (vi) submission of an invoice or shipping statement referencing or related to a Purchase Order; or (vii) other conduct that indicates Supplier's acceptance, including but not limited to Supplier's preparation for performance, each of which shall constitute acceptance of the Company's offer contained in the Contract.
- 4.2 **Cancellation.** In addition to any other rights of the Company, the Company may cancel a Purchase Order with immediate effect and without a statement of grounds, at any time prior to the Company's actual knowledge of the Supplier's acceptance. Cancellation shall not establish any claims whatsoever on the part of the Supplier.
- 4.3 **Company Acceptance.** If the Supplier does not dispatch an Order Confirmation and the Purchase Order has not been revoked in accordance with Section 4.22, the Contract shall, by way of deviation and in addition to those modes of acceptance set forth in Section 4.1, also be deemed validly formed as soon as the Supplier executes the Purchase Order in whole or in part and the Company accepts the respective Contractual Products and/or Contractual Services without reservation.

5. CHANGES TO THE CONTRACTUAL PRODUCTS AND/OR CONTRACTUAL SERVICES

- 5.1 **Changes.** The Company shall be entitled to request changes to any Contractual Products and/or Contractual Services from the Supplier at any time. The Supplier shall review the feasibility and the technical and commercial effects of the changes and transmit a written offer to the Company concerning implementation of the changes within reasonable time. The offer shall contain a detailed description of the effects of the changes (particularly with respect to the quality, the safety, price, costs, and/or the delivery dates of the Contractual Products and/or Contractual



Services) including any supporting documentation. If the changes requested are related to quality or safety, the technical and commercial feasibility of such changes has to be reviewed immediately by the Supplier which shall send an offer forthwith.

5.2 **Confirmation of Change.** If the Company accepts the Supplier's offer, the Contracting Parties shall undertake all necessary adjustments to the Contract in a mutually-executed, written amendment prior to implementation of the changes. This shall apply, in particular, to the adjustment of the Specifications, the drawings, the Price, the delivery dates and/or other time periods.

5.3 **Resolution.** If the Contracting Parties do not reach an agreement with respect to all necessary changes as provided for in Sections 5.1 and 5.2, the Company shall be entitled to, at its sole option:

5.3.1 reject the Supplier's offer/change and demand performance under the terms of any accepted Purchase Order or Particular Conditions;

5.3.2 engage a third party to implement the changes. In such case, the Supplier promises to deliver to the Company all drawings, Specifications and other documents that are necessary to the planning and implementation of the changes; and/or

5.3.3 terminate the Contract in whole or in part as per the provision of Section 25.

5.4 **No Change.** The Supplier may not make any change to the Contract, Purchase Order, the Contractual Products, Particular Conditions, Price and/or Contractual Services, without prior written agreement signed by an authorized Representative of the Company. If the Supplier intends to make a change to the Contractual Product and/or Contractual Service, it shall notify the Company as early as possible, but not later than at least 9 (nine) months before the planned implementation of the change. The Supplier must assume all costs incurred by the Company due to these changes, including but not limited to the qualification costs, change costs, test costs, development costs, the costs for a renewed first sample release etc.

6. INFORMATION, NOTICES, WARNINGS

6.1 **Information Sharing.** The Supplier is a specialist in the execution and performance of the Contractual Products and/or Contractual Services. As such, the Supplier shall promptly transmit to the Company all necessary information, advisories, and warnings relating to the Contractual Products and/or Contractual Services, including their quality or their safety, regardless of the skills and/or Know-How of the Company. In particular, the Supplier shall:

6.1.1 provide the Company with all information and advisories that are necessary for the correct storage, packaging and use of the Contractual Products and/or Contractual Services;



- 6.1.2 ensure that the Specifications of the Contractual Products and/or Contractual Services are complete, suitable for and commensurate to the contractually agreed upon or known intended use. The Supplier shall be required to promptly inform the Company if the Contractual Products and/or Contractual Services violate any applicable laws of countries in which the Customer Products are to be sold, distributed or used.
- 6.1.3 inform the Company of any quality risks or other inadequacies of which it is aware with respect to the Contractual Products and/or Contractual Services and promptly warn the Company if the Contractual Products and/or Contractual Services are defective, particularly if such Defect could endanger the safety of people or property; and
- 6.1.4 propose measures to the Company to improve the quality and reduce the costs of the Contractual Products and/or Contractual Services.

7. ACCREDITATION

- 7.1 **Accreditation Requirements.** If required by the Company, the Supplier must, at its sole cost and expense, be accredited by the governmental authorities or organizations listed in the Contract and shall take all necessary steps to maintain the accreditation throughout the term of the Contract. The accreditation must be provided by an independent organization authorized to do so and must include the Contractual Products and/or Contractual Services. The Supplier has to promptly inform the Company of any potential or actual change of its accreditation status and the steps that have been taken in that regard.
- 7.2 **Suspension for Non-Compliance.** The Company shall be entitled to suspend the performance of the Contract or terminate the Contract for breach if the Supplier breaches its obligation with respect to accreditation provided in Section 7.1.

8. QUALITY ASSURANCE; INSPECTIONS

- 8.1 **Quality Management.** By concluding the Contract in accordance with the Sec.4, the Supplier expressly accepts the Company's quality management system, especially Quality Management Guidelines for Supplier or/and Logistics Guideline for Supplier and the Company's Quality Assurance Agreement (QAA) or Warranty Agreement, which has been communicated to the Supplier which may be amended by the Company from time to time and agrees to adhere to the applicable quality management system for the site(s) and region(s) in which the Supplier operates. The QAA and any additional quality management requirements mandated by the Company will be provided to the Supplier upon request. The Supplier acknowledges and agrees that it has access to the QAA or Warranty Agreement and to the Company's quality management systems, and the terms of the QAA and Warranty Agreement. The Supplier agrees and warrants it shall strictly comply with the terms and conditions specified therein, and any updates thereof. For purposes of clarity, the QAA that shall be applied in accordance with this Section 8 shall be the then-current QAA or Warranty Agreement of the



Company party that has issued the applicable Letter of Nomination (for example, the HELLA QAA shall apply for any nomination or PO issued by a HELLA Affiliate, and the Forvia QAA for any nomination or PO issued by a non-HELLA Forvia Affiliated Company). The Company will provide a copy of the applicable QAA upon request by the Supplier.

- 8.2 **Strict Performance.** The Supplier shall provide the Contractual Products and/or Contractual Services in conformity with the quality procedure specified in the Contract, which is incorporated herein by reference. The Supplier shall deliver copies of all certificates relating to the Contractual Products and/or Contractual Services and the safety thereof to the Company.
- 8.3 **Supplier Site Inspection.** At the Company's option, the Company may, from time to time, review and inspect the Supplier's testing, inspection, quality control and reliability procedures, as well as any data supporting. The Supplier agrees to comply at all times with the Company's most recently adopted quality control/assurance specifications and manuals and inspection standards and procedures as made available by the Company (including, without limitation, as posted on the Company's website, www.forvia.com), additional copies of which are available upon request.
- 8.3.1 If the Company or any of its Representatives, subcontractors, suppliers or Customers, enter upon the premises owned or controlled by the Supplier, the Supplier shall: (i) release, defend, indemnify and hold such Forvia Indemnified Party, harmless from and against all Liabilities and (ii) ensure that the Supplier and its Representatives are in compliance with all requirements of any workers' compensation legislation, health, safety and environmental regulations, or similar applicable laws of the jurisdictions in which the Supplier's premises are located.
- 8.4 **Right of Product Inspection.** All materials, tooling, capital, equipment and workmanship utilized in the performance of any Purchase Order shall be subject to inspection and testing by the Company (and the Company's Customers) to the extent practicable at all times and places, including the period and place of manufacture. If any such inspection or testing is made on the Supplier's premises or on the premises of any authorized subcontractor or agent of the Supplier, the Supplier or such authorized subcontractor or agent, as the case may be, shall provide, without additional charge, all reasonable facilities and assistance. Unless granted by the Company's authorized Representatives in writing, no inspection shall be deemed to be an approval or admission by the Company that the inspected Contractual Products and/or Contractual Services (or any related work-in-process or other physical inventory) fulfil the terms of any Purchase Order. Inspection and approval by the Company or the Company's authorized Representatives does not preclude rejection or other relief for any existing defects (whether latent or manifest) subsequently discovered. The Supplier shall provide and maintain, without additional charge, a testing and inspection system (which shall include quality control and reliability procedures) acceptable to the Company covering the materials and workmanship utilized in the performance of any Purchase Order.



- 8.5 **No Waiver by Inspection.** In no case whatsoever shall (i) any inspection or testing by the Company (or the Customer) of the materials, tooling, capital, equipment and workmanship utilized in the performance of any Purchase Order, (ii) any review or inspection by the Company of the Supplier's testing, inspection, quality control or reliability procedures (or related data), or (iii) any acceptance by the Company of the Contractual Products and/or Contractual Services, relieve the Supplier from the strict and complete performance of all of the Supplier's obligations and warranties under any Purchase Order, the QAA and the Warranty Agreement. In no event shall payment be deemed to constitute acceptance by or on behalf of the Company of any nonconforming Contractual Products and/or Contractual Services.
- 8.6 **Right of Inspection.** The Company reserves the right to inspect the Contractual Products and/or the progress of Contractual Services before their delivery and/or receipt, on the site of the Supplier during normal working hours upon prior notice to the Supplier of such inspection.

9. STATUTES, LAWS, REGULATIONS, AND OTHER SUPPLIER'S OBLIGATIONS

- 9.1 **Compliance with Laws.** The Supplier warrants its compliance with all applicable local and foreign laws, codes, ordinances, rules, standards, regulations and international conventions, executive orders, and all amendments thereto (collectively "Laws"), including those in the areas of labor, health, safety, transportation and the environment, that are applicable to any Purchase Order and shall furnish the Company with certificates of such compliance where required thereunder or when requested by the Company.
- 9.2 **MSDS Safety Requirements.** The Supplier shall transport, package and label the Contractual Products and their containers, including, in particular, those which constitute a health, poison, fire, explosion or other safety hazard, in accordance with all applicable Laws in effect in the place to which the Contractual Products are shipped or as otherwise specified by the Company. Without limitation, such obligations shall include the proper preparation and provision of applicable material safety data sheets ("MSDS") and other prescribed documentation and/or information.
- 9.3 **Site Health, Safety and Environmental Policies.** The Supplier and its personnel performing any Contractual Services at the Company or the Customer's site shall at all times strictly comply with the Health, Safety and Environmental Policies for such site, as well as applicable rules for the site in which they are working as well as the posted and communicated health and safety processes for each site. The Supplier shall be responsible for providing its own personal protective equipment ("PPE") for its personnel which meets at least the Company's or the Customer's minimum requirements for the site for such PPE. The Company reserves the right to remove any Supplier personnel who does not adhere to the applicable rules and policies, and the Supplier shall replace such personnel at its own cost and expense. The Supplier and its Representatives agree that Forvia shall not in any event be liable for the adequacy of the health safety or environmental measures Forvia has taken. Forvia cannot and does not warrant or guarantee that health, safety or environmental measures will protect individuals from injury or death and has based its actions on regulatory requirements. Forvia reserves the right to



modify or add health, safety and environmental measures at each site at any time.

- 9.4 **Child Labour Laws.** The Supplier for itself and its suppliers, undertakes to comply with the provisions of the United Nations Treaty of November 20, 1989 regarding children's rights prohibiting child labour; and not to use, in any form whatsoever, forced or compulsory labour as defined in Article 1 of the International Labour Organization treaty of June 25, 1957 on the elimination of forced labour.

9.5 **Competition Law infringement**

If the Supplier is found by any court, tribunal, or regulatory agency or authority to have violated or infringed Competition Law for a Contractual Product and / or a Contractual Service purchased by the Company, the Supplier shall: (a) pay to the Company, as compensation of damages, 15% of the net invoice amount of the volume of the Contractual Products and/or Contractual Services which is affected by the above Competition Law violation, unless the Supplier can prove that no or less damage resulted from the Competition Law violation, and (b) produce to the Company all documents, data, and other information produced to any court, tribunal, or regulatory agency or authority globally that is related to the above Competition Law violation, within 4 (four) weeks of the finding of the above Competition Law violation. This obligation to pay damages compensation under (a) above continues to apply in case of a termination or fulfilment of the business relationship or any individual supply contract. Any further or exceeding contractual or statutory rights of the Company remain unaffected of this obligation; in particular, the Company may claim a higher damage based on respective evidence.

- 9.6 **Ethical Business Practices.** The Supplier shall comply with all requirements and demands of the Company with respect to ethics, social acceptability, and environmental sustainability, whether these obligations have been requested by the Company, by the Customer or agreed between the Company and the Customer.

9.7 **Code of Ethics/Conduct.**

In case the Company is a non-HELLA Company, to the extent legally permissible, the Supplier shall comply with the "Faurecia Code of Ethics" and the "Faurecia Code of Conduct" and shall comply therewith in the contractual relationships with its own suppliers, subcontractors, and service providers. Both documents have been received by the Supplier and is also available at the URL address below:

<https://www.forvia.com/en/suppliers>

In case the Company is a HELLA Company, to the extent legally permissible, the Supplier also promises to comply with the so-called "HELLA Code of Conduct for suppliers and service providers" and "HELLA Human Rights Policy" and agrees to comply therewith in the contractual relationships with its own suppliers, subcontractors, and service providers. Both documents have been received by the Supplier and is also available at the URL address below:



https://www.hella.com/hella-fr/assets/media_global/Suppliers_Code_of_Conduct_English.pdf

Should the Supplier consider that a Forvia employee has not acted in line with the ethics standards of the Faurecia Code of Ethics, the Faurecia Code of Conduct or HELLA Code of Conduct for suppliers and service providers or HELLA Human Rights Policy (as the case may be), the Supplier shall immediately inform the Company in writing thereof.

- 9.8 **Anti-Corruption/Anti-Bribery.** The Supplier warrants that it will comply at all times with all applicable anti-corruption laws, conventions or regulations, including, inter alia, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and the *Loi Sapin 2*, and all other applicable laws regarding domestic or international corruption, bribery, and ethical business conduct. The Supplier shall limit its use of customs brokers to the brokers communicated in writing by the Company or Forvia.

The Supplier represents and warrants that itself, or any of its affiliated companies, is not engaged and will not engage in any form of commercial bribery, nor directly or indirectly provide or offer to provide, anything of value to, or for the benefit of, any official or employee of a governmental authority or of any government-owned, government-controlled or government-affiliated entity to obtain or retain any contract, business opportunity or other business benefit, or to influence any act or decision of that person in his/her official capacity. It is the Supplier's responsibility to cause its subcontractors, vendors, agents or other associated third parties to act according to this provision.

- 9.8.1 **Anti-Corruption Documentation Measures.** At the Company's request, the Supplier shall furnish the Company with (i) a written record of all meetings held (or at the Company's discretion, meetings anticipated in the upcoming six (6) months) among the Supplier's employees, agents or designees and Government Officials in which the Company's business is discussed or to be discussed; such record shall include, at a minimum: (i) the name of the Supplier's Representatives, (ii) the name and position of the Government Official (to the extent practicable for upcoming meetings); (iii) the agenda, (iv) the matter(s) discussed or to be discussed; (v) any written materials shared or to be shared; (vi) any request or offer of payment or other benefit of the parties; and (vii) the detailed expense reports of the Supplier's Representatives with all original supporting documentation. For the purpose of this paragraph, "Government Official" is defined as any officer, employee or contractor of a government department or agency, any public international agency, or any person acting in any official capacity, or holding themselves out as a representative of the government, department, agency or public international agency.

- 9.9 **Compliance Certificate.** At the Company's request, the Supplier will certify in writing, without undue delay, its compliance with the foregoing and shall



furnish the Company with certificates of such compliance where required thereunder or when requested by the Company.

9.10 **Termination Right.** In the event of failure to comply with this clause, the Company shall have the right to immediately withdraw from or terminate all legal transactions existing with the Supplier, and to cancel all negotiations, with immediate effect and without compensation, and without prejudice to any other remedies the Company may request from the Supplier by law.

9.11 **Conflict minerals.** Supplier represents and warrants that itself, any of its affiliate companies, and its supply chain are currently in compliance, and shall continue to comply, with existing and future law relating to "conflict minerals" as defined by the Dodd-Frank Wall Street Reform Act. At the Company's request, the Supplier will certify in writing, without undue delay, its compliance with the foregoing and shall furnish the Company with certificates of such compliance where required thereunder or when requested by the Company. In the event of failure to comply with this clause, the Company shall have the right to immediately withdraw from or terminate all legal transactions existing with the Supplier, and to cancel all negotiations, with immediate effect and without compensation, and without prejudice to any other remedies the Company may request from the Supplier by law.

9.12 **Corporate and Environmental Responsibility.**

9.12.1 Upon request, the Supplier shall complete the Corporate Social Responsibility Assessment using the internet platform provided by Forvia.

9.12.2 Environmental Responsibility

9.12.2.1 While performing under the Contract, Supplier shall use the necessary resources (materials, energy, and water) efficiently and shall reduce the environmental impact with respect to waste, wastewater, air pollution and noise to a minimum. This also applies to logistics and transportation expenses.

9.12.2.2 The Supplier shall submit its own CO2 Roadmap towards climate neutrality and upon the Company's request provide an update of progress of commitments made in the Roadmap.

The CO2 Roadmap shall include the Supplier's commitments based on Greenhouse Gas Protocol or similar recognized and/or certified standards. In particular, it must include the Supplier's commitments regarding:

- Scope 1, direct emissions
- Scope 2, indirect emissions
- Scope 3, all controlled emissions associated with the Supplier, for which the Supplier's organization is directly or indirectly responsible, especially up and down its value chain.

In addition, upon the Company's request, the Supplier shall provide data for the Life Cycle Assessment (LCA), relating to the Contractual Products and/or Contractual Services or parts thereof (including data about the materials input) according to the data collection format for the LCA provided to the Supplier by the Company.



9.12.2.3 The Supplier is responsible for registration and where necessary, authorization or notification of chemical substances contained in Contractual Products and/or Contractual Services in accordance with the statutory requirements that apply to the concerned market (e.g. according to Regulation (EC) No. 1907/2006 (REACH), EU). If a chemical substance being imported falls within the area of applicability of a relevant law, the Supplier assumes responsibility for all obligations named above and all associated expenses.

9.12.2.4 The Supplier must declare to the Company all SVHC-substances (Substances of Very High Concern) within the Contractual Product (including packaging) and/or Contractual Services, which are in a concentration bigger than 0.1 percent by weight included. SVHC-substances are in an EU publication list which is subject to change. The Supplier is responsible for monitoring this list and adjusting its disclosure accordingly.

The Supplier is requested not to use SVHC in the Contractual Products and/or Contractual Services and especially mixtures delivered to the Company.

9.12.2.5 The Supplier shall ensure that all its subcontractors are contractually bound to comply with the terms of this Section 9.12.2.

9.12.2.6 The Supplier shall protect biodiversity, and refrain from contributing to deforestation and forest degradation. The Supplier also commits to comply with all relevant laws and regulations with respect to biodiversity and deforestation.

9.12.2.7 The Supplier acknowledges the importance of animal welfare and commit to uphold these standards throughout the Contract. The Supplier shall comply with all relevant European animal welfare regulations and standards such as the EU Directive 2010/63. This includes adherence to the 'Five Freedoms' of animals principle, the '3R' principle regarding animal testing (reduction, refinement, replacement), and the standards of the World Organisation for Animal Health (OIE).

9.12.3 Management Systems

The Supplier shall establish and maintain a certified management system in accordance with the requirements of "ISO 14001" and "ISO 45001" or a recognized and certified management system derived therefrom and provide evidence to the Company by submission of a corresponding certificate.

The certification to these standards must be delivered by accredited certification bodies.

9.13 Trade Control

9.13.1 The Contracting Parties shall comply without diversion with the applicable European Union, United States, United Kingdom, and any other applicable national export control, sanctions and embargoes laws and regulations (the "**Export Regulations**").



- 9.13.2 With respect to the Contractual Products, software or technology that the Supplier sells or licenses to the Company, the Supplier shall provide to the Company the information necessary to ensure compliance with the Export Regulations. Prior to the Purchase Order signature date, the Supplier shall identify the Export Regulations applicable to the Purchase Order and shall inform the Company:
- (a) if and to the extent the Contractual Products, software or technology are subject to any export/re-export license under US law/US regulations, and;
 - (b) of the relevant classification number applicable (e.g., ECCN - Export Control Classification Number for US products, "Dual-Use-Number" for the Contractual Products, software or technology in accordance with the European Dual-Use Regulation, etc.).
- 9.13.3 Licenses or other authorizations required for the export of the Contractual Products, software or technologies, or to conduct business in sanctioned countries or with sanctioned entities or persons, will be the responsibility of the Supplier, and at no cost to the Company, unless otherwise agreed in writing by the Contractual Parties, in which event the Supplier shall provide all necessary information as may be requested by the Company to request such licenses or authorizations.
- 9.13.4 Without releasing the Supplier from its obligations under the Contract or under the Export Regulations, the Supplier represents that it maintains an effective export/import control compliance program in accordance with the Export Regulations, which the Supplier shall provide, free of charge, upon the Company's request.
- 9.13.5 The Supplier shall notify the Company if (i) it becomes listed, or if one of its Subcontractor becomes listed, as a boycotted company or a company on which an embargo or a sanction-like procedure is imposed; (ii) its export/import privileges or licenses are denied or suspended by any governmental entity; (iii) the Contractual Products, software or technology become restricted under any Export Regulations or (iv) it becomes aware, before or after delivery of the Contractual Products, software or technology, of any actual or alleged violations of the Export Regulations.
- 9.13.6 The Supplier shall ensure insofar as it is applicable, that the provisions set out in the present article be complied with by its own Subcontractors or suppliers. In case of a breach of this obligation, the Supplier shall be liable to the Company irrespective of any limitation of liability provisions that may have been agreed in the Contract. In such a case, the Company shall be entitled to terminate the Contract based on the Supplier's fault, without prejudice to any other rights or remedies that the Company may be entitled to under the Contract or applicable laws.
- 9.13.7 Should the Supplier fail to meet its trade controls obligations, the Supplier will be bound to compensate for any damage caused to the Company, any member of Forvia and their customers in connection with the performance of the Purchase Order or the use or operation of all or part of the supply. Furthermore, the Supplier undertakes to take charge of the defense of the Company, any member of Forvia and their customers in the event of any action or legal proceedings taken by competent authorities relating to trade controls as well as all consequences, including fees, expenses and damages that may be incurred by them.



9.14 Customs

9.14.1 The Supplier shall provide to the Company, for each Contractual Product:

- (a) The HS (Harmonized System) code;
- (b) The country of origin, and, upon request of the Company, documents to prove the non-preferential origin / preferential status of the Contractual Products.

9.14.2 In case of any modification of HS code and country of origin, the Supplier shall provide the updated information as early as possible but not later than 10 days prior to the delivery date. The Supplier shall be liable for any expenses and/or damage incurred by the Company due to any breach of these obligations.

9.14.3 The Supplier established in the European Union shall provide the preferential or non-preferential origin of the Contractual Products to be delivered to the Company by means of a Long-Term Supplier's Declaration. Such declaration shall be issued at latest in connection with the first delivery, without prior request from the Company.

9.14.4 The Company shall be immediately informed in writing of any alterations occurring during the year. The Supplier shall renew the Long-Term Supplier's Declaration prior to the end of its validity, with a validity period of at least one calendar year, without request.

9.14.5 The responsibility of certifying the origin will be exclusive to the Supplier. In case of non-compliance, partial compliance, or unjustified delay by the Supplier in its aforementioned obligations, the Company reserves the right to claim the Supplier the damages and losses incurred in accordance with the legal and contractual provisions in force.

9.15 Artificial Intelligence

9.15.1 The Supplier's work results may only contain AI and the AI Output, if contractually agreed with the Company or if the Company has given its prior written consent.

9.15.2 The following basic requirements apply within the meaning of the AI Regulations:

- (a) The Supplier shall ensure that an appropriate and effective risk management system is established, applied, documented and maintained and can be maintained prior to the delivery of the AI Contractual Services to be provided.
- (b) The Supplier shall ensure that the training, validation and test data sets are relevant, representative, non-discriminatory, error-free and complete with regard to the intended purpose.
- (c) The delivery of the AI Contractual Services to be provided includes the handover of the technical documentation and the instructions for use, which must always be kept up to date during the term of the Contract.
- (d) The Supplier shall ensure that the AI Contractual Services to be provided enable automatic recording of processes and events ("**logging**") during operation and the entire life cycle of the AI. This logging must comply with the state of the art, recognised standards and common specifications.
- (e) The operation of the AI must be sufficiently transparent, comprehensible and explainable by providing information for the Company and the users.



- (f) The Supplier shall take into account the values of equal access, gender equality, cultural diversity, sustainability and environmental friendliness in the AI Contractual Services to be provided.
- (g) The Supplier shall ensure that the AI Contractual Services to be provided are developed in such a way that they can be effectively supervised by natural persons and that human supervision is ensured by appropriate measures.
- (h) The AI Contractual Services to be provided must achieve an appropriate level of accuracy, robustness, general safety and cyber security with regard to their intended purpose and must function consistently in this respect throughout the entire life cycle.
- (i) Upon request and at the time of delivery of the AI Contractual Services to be provided, the Supplier shall provide the Company with any information, data, data sets, technical documentation and instructions for use that the Company requires in order to fulfil and continue to operate the aforementioned requirements.

9.15.3 Insofar as AI Regulations are applicable to the AI Contractual Services to be provided by the Supplier or to the intended use of the AI Contractual Services to be provided, the Supplier shall ensure that they fulfil the requirements of the AI Regulations and are put into operation, used or placed on the market in accordance with the AI Regulations.

9.15.4 No separate remuneration is owed, but the obligations under paragraphs 0, 0 and 0 are covered by the remuneration for the AI Contractual Services.

9.15.5 The Supplier shall ensure that the services to be provided do not contain or cause any infringements of property rights; in particular (i) the AI itself, (ii) the development, test and training data and / or (iii) the generated AI Output of the AI Contractual Services to be provided.

9.16 Financial reporting

The Supplier shall provide the Company with a copy of its audited and certified annual accounts, consolidated where applicable, each year and/or upon the Company's first request. Should the Supplier encounter or anticipate any financial difficulties, the Supplier shall inform the Company as soon as practicable and shall make its best efforts to implement any measure in order to solve such financial difficulties. Upon request of the Company, the Supplier shall provide reasonable justification in this regard.

9.17 Disaster recovery and Business continuity

The Supplier shall maintain and implement commercially reasonable and industry standard disaster recovery and business continuity procedures to ensure that the Contractual Products and/or Contractual Services are not interrupted.

10. SUPPLIER'S PERSONNEL

The Supplier shall be responsible for the monitoring, use, and reasonable payment of all employees, temporary workers, contractors, or other agents that it uses for the purpose of performing the Contract. The Supplier shall only use qualified and appropriately trained agents.

11. AUDITS



- 11.1 **Audit Rights.** The Company shall be entitled to conduct Audits on the Supplier's premises at any time upon reasonable advance notification. Within the framework of the Audits, the Company shall be permitted, among other things, to check the quality assurance measures, the Personal Data protection measures, the sustainability assurance measures, the Personal Data protection measures and Contractual Products and/or Contractual Services before they are carried out.
- 11.2 **Notice.** In general, advance notification shall be deemed to be reasonable, if it is made five (5) calendar days prior to the performance of the Audit. The Audits should not unnecessarily impede the Supplier's operational processes.
- 11.3 **Cooperation.** The Supplier shall cooperate with and assist the Auditor. In particular, the Supplier shall grant the Auditor access to any location of the production facilities, installation, tooling, equipment, finished goods, work in progress, raw materials and other premises and provide the requested documents and information and answer all questions of the Auditor. The Auditor shall also be entitled to take the Contractual Products and/or samples for documentation purposes in order to, among other things, confirm the compliance of the samples with the quality standards and to confirm that the Contractual Products will conform to all Specifications and requirements of the Contract.
- 11.4 **Remedial Action.** If the Audit reveals that the Supplier is not in compliance with the agreed upon standards and/or Specifications, sustainable standards, or Personal Data security requirements, the Supplier shall promptly take all measures identified by the Company in the Audit within the time limits and under the conditions set forth by the Auditor. Audit results and agreement to permit the Supplier to cure identified deficiencies does not constitute a waiver of any breach or claim arising from such nonconformity.
- 11.5 **Reimbursement.** If Audits are conducted as a result of problems that relate to the performance of the Contractual Products and/or Contractual Services (quality problems, delivery difficulties, sustainability standards deviations, Personal Data breaches, etc.) and for which the Company is not responsible, the Supplier shall be required to reimburse the Company for the reasonable documented costs incurred in connection with the Audit by way of bank transfer within twenty (20) calendar days of receipt of the invoice.
- 11.6 **Audit Non-Impact.** For clarity: any rights of the Company, particularly warranty and damage claims or right to terminate the Contract, shall not be affected by the conduct of an Audit or measures taken during or as a consequence of an Audit. In particular, the Supplier shall be required to independently review all measures and conduct them autonomously. The Company shall assist the Supplier within the framework of Audits solely with respect to compliance with its contractual duties. If the Supplier desires additional information or assistance, an express consulting contract must be concluded with the Company.

12. QUANTITIES; PRODUCTION; FLEXIBILITY; PRICING



- 12.1 **Requirements Contract.** Unless an express quantity is stated on the face of a Purchase Order, the Company shall buy and the Supplier shall sell 100 percent of the Company's requirements of the Contractual Products in order to meet the Company's Customer's demand for the Contractual Products, for the life of the Customer's vehicle platform, including any extensions demanded by the Company's Customer.
- 12.2 **No Volume Guarantee.** Quantities that may be indicated in a Purchase Order, Request for Quote, Quotation, Quotation Analysis Form, correspondence, Letter of Nomination or other documentation provided by the Company are given for information purposes only and do not represent a commitment of the Company. The actual quantities ordered shall be specified by Releases. The Supplier warrants that any representation made in a quotation or otherwise regarding its production capacity constitutes a warranty that the Supplier can manufacture or produce the stated quantity of the Contractual Products or Contractual Services without the imposition of overtime charges, surcharges or similar fees. Unless otherwise expressly stated in writing by a Purchase Order, the Company shall not be required to purchase any Contractual Products or Contractual Services exclusively from the Supplier.
- 12.3 **Volume Increases.** Should the Customer impose an increase in quantities for which the Contractual Products and/or Contractual Services are required, the Supplier shall sell, and the Company shall purchase, any additional requirements of the Contractual Products and/or Contractual Services at the current Price and without any extra payment.
- 12.4 **Requirements Volumes.** It is expressly agreed by the Supplier that the Company is required only to purchase its requirements of the Contractual Products. Therefore, if those requirements go down because the Customer imposes a reduction, cancellation, postponement or stoppage of vehicle production (i.e., requirements reduce or go down to zero) or if the Company is not awarded by the Customer to execute the program, the Company shall have no liability whatsoever with respect to such reductions, cancellation, postponement, stoppage or nonawarding, and shall have the unilateral right to terminate any related Purchase Order(s) and/or Contract at any time without liability. The Supplier has no right to claim for any compensation. If the demand increases or decreases, the Supplier must continue to supply at current pricing.
- 12.5 **Reuse of Equipment.** In the event a Purchase Order for one platform within a program utilizes the same Equipment (including tooling) for other platforms, the Supplier shall supply the Company's requirements at the Company's option for those programs utilizing the same Equipment.
- 12.6 **Program Life.** Unless otherwise stated in a Purchase Order or Letter of Nomination, the term of the Contract shall be for the life of the subject vehicle program, which can be extended, suspended/resumed, or shortened from time to time by the Company's Customer, without liability on the Company's part. The Supplier shall supply the Contractual Products and/or Contractual Services during the entire duration of the Contract, as may be extended, delayed, suspended or shortened, without any adjustments in Price.



- 12.7 **Price Warranties.** The Supplier warrants that the prices for the Contractual Products and/or Contractual Services are, and shall ensure such prices remain, not less favourable to the Company than the prices currently extended to any other customer of the Supplier for the same or substantially similar products or services in the same or substantially similar quantities and delivery requirements. If the Supplier reduces the prices of the same or substantially similar products or services during the term of the Purchase Order, the Supplier shall automatically reduce the prices of the Contractual Products and/or Contractual Services and provide the Company notice of such reductions within five (5) working days of reducing the pricing for such similar products or services.
- 12.7.1 The Supplier warrants that the prices set forth in any Purchase Order shall be complete, and no surcharges, premiums or other additional charges of any type shall be added without the Company's prior written consent. The Supplier expressly assumes the risk of any event or cause (whether seen or not foreseen) affecting such prices, including increases or decreases in volumes, any foreign exchange rate changes, tariffs, increases in raw material costs, inflation, increases in labour costs or other similar costs.
- 12.7.2 The Supplier shall ensure that the Contractual Products and/or Contractual Services remain competitive, in terms of price, technology and quality, with substantially similar products and services available to the Company from other suppliers, including the Company's Affiliated Companies. The Supplier's failure to remain competitive is a material inducement to the Contract and breach of such warranty may be deemed "cause," permitting the Company's termination of all or any part of the Purchase Order.
- 12.8 **Non-Circumvention.** The Supplier acknowledges and agrees that during the course of supply to the Company, it may be exposed to the Company's production methodology, processes, pricing, best practices, sub-sourcing and the Company's Confidential Information which may be the basis upon which the Company has been awarded the Customer business. In consideration of the sharing of such Confidential Information by the Company, the Supplier agrees that during the time period any Purchase Order remains in effect, and any renewals thereof, the Supplier shall not supply the same or substantially similar products or services directly to the Customer, without the Company's consent. This limitation shall not apply to "off the shelf" products or services for which no Company Confidential Information applies.

13. DELIVERY TERMS

- 13.1 **Delivery.** Unless otherwise designated in the Purchase Order or Contract, delivery of the Contractual Products shall be made "DDP" designated destination (as that term is defined in Incoterms 2020 Edition). The Company's facility and all transportation, freight and delivery charges shall be at the Supplier's expense. No charge shall be made for insurance, storage, parking or detention except as stated in the Purchase Order.



13.2 **Specifications.** The Contractual Products must be delivered in accordance with the logistics requirement agreed upon in the Contract. In particular, the delivery documents must conform to the requirements specified therein.

13.3 **Packaging.**

13.3.1 The Supplier shall package the Contractual Products in a reasonable manner commensurate to the mode of transport, such that the Contractual Products are not damaged during transport, the loading processes, or storage at the destination, provided, however that if packaging instructions are communicated by the Company, the Supplier must package the Contractual Products in strict accordance with the instructions provided by the Company.

13.3.2 The packaging and labelling must be in conformity with the applicable law and the provisions contained in the Purchase Order, any Particular Conditions, and in the Forvia Supplier Logistics Manual and Label Quality Procedure (which can be found at www.forvia.com) as the same may be amended from time to time (including the marking of all cases, packages, boxes or other containers with the number of the related Purchase Order, and enclosing therewith or attaching thereto a shipping notice showing the contents thereof, together with the name of the Supplier and, if different, the name of the shipper).

13.3.3 The Supplier shall comply with all International Plant Protection Convention ("IPPC") regulations on solid wood packaging material ("SWPM") as outlined in ISPM-15 and elsewhere. The Supplier shall ensure, and provide appropriate certification, that all SWPM shall be marked with the IPPC logo, country code, the number assigned by the natural plant protection organization and the IPPC treatment code.

13.3.4 The pricing set forth in a Purchase Order shall be inclusive of labelling, packing, boxing and crating and the Supplier shall not charge the Company for labelling, packing, boxing or crating except as stated specifically in a Purchase Order.

13.3.5 The Supplier shall be responsible for any costs incurred by the Company for the Supplier's failure to ship the Contractual Products in strict accordance with these terms and conditions, the Company's directions and/or the instructions set out in a Purchase Order or Release.

13.4 **Timing.**

13.4.1 The date(s) or deadlines for the performance of the Contractual Services and/or delivery of the Contractual Products are essential to the Company. The Supplier is aware that substantial damage can arise, if the Contractual Products and/or Contractual Services are not delivered or performed within these date(s) or deadlines.

13.4.2 Deliveries are to be made both in the quantities and at the times specified in a Purchase Order or if not specified therein, in such quantities and at such times as may be indicated in the Company's



Releases or other instructions. If the Supplier is unable to make shipments as specified in a Purchase Order or in a Release or other instructions from the Company, then the Supplier will immediately notify the Company and the Company shall have the right to cancel such Purchase Order without liability and without prejudice to the Company's right to claim from the Supplier any losses or damages occasioned thereby.

13.4.3 Performance or delivery of the Contractual Products and/or Contractual Services in advance of the above dates and deadlines shall require the prior written approval of the Company.

13.4.4 The Supplier shall maintain reasonable backup processes and emergency plans ready for all Open Orders, in order to ensure the timely rendering of the Contractual Products and/or Contractual Services during the entire term of the Open Order. The backup processes and emergency plans must, at a minimum, conform to customary automotive industry standards.

14. ACCEPTANCE OF CONTRACTUAL PRODUCTS AND/OR CONTRACTUAL SERVICES; DEFECTIVE AND/OR NONCONFORMING CONTRACTUAL PRODUCTS AND CONTRACTUAL SERVICES

14.1 Acceptance of Contractual Products.

14.1.1 Following delivery, the Company shall make commercially reasonable efforts to inform the Supplier of any apparent defects in the Contractual Products as soon as practicable from the time at which such defects should be detectable in the ordinary course of operations.

14.1.2 The Company's failure to assert a claim or reserve such claim at the time of delivery and/or payment for the Contractual Products shall not be considered as a final acceptance of the Contractual Products delivered, nor as an acceptance of the amount invoiced, and shall not, under any condition, be deemed as a waiver by the Company of its right to assert any claim in the future in accordance with all applicable laws.

14.2 **Rejection of Contractual Products.** The Company reserves the right to reject the Contractual Products in any form whatsoever for non-compliance of the Contractual Products. The Company also reserves the right to reject delivery of excess quantities of the Contractual Products in the same manner.

14.3 **Acceptance of Contractual Services.** Contractual Services shall be accepted by the Company only upon completion of performance which shall occur either:

14.3.1 upon the date provided in the Purchase Order or other written agreement, and only if the Contractual Services are satisfactorily completed in conformity with the Purchase Order or statement of work and approved by the Company without reservation; or



14.3.2 upon the date on which all reservations have been withdrawn by the Company as evidenced by the Company's execution and delivery of a corresponding completion certificate.

14.4 **Rejection of Contractual Services.** The Company reserves the right to reject the Contractual Services if:

14.4.1 at the completion date of the Contractual Services, the Contractual Services are not satisfactory without reservation, by reason of nonconformity or defect; or

14.4.2 the Company's reservations have not been withdrawn within the time limits established by the Parties by reason of nonconformity or defect; or

14.4.3 the Supplier has failed to comply with the Contractual Service delivery schedule or completion deadlines.

14.5 **Defective and/or nonconforming Contractual Products or Contractual Services.**

14.5.1 If any of the Contractual Products or Contractual Services fails to meet the warranties contained in these GPC, the QAA, the Warranty Agreement, Particular Conditions, Purchase Orders, Specification, or Customer requirements, any applicable law or regulation or any other written agreement between the Parties, including but not limited to a Statement of Work, the Company shall have at any time, without prejudice, the right to terminate, to claim compensatory damages, and/or the option, to:

- a. have such Contractual Products repaired or replaced immediately by and at the sole expense of the Supplier, who shall have no right to raise any objections or claims regarding the production or delivery schedule or as to Contractual Services have such Contractual Services performed again immediately by and at the sole expense of the Supplier, who shall have no right to raise any objection; or
- b. have such nonconforming Contractual Services performed by a third party designated by the Company, at the sole expense of the Supplier who shall have no right to raise any objection; or
- c. have the purchase price for the Contractual Products or payment for Contractual Services refunded promptly upon demand by the Company; or
- d. otherwise satisfactorily deal with the defective or nonconforming Contractual Products or Contractual Services (including, to the extent applicable, participation in recall, claims adjustment and other similar programs) in a manner acceptable to the Company in its sole discretion, at the Supplier's sole expense.

14.5.2 Any rejected Contractual Products must be recovered by the Supplier at its sole expense and risk within eight (8) calendar days following notice of rejection by the Company. It is expressly agreed that after



such time, the Company may, without any liability whatsoever and at the Supplier's sole cost, expense and risk, either destroy the rejected Contractual Products, or return them to the Supplier.

- 14.5.3 Should the Supplier fail or otherwise be unable to cure any such breach or nonconformity within the time-frame or other parameters required by the Company (and whether or not such time-frame or other parameters are communicated to the Supplier), or such breach or nonconformity is of the nature that may not be cured within the timeframe required or within the other parameters required by the Company, (i) the Company may cancel in whole or part any Purchase Order as to the particular defective or nonconforming Contractual Products and Contractual Services, or (ii) the Company may, in the Company's sole discretion, (and without any obligation to do so), assume control over the correction, repair, replacement or other rectification efforts, processes and programs, in which case the Supplier shall pay or reimburse the Company for all associated costs and expenses (including third party or the Company's internal handling, sorting, segregation/holding, reworking and administrative time, labour and materials). After notice to the Supplier, all defective or nonconforming Contractual Products shall be held at the Supplier's risk. The Company may, at the Supplier's direction, return such Contractual Products to the Supplier at the Supplier's risk, and all handling, sorting, segregation/holding, and storage charges, as well as transportation, freight and delivery charges (both to and from the original destination) and any other related expenses, shall be paid by the Supplier. Any payment made by the Company to the Supplier for such defective or nonconforming Contractual Products or Contractual Services shall be immediately refunded by the Supplier, unless and to the extent that the Supplier promptly corrects, repairs, replaces or otherwise satisfactorily corrects such nonconformity. The Supplier's warranties shall also apply to such corrected, repaired, or replaced Contractual Products and Contractual Services.

15. SPECIFIC REMEDIES FOR DELAY

- 15.1 **Damages.** The Supplier expressly acknowledges and agrees that if the Supplier is in Default with respect to the timing of delivery of the Contractual Products and/or Contractual Services conforming with the present Contract, the Company can request a specific remedy for delay in the amount of 0.2 percent (or 0.4 percent in case of serial delivery) of the net price of the delayed Contractual Products and/or Contractual Services per completed working day. These damages are intended to begin compensating the Company for damages that may not be readily ascertainable and shall not affect the Company's right to claim additional damages or seek other remedies, including actual, punitive, or consequential damages and/or to terminate totally or partially the Contract and/or the relevant Purchase Order and receive compensation instead of performance of the delivery.
- 15.2 **Alternative Sourcing.** If the Company expressly grants, in writing, the Supplier exclusive or single source rights to supply the Contractual Products and/or Contractual Services to the Company, such grant of rights shall not restrict the



Company's ability to absolute entitlement to procure any and all goods and services which are the same as or similar to the Contractual Products and/or Contractual Services from third parties in the event of (and throughout the period of) a delay, breach or non-conformity and, at the Company's option, to reduce a Purchase Order by such quantities without liability to the Supplier.

- 15.3 **Company Preference.** Without limiting the Supplier's obligations hereunder, in the event of any supply allocation by the Supplier, the Supplier shall give preference to the Company for all of the Contractual Products and Contractual Services ordered from the Supplier.

16. PRICE, INVOICING AND PAYMENT TERMS

16.1 General Provisions.

- 16.1.1 The Company shall be required to pay the Price set forth in the Contract for all Contractual Products and Contractual Services that conform to the terms of the Purchase Order, Contract and these GTCs.
- 16.1.2 The Price shall constitute lump-sum remuneration for the Contractual Products and/or Contractual Services and shall be deemed to cover all costs of the Supplier associated with the rendering of the Contractual Products and/or Contractual Services, including any costs for any Rights of Use to Background and Results, the transfer of Results, transports, administration, tax and other customs duties, ancillary consideration, and quality controls.
- 16.1.3 By dispatching its Order Confirmation or starting to perform the Contractual Products and/or Contractual Services in whole or in part, the Supplier confirms that, it has received from the Company all relevant information that it needs for the determination of the Price or that it is aware of such information from other sources. In addition, the Supplier confirms that it is familiar with the circumstances and peculiarities of the automobile supplier business and has taken them into account in the determination of the Price. The Supplier further acknowledges and agrees that the Price provided and set forth on a Purchase Order, is a material inducement to the Company's award of business to the Supplier and that Company is relying on such Price to deliver its Contractual Products and/or Contractual Services to the Customers.
- 16.1.4 For these reasons and subject to the provisions hereinafter, the Price shall be fixed and final. The Supplier shall not demand an adjustment of the Price as a result of circumstances or peculiarities, or a lack of information, or the validity of the Contract being questioned, the Supplier's financial condition or hardship, quantity adjustment, the Contract being terminated or any other similar condition.

16.2 Duties and Taxes.

- 16.2.1 Prices are net of applicable taxes and customs duties. Duties and taxes shall be added by the Supplier to its invoices in accordance with all applicable laws.



16.2.2 Any reduction in the Supplier's costs resulting from a reduction in transportation, freight and delivery charges, customs duties, import taxes, excise taxes and/or sales taxes from those in effect on the date of the Purchase Order shall be credited or paid to the Company by the Supplier in reduction of the price of the Contractual Products and/or Contractual Services.

16.3 **Invoicing.** The Supplier shall deliver Invoices that:

16.3.1 comply with all applicable legal requirements and bill(s) of lading;

16.3.2 reference a specific Purchase Order (the number of the Purchase Order shall be inserted) and all items invoiced, with quantities, unit prices and taxes (if any) listed separately;

16.3.3 have been issued not earlier than the date when the Contractual Products and/or Contractual Services have been accepted;

16.3.4 contain all information that is necessary for the Company to identify, verify, and confirm receipt or completion of the Contractual Products and/or Contractual Services (including the Purchase Order number);

16.3.5 contain all information related to the payments terms in conformity with the terms set forth herein;

16.3.6 are sent in duplicate to the address named in the Purchase Order and are not to be attached to documents delivered together with the Contractual Products;

16.3.7 detail separately costs for any transportation, freight or delivery charges (if not included as part of the price on the face of the Purchase Order) that the Company expressly in writing agreed to pay, with receipted copies of such charges and approvals attached; and

16.3.8 contain such number of additional certified copies of invoices and customs or other documents as may be requested or specified by the Company for Contractual Products or Contractual Services provided on an international basis.

The Company shall be entitled to reject, return, dispute and withhold payment for Invoices that do not conform to the foregoing requirements. Should the invoice issued by the Supplier prove to be invalid for formal, legal and/or material reasons, the Supplier shall compensate the Company for the damage resulting from the assessment of the tax liability as well as any sanctions and interest imposed on the Company by the tax authority. Any banking costs arising outside the Company's bank shall be borne by the Supplier.

16.4 **Payment Terms and Conditions.**

The Contracting Parties will agree upon the payment terms separately.

16.5 **Setoff.**



In addition to any right of set-off provided by law, all amounts due or to become due to the Supplier from the Company shall be considered net of indebtedness of the Supplier (and/or the Supplier's affiliates) to the Company (and/or the Company's Affiliated Companies), and the Company may deduct or set-off at any time any such indebtedness from any amounts due or to become due to the Supplier (and/or the Supplier's affiliates) from the Company (and/or the Company's Affiliated Companies).

17. WARRANTY

17.1 **Warranty Representation.** The Supplier represents and warrants:

- 17.1.1 that all of the Contractual Products and/or Contractual Services, including Equipment and any special tools, dies, jigs, fixtures, patterns, raw materials and machinery obtained by the Supplier at the Company's expense and/or which are to become the property of the Company under a Purchase Order, shall conform to and fulfil all drawings, Specifications, samples and other descriptions furnished, specified or adopted by the Company, shall be merchantable, free from any apparent or hidden defects in design, material and workmanship and free of all liens, claims and encumbrances whatsoever.
- 17.1.2 that the Contractual Products and/or Contractual Services are rendered in accordance with the recognized standards of engineering – unless otherwise designated in the Purchase Order, as well as all applicable statutes and legal requirements.
- 17.1.3 If the Contractual Products constitute Equipment, including special tools, dies, jigs, fixtures, patterns, raw materials and machinery, the Supplier further warrants that such Contractual Products will operate and perform successfully on a commercial scale in accordance with the Company's usual requirements and methods of operation. Additionally, the Supplier acknowledges that the Supplier knows the particular purpose for which the Company intends to use the Contractual Products and/or Contractual Services and the Supplier warrants such Contractual Products and/or Contractual Services shall be fit and sufficient for such particular purpose. The Supplier's warranties herein are available to, and are granted for the benefit of, the Company, its Affiliated Companies and their respective successors, assigns, Customers and users of products incorporating the Contractual Products and/or Contractual Services.
- 17.1.4 The Supplier represents that it is a professional with expertise in the constraints of the automotive, electronics or other industry for which it is contracted hereunder, particularly in terms of quality, cost availability of materials, labour and lead times. The Supplier agrees that it is knowledgeable and capable of, and shall, in general, comply with the standards and practices of such industry(ies), as practiced by the Company and its Customers. The Supplier, which acknowledges it is an expert in its field, shall have an obligation of results and strict liability for its design, its manufacturing process and its technical choices in the



production and fitness of the Contractual Products and/or Contractual Services for the purpose for which they are intended. The Company's acceptance or validation of drawings, processes, specifications or initial samples will in no way reduce the warranty liability of the Supplier. This shall also apply to proposals, recommendations or other cooperative actions of the Company regarding the performance of the Supplier.

17.2 Specific Warranty for the Use of FOSS.

The Supplier warrants to only use FOSS in or with a Result which is licensed as a license specified in a separate OK List Annex. The use of FOSS, which is subject to license conditions other than those specified in the separate OK list Annex or the use of any FOSS which will trigger a copyleft effect, requires the express prior written consent of the Company.

Regarding any FOSS that the Supplier has used during the performance of the Contract (included in any Result or required for the use of any Result), the Supplier warrants:

- that the software in the Results (including the FOSS) and their licenses (including the FOSS Licenses) are fit for the Results and for the project's purpose;
- the completeness, the correctness and the accuracy of the information provided in relation to the software in the Results and their licenses (including the FOSS and FOSS Licenses) and that it has acted in compliance with the FOSS Licenses;
- its compliance with the terms of any applicable license, in particular the FOSS Licenses with regard to the FOSS, including but not limited to, any requirements for the preservation of the text of the original license and of the "copyright" notices, and where applicable, for the making available to the Company of the corresponding source code in accordance with the applicable license;
- that the FOSS Licenses of the FOSS used in the Results do not allow or oblige the Company, its Customers or its distributors to disclose authentication information, cryptographic keys and/or any other information related to the coding of any vehicle control unit;
- the use of an agreeable FOSS tool for the FOSS contained in the Results to avoid the use of FOSS Licenses unauthorised by the Company and in particular Copyleft FOSS Licenses or Incompatible Licenses; and
- the compatibility between them of the various FOSS used and their compatibility with the proprietary licenses contained in the Results.

- 17.3 **Warranties Cumulative.** These warranties shall be in addition to all other warranties and conditions, express, implied, statutory or otherwise, available under applicable law. The Supplier shall release, defend, indemnify and hold the Forvia Indemnified Parties harmless from any breach of these warranties and, for greater certainty, no limitation on the Forvia Indemnified Parties' rights



or remedies in the Supplier's documents, if any, shall operate to reduce this indemnification.

17.4 **Warranty Period.** The warranty period shall equal the greater (later) of: (i) five (5) years from the later of the date of delivery of the Contractual Products or final run-off for machines, equipment, spare parts and/or Contractual Services; or (ii) any warranty period that has been agreed to by the Company and the Supplier, documented in writing and signed by the Company; or (iii) a hundred thousand (100,000) miles on the vehicle in which the Contractual Products are incorporated; or (iv) the Company's warranty granted to the Company's Customer; or (v) as provided by applicable law.

17.5 **Participation.** The Supplier shall, at the request of the Company, actively participate at its own expense in Audits, discussions, and analyses that relate to the Contractual Products and/or Contractual Services and are initiated by the Company or the Customer.

17.6 **Warranty Renewal.**

17.6.1 In the event that the Contractual Products and/or Contractual Services does not conform to the foregoing warranty, the Supplier shall, at the request and at the sole option of the Company, repair or replace the Contractual Products or correct or perform again the Services as soon as possible, and without prejudice to the right of the Company to claim damages or to terminate the Contract.

17.6.2 Should a defect only be discovered after further processing of the Contractual Products and/or Contractual Services, the Supplier shall be obliged to bear all the costs in connection with the exchange or rectification of defective Products and/or Services, in particular the costs of inspection, transportation, labor and material, regardless of whether these costs are incurred at the Supplier, at the Company or at third parties. These costs shall also include all costs of any exchange or repair of products into which the Company has fitted defective Products and/or Services.

17.6.3 The warranty period set forth in Section 17.44 shall be extended for the period during which the Contractual Products and/or Contractual Services have been unavailable. If the Contractual Products and/or Contractual Services are repaired or replaced, then a new warranty shall run for a new period starting from the end of the repairs or the replacement.

17.6.4 Should the defective delivery result in increased costs for the Company in meeting its own delivery deadlines (for instance costs of sorting out defective Products, increased inspection effort and costs in manufacturing, etc.), these costs shall be borne by the Supplier.

17.6.5 Should a recurrent failure make it necessary to replace a whole series of Products or the products into which the Contractual Products have been assembled, for instance because an analysis of defects in each individual case is not economical, not possible or not reasonable, the Supplier must also bear the above-mentioned costs also to the part of the affected series that does not show any technical defects.



18. PARTICIPATION BY THE COMPANY

- 18.1 The Supplier shall be liable for any damage to the Company and the Forvia Indemnified Parties, direct or indirect, physical, material or immaterial, consequential or not, caused by the Supplier and/or any of its Subcontractors, as well as for any third-party losses (including losses incurred by the Customer) with respect to the Contractual Products and/or Contractual Services and/or the performance of the Contract. The Supplier agrees to release, defend, indemnify, and hold harmless the Company and the Forvia Indemnified Parties, subject to and in proportion to its liability, for any and all Liabilities arising out of such damage or loss, including but not limited to all additional costs invoiced by the Customer to the Company. The Supplier agrees to indemnify, defend and hold harmless the Company or any entity of FORVIA, for all costs related to recall campaign, corrective service action or crisis countermeasures initiated by the Company, any entity of FORVIA or the Customer which relate to the Contractual Products and/or Contractual Service.
- 18.2 **Supplier as Expert.** As the expert in its field, the Supplier shall be fully responsible for all technical decisions, regardless of the level of assistance provided by the Company in the performance of the Contract, and shall be responsible for identifying to the Company any potential material issues in any specifications or technical information furnished by the Company or its Customer.
- 18.3 The acceptance by the Company of the initial samples does not release the Supplier from liability for defect, damage or loss, and does not imply acceptance of the Contractual Products and/or Contractual Services delivered and/or to be delivered. Acceptance by the Company of the Contractual Products and/or Contractual Services does not release the Supplier from liability for any hidden or concealed Defect regardless of when discovered, this notwithstanding the transfer of ownership and risks.
- 18.4 **Advisory Information.** Any suggestions that are given or other acts of participation by the Company are to be classified as advice or recommendations and are in no way to be understood as definitive or as an instruction. The Supplier shall independently check such recommendations by the Company for plausibility, state of the art, technical discrepancies, substantive correctness and completeness and adopt them as its own. If the Supplier implements advice or a recommendation in spite of the fact that its own review result was negative, the Supplier shall remain fully responsible, unless it was expressly instructed to do so by the Company in writing (including the signatures of two employees of the Company with representative authority).
- 18.5 **Non-Reliance.** Suggestions or other acts of participation by the Company shall not release the Supplier from its obligation to render defect-free Contractual Products and meet all time periods and deadlines.

19. INSURANCE

- 19.1 **Requirements.** The Supplier must purchase and maintain at its own costs and expense, a commercial general liability insurance from a financially sound



and reputable insurance company in order to cover its liability toward the Company, the Customer or any third party resulting from defective Contractual Products and/or Contractual Services, product supplied as well as service provided. This insurance must include coverage for bodily injury, property damage, consequential loss as well as pure financial loss.

- 19.2 **Recall Insurance.** The insurance must include coverage for recall actions by the Supplier, or other coverage as agreed in writing by Forvia, and third parties (including the Company and/or the Customer). The Supplier shall waive its right of recourse against the Company and/or the Company's insurance company and promises to also obtain such a waiver from its insurance company.
- 19.3 **Coverage.** The insurance must include an amount coverage of at least Twenty Million Euros (20,000,000 euros) per occurrence and per year for bodily injury, property damage, consequential loss with a sub-limit for pure financial loss and Third and First party recall/Rip and Tear costs of at least Fifteen Million Euros (15,000,000 euros).
- 19.4 **Additional Insured.** The Supplier shall have the Company named as an additional insured on its insurance policies. The Supplier shall, on the Company's request, furnish certificates or other acceptable forms of proof of insurance confirming the foregoing coverages. The receipt or review of such certificates or other forms of proof of coverage by the Company shall not relieve the Supplier from the Supplier's insurance obligations hereunder or reduce or modify such insurance obligations.
- 19.5 **Proof of Insurance.** The Supplier shall provide the Company with proof of the conclusion of the insurance contract, as well as the premium payments, immediately upon first request.
- 19.6 **No Limit on Liability.** Maintaining insurance at the limits set forth herein shall not limit the Supplier's responsibility. The amount of any compensatory damage obligations of the Supplier shall not be limited to insurance amounts.
- 19.7 **Duty to Inform.** The Supplier shall be required to inform the Company of any termination of the insurance contract, regardless of the reason for the termination, promptly within the termination notice period.
- 19.8 The Supplier shall conduct regular audits through its insurer in order to verify the compliance of its installations with local fire prevention regulations and undertakes to implement any necessary measures to mitigate risks highlighted by these audits that may impact the Company. Moreover, upon request of the Company, the Supplier shall provide the Company the reports issued following such audits.

20. TRANSFER OF OWNERSHIP AND RISK

20.1 Transfer of Ownership.

- 20.1.1 Ownership of the Contractual Product shall pass to the Company upon delivery of the Contractual Products as per the provisions of Article 13.1



above, except it otherwise agreed by the Contracting Parties in the Contract.

- 20.1.2 If the Contracting Parties agree that ownership will only be transferred upon payment of the Price, the Supplier will transfer a share of the ownership of the Contractual Products to the Company pro rata the progression of the payment of the Price.
- 20.1.3 Even if the Supplier has to deliver several Contractual Products, the ownership of the Contractual Products will be transferred to the Company for each Contractual Product individually.
- 20.1.4 If the Supplier holds the Contractual Product in custody for the Company following transfer of ownership, the Supplier shall store such Contractual Products separately and label it clearly as the property of the Company. The Supplier shall be required to use the Contractual Products solely for the purpose of rendering additional Contractual Products and/or Contractual Services to the Company. Other use shall not be authorised.
- 20.1.5 The Supplier shall not be entitled to reserve ownership of, place liens on or otherwise encumber the Contractual Products without the express consent of the Company.
- 20.1.6 The Supplier shall ensure that no reservation of ownership exists on the part of its sub-suppliers or Subcontractors with respect to Contractual Products or portions thereof.

20.2 **Transfer of Risk.**

- 20.2.1 The Supplier shall bear the risk of accidental destruction or loss of the Contractual Products until it is delivered on the Company's production site or accepted as the case may be.
- 20.2.2 If the Contractual Product is destroyed within one (1) year after it is delivered or accepted, as the case may be, for reasons for which the Company is not responsible, the Supplier shall be obligated to perform the Contractual Products again promptly and on a priority basis pursuant to a new Purchase Order to be issued by the Company in accordance with provisions set forth in Section **Fehler! Verweisquelle konnte nicht gefunden werden..** The provisions of the Contract (including the Price) shall be applicable *mutatis mutandis* to the new Purchase Order.

21. **INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS**

21.1 **Background.**

- 21.1.1 Each Contracting Party shall remain the owner of its Background. Use of the Background of the other Contracting Party shall, unless otherwise regulated in Section 21.1.2, only be permissible with the prior written consent of that Contracting Party.



21.1.2 If the Background of the Supplier is necessary for the use and further development of the Results, the Supplier shall grant the Company a Right of Use to its Background free of charge. If the Supplier cannot grant the Right of Use to its Background without the assistance of a third party, the Supplier shall reach an agreement with such third party on a Right of Use in favour of the Company, consistent with the license grant set forth in this Section 21.1.2.

21.1.3 Unless otherwise set forth in the relevant Purchase Order, the grant by the Supplier of the Rights of Use to its Background shall be deemed to be fully-paid up by the payment of the Price.

21.2 **Results.**

21.2.1 All Results shall belong to the Company. As the owner of the Results, the Company may, for all countries, freely use, grant Right(s) of Use, operate or transfer the Results. Use of the Results by the Supplier or third parties shall only be permissible with the prior written consent of the Company, unless otherwise regulated in Section 21.2.2.

21.2.2 At the request of the Supplier, the Company may at its sole and exclusive option, and subject to restrictions set forth in a separate written license agreement, grant the Supplier a non-exclusive and non-transferable right to use the Results, provided, however that in no case shall Supplier be permitted to reverse engineer, decompose, make derivative works of or sublicense any of the Company's Background.

21.2.3 The Supplier shall be deemed to have transferred all ownership rights or other possessory rights to the Results, to the Company upon payment of the Price, without further action or requirement of the Company. If such a transfer is not legally permissible, shall be deemed to have granted the Company a Right of Use of such rights, which Right of Use shall be irrevocable, worldwide, perpetual, free, and exclusive to the extent legally permissible. If such transfer is of the nature that requires further action to memorialize such rights, the Supplier shall undertake any and all actions required to convey and confirm the transfer of the Right of Use incrementally as the Results come into existence.

21.2.4 Unless otherwise set forth in the relevant Purchase Order, the transfer of the Results shall be deemed to be compensated by the payment of the Price.

21.3 **Intellectual and/or Industrial Property Rights of Third Parties.**

21.3.1 The Supplier shall ensure that it is not using any Intellectual and/or Industrial Property Rights of third parties (including the Subcontractors) within the framework of the performance of the Contract. For doing so, the Supplier must carry out the necessary searches for industrial Property Rights or to have searches carried out professionally and to document the evaluation or have it documented. Upon request by the Company, the Supplier shall provide the relevant documentation in text form to the Company. The Company might forward the



documentation to its customer, unless otherwise agreed, the Supplier shall agree and waive any claims regarding that.

- 21.3.2 If the Supplier needs to use Intellectual and Industrial Property Rights of third parties, it shall require the prior written consent of the Company, and if authorised, it shall conclude a license agreement with said third parties which should also contain an appropriate Rights of Use in favor of the Company. The Supplier shall bear any royalty payments or other remuneration that is incurred for the use of such Intellectual and Industrial Property Rights of third parties. If the Supplier is not responsible for the use of the Intellectual and Industrial Property Rights of third parties, the Contracting Parties shall jointly conclude an agreement with respect to the bearing of costs.

The Supplier warrants that the use of the Background, the Results and the Contractual Products and/or Contractual Services by the Company does not infringe or will not infringe any Intellectual and Industrial Property of any third party. The Supplier shall release, defend, indemnify and hold the Forvia Indemnified Parties harmless against any and all Liabilities, brought by a third party on the grounds of infringement of Intellectual and Industrial Property Rights, trade secret violation or unfair competition (hereafter "IP Claims"). The Company shall notify the Supplier forthwith upon being aware of an IP Claim, and conversely.

The Supplier shall bear all costs, expenses and financial consequences resulting from an IP Claim (including without being limited to legal fees, royalty and license fees, indemnities). At the Company's sole discretion and at the Supplier's sole expense, the Company will decide whether the Supplier or the Company will handle the IP Claim and the Supplier shall provide any support requested by the Company.

- 21.3.3 Without prejudice to the Company's right to terminate the Contract and right to damages, in the event of an IP Claim, the Supplier undertakes to immediately implement at its sole expense, and at the Company's request and sole discretion, one of the following actions:
- a) obtain from the relevant third party a Right of Use for the Results and/or the Contractual Products and/or Contractual Services for the Company, Forvia and/or the Customer with no additional cost;
 - b) replace or modify the Contractual Products and/or Contractual Services within a reasonable time period only to the extent necessary to cease any cause of an IP Claim, as described in Section 21.3.2.

The Company or the Customer may also decide to obtain directly from the relevant third party a Right of Use for the Results and/or the Contractual Products and/or Contractual Services for the Company, Forvia and/or the Customer. In such case, the Supplier undertakes to bear all costs, expenses and financial consequences resulting from this agreement with the third party (including without being limited to legal fees, royalty and license fees, indemnities).



Promptly upon the Company's request, the Supplier agrees to recover at its sole expense, any of the Contractual Products and/or Contractual Services stored on any Forvia sites that the Company is no longer able to use.

22. CONFIDENTIALITY

- 22.1 **Confidential Information.** The Contracting Parties undertake to treat in a confidential manner any information of any nature whatsoever, in whatever form (including oral, written, magnetic or electronic form) in particular but not limited to any commercial and financial documents, technical details, data, Specifications, the Results, software, business plans, designs, studies, recommendations, Personal Data, Know-How and other Intellectual and/or Industrial Property Rights, herein after the Confidential Information, of which they become aware as a result of the Contract. Confidential Information shall not encompass information that:
- a) can be shown by the disclosing party to be already in the public domain, or
 - b) had become accessible to the public other than through a Contracting Party having failed in its contractual obligations, or
 - c) has been legally received from a third party who was completely at liberty to disclose, or
 - d) has to be disclosed due to a statutory provision, a judgement or any other decision from a regulatory authority, provided, however, that the disclosing party has notified the non-disclosing party of such regulatory or judicial requirement and made best efforts to secure the confidential treatment by such authority therefor.
- 22.2 **Non-Use.** Each of the Contracting Parties undertake:
- a) not to use the Confidential Information for any other purpose than the performance of the Contract,
 - b) not to disclose or reveal in whole or in part, directly or indirectly, to any third party the Confidential Information, unless such disclosure is necessary for the performance of the Contract and has been approved by the other Party. In such a case, the Contracting Party which discloses Confidential Information shall ensure that such third party accept to be bound by the same terms and obligations as set forth herein,
 - c) not to copy or reproduce in whole or in part the Confidential Information except when necessary for the performance of the Contract.
- 22.3 **Restrictions on Tangible Items.** Drawings, models, templates, samples, and similar objects may not be provided or made available to unauthorized third parties. The reproduction of such objects shall only be permissible within the framework of operational needs and provisions of copyright law.
- 22.4 **Non-Disclosure Agreements.** Notwithstanding the provisions of Section 3, if the Contracting Parties have concluded a separate confidentiality agreement,



the provisions of the confidentiality agreement shall have priority over this Section 22.

23. PERSONAL DATA PROTECTION

23.1 General Provisions.

- 23.1.1 The Supplier undertakes to comply with the commitments and obligations provided for in this Section and to ensure that the terms of the Contract are respected by its Representatives, in particular by passing on commitments and obligations similar to those set out below. As such, the Supplier undertakes to ensure that persons authorized to process the Personal Data are trained on Personal Data compliance and security issues and have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality;
- 23.1.2 For the purpose of Sections 23 and 24, the Company concludes the Contract on its behalf, and in the name and on the behalf of the Affiliated Companies, as the case may be (where either of such Affiliated Company instead of the Company, would be the Personal Data Controller for the purpose of these Sections).
- 23.1.3 The Supplier is obliged to comply with all data protection provisions applicable and as amended from time to time and will observe these.
- 23.1.4 For the purposes of the Contractual Products and/or Contractual Services and except if the Purchase Order or the Particular Conditions state otherwise, if the Company communicates Personal Data to the Supplier or gives the Supplier access to the Personal Data under its control, the Supplier should be considered as a "Data processor" under the applicable regulations. In this case, the Company retains full control over the Personal Data communicated to the Supplier.
- 23.1.5 It is expressly agreed that, under the contractual relationship and in the case of the processing of Personal Data, the Supplier shall act on behalf of the Company, on the basis of and in accordance with the stipulations of these Contract as well as the instructions of the Company. As such, the Supplier undertakes and warrants neither to exploit or use, make copies of nor to create files of the Personal Data contained in the information systems of the Company for its own needs or for the account of third parties.
- 23.1.6 Each Party shall ensure to comply with all the formalities required by the processing of Personal Data.
- 23.1.7 As necessary, the Company may request the execution of specific agreements relating to Data Protection matters, such as any eventual "Controller to Processor Agreements" or "Processor to Processor Agreements". The Supplier undertakes to strictly follow the provisions of such specific agreements relating to Data Protection matters.
- 23.1.8 The Supplier undertakes to cooperate in the most efficient manner with the Company in order to protect and to allow the exercise of the rights of a person whose Personal Data it processes ("data subject") on behalf of the Company (or the Company's Customers). The



Supplier shall immediately notify the Company of any complaint received by the Supplier regarding any data subject.

- 23.1.9 The Supplier shall take all necessary measures to immediately address any request from the Company to allow the data subject concerned to exercise their rights according to applicable laws on personal data protection and EU General Data Protection Regulation n°2016/679 when applicable. It also undertakes to provide the Company with all relevant information to enable the data subject to exercise their rights. The Supplier also shall provide the Company with all relevant information concerning the recipients of the Personal Data so that the latter is able to inform the data subject on the processing of said Personal Data and to respond to their requests.
- 23.1.10 If Personal Data came from any Affiliated Company located in European Union or concerns EU citizens, the Supplier undertakes to:
- process Personal Data only inside the European Union or in third countries which do have an "adequate level" of Personal Data protection under applicable regulations; or
 - benefit from a specific decision by a Personal Data protection authority (BCR, etc.) authorizing the Supplier to transfer Personal Data from the applicable Forvia legal entity to third countries.
- 23.1.11 Inform the Company at any time, at the request of the Company, of the geographical locations of the processing, storage and transit of the Personal Data which have been transmitted to the Supplier.
- 23.1.12 The Parties undertake to cooperate in order to be able to respond to the competent data protection authorities (requests, controls, audits, etc.). Within this framework, the Supplier will provide without any delay all relevant information to the Company to meet the requirements and requests of the data protection authorities.
- 23.1.13 In case of data breaches with regard to Personal Data, the Supplier shall notify the Company within twenty-four (24) hours

23.2 **Data Security/Cyber Security.**

- 23.2.1 In order to perform the Contractual Products and/or Contractual Services, the Supplier undertakes to ensure the complete security of the processing of data transmitted by the Company or which the Company give access to (Personal Data or not), and in particular to protect such data against any accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, in particular where the processing of the data involves the transmission of the data within a network, as well as against any other form of unlawful processing or communication to unauthorized persons.
- 23.2.2 For this purpose, the Supplier undertakes to:
- a) Ensure the security of its information systems in accordance with the "state of the art" and at least sufficient for the performance of the Contractual Products and/or Contractual Services and/or Equipment; and



- b) Provide the Company with the security policies (physical or logical) set in place and justify to the Company, on first demand, the level of competence and organizational and technological control by producing any recognized qualification, authorization or certification (ISO 27001, etc.), and in particular: technical documentation, the results of yearly risks analysis and tests of the efficiency of the security of the information; and
 - c) Comply with the Company's security policies, security standards and security procedures; and
 - d) Encrypt or protect by any other dedicated and efficient means Personal Data stored in accordance with the requirements of the state of the art; and
 - e) Implement and maintain appropriate technical and organizational measures and other protections for the proper security of all information, by not loading any Company Confidential Information on any laptop computers or portable electronic devices or any portable storage media that can be removed from Supplier's premises, unless such Information has been encrypted; and
 - f) Secure the exchange of Personal Data (encryption, authentication) with the Company or with the Company's clients, so that they cannot be exploited by an unauthorized third party; and
 - g) Implement protection of password theft or loss or unauthorized access or use of information, including implementation and enforcement of physical security measures at the Supplier's premises with respect to access and maintenance of information that are at least equal to industry standards for such types of premises.
- 23.2.3 The Supplier undertakes to ensure that all Contractual Products and/or Equipment supplied and/or Contractual Services provided to the Company, be exempt from all the Vulnerabilities (defined as a security breach or a design defect enabling an attack) which may be detrimental to the security of the Company's Personal Data or information system or the Personal Data of Customers or their information systems.
- 23.2.4 The Supplier undertakes, as soon as a new Vulnerability in the Contractual Product and/or the Equipment supplied and/or Contractual Service provided has been identified by the Supplier, its Subcontractor, any third party or via a public information, to inform immediately the Company and cure the Vulnerability or set up any other solution for this purpose that does not affect the price, the performances, the functioning of the Contractual Products and/or the Equipment and/or the Contractual Services provided, or the security of the Company's Personal Data or information system or the Personal Data of the Customers or their information systems. The solution must be provided by the Supplier as soon as possible considering the type of Vulnerability.



- 23.2.5 The Supplier guarantees the traceability and preservation of evidence for at least one year (unless otherwise provided by law) of the actions and the management of the proof of all its obligations regarding the security and confidentiality of the Personal Data.
- 23.2.6 In the event of a cyber security incident or data security breach (each, a "Cyber Security Event") that causes any actual or potential breach by Supplier of the Contract, GPC, Particular Conditions or any Purchase Order, including without limitation any delay in supplying the Contractual Products or performing the Contractual Services or access to information, the Supplier shall inform the Company by telephone call, and by text or email (at incident-reporting@forvia.com and if regarding a HELLA Affiliate as well at information.security.office@forvia.com), of such cybersecurity incident, as soon as reasonably possible, but in any event within twenty-four (24) hours of the Supplier discovering such Cyber Security Event. The Supplier shall (i) provide the Company with a summary of known information about such Cyber Security Event; (ii) implement required remedial measures to limit and remedy the effects of such Cyber Security Event; (iii) provide specific information about the Cyber Security Event and in response to inquiries by the Company; (iv) at the Supplier's sole expense, conduct an investigation of root causes, vulnerabilities as well as indicators of compromise leading to the Cyber Security Event; (v) within seven (7) days following the completion of such investigation; provide a written report to the Company, including a detailed description of the Cyber Security Event; causes leading to such event; how the Supplier has mitigated against future events; a timeline of the Cyber Security Event; suspected perpetrators of the Cyber Security Event; the information or access to information may have been affected by such Cyber Security Event; and any financial impact to the Company related to such Cyber Security Event.
- 23.2.7 In connection with the above, the Supplier shall cooperate fully with the Company in its investigation of the Cyber Security Event, including by promptly providing access and information requested by the Company. The Supplier shall fully implement all required remedial actions identified by the Supplier or by the Company, to stop such Cyber Security Event from continuing, or prevent a future event, not later than thirty (30) days' following the completion of the Supplier's investigation of such incident, or such sooner time as is necessary to restore the security and the Supplier's performance of obligations under any Purchase Order. The Supplier shall provide the Company with the name and contact information of one or more primary security representatives of the Supplier who may be reached by the Company twenty-four (24) hours per day, seven (7) days per week, three hundred and sixty-five (365) days per year.
- 23.2.8 In the event the Company has suffered a loss as a result of any Cyber Security Event in connection with the payment for the Contractual Products and/or Contractual Services under the Contract, the Supplier shall only be entitled to receive payment under the Purchase Order for such Contractual Products and/or Contractual Services after, and to the extent of, and in proportion to, the Company's completion of any and all investigations related thereto and subject to all indemnification



obligations of the Supplier, and all set-off rights of the Company under the Purchase Order.

- 23.2.9 The Supplier's information systems shall not contain any virus, malware, Trojan Horse, worm, time bomb, spyware, or other computer programming routine, device or code that could reasonably be anticipated to damage, delete, destroy, replicate, lock, disable, hold hostage, or otherwise detrimentally interfere with, surreptitiously intercept or expropriate any system. The Supplier shall implement all required measures and other protections to ensure that its information systems do not contain any of the foregoing, including any backdoor or other computer programming routine, device or code that could adversely affect the security or confidentiality of the Company's systems or Information.
- 23.2.10 The Supplier shall release, defend, indemnify and hold the Forvia Indemnified Parties harmless from and against all Liabilities arising from or in connection with the Supplier's or Supplier's Subcontractor's business or information systems relating to any Cyber Security Event. No limitations of Forvia Indemnified Party rights or remedies in any of the Supplier's documents shall operate to reduce or exclude such indemnification.
- 23.2.11 Where the Supplier is trusted with certain Confidential Information either owned by the Company or by the Company's Customers, the Supplier may be required, prior to any disclosure of this kind and where relevant to provide the Company a TISAX certification for the applicable scope (or other equivalent industry standard information security certification).

23.3 **Personal Data Breach.**

- 23.3.1 If the Supplier suffers from a security incident or a Personal Data breach of the Company's Personal Data (or the Personal Data of the Company's Customers), the Supplier undertakes to immediately alert the Company after becoming aware of it. The Supplier undertakes to provide a 24/7 and three hundred and sixty-five (365) days/year contact for the management of the Personal Data breaches.
- 23.3.2 The Supplier undertakes to help the Company, at no cost, to implement any action aimed at dealing with these Personal Data breaches, including by notifying the relevant authorities and the persons concerned by those breaches. The Supplier shall:
- a) Assist the Company regarding any legal or regulatory formalities;
 - b) Provide all the relevant information to the Company to assess the extent of the Personal Data breach;
 - c) Promptly specify the procedures used for the safeguard and remediation to manage these Personal Data breach, as well as their impact on the protection of the information system and data security;
 - d) Cooperate and synchronize its communication with the Company on these Personal Data violations to regulators, the media, Forvia, Customers or the data subjects concerned.



23.4 **Personal Data Deletion.**

- 23.4.1 During the term of the Contract or upon its termination pursuant to Section 25, the Supplier must, at the request of the Company, delete and/or return without delay to the Company all or part Forvia's Personal Data and Confidential Information or the Personal Data of the Customers and deletes existing copies unless, European Union or Member State law or other country law requires otherwise.
- 23.4.2 The deletion is made in a secured manner and definitive (without possibility of reconstitution) and concerned all the Supplier's and Subcontractor's equipment or information systems used to process Data.
- 23.4.3 The Supplier will ensure that its Subcontractors do the same within a reasonable time and must provide proof to the Company.

23.5 **SUBCONTRACTORS.**

- 23.5.1 Any Subcontractor hired by the Supplier shall be compliant with the Supplier's obligations related to processing of Personal Data. The Supplier's contract with a Subcontractor particular, shall stipulate that all the same Data Protection obligations, standards and security policies as set forth in the Contract, including Section 23, apply.
- 23.5.2 The Supplier shall ensure that contracts with its Subcontractors clearly establish their responsibilities and obligations for the processing and security of any transmitted Personal Data.
- 23.5.3 The Supplier shall be responsible for the performance by the Subcontractor regarding the processing of Personal Data and security.
- 23.5.4 The supplier shall maintain a list of Subcontractors processing the Company's Personal Data or the Personal Data of the Company's clients. This list will be updated at least once a year.

24 **SAMPLES, PROTOTYPES, TOOLING, PROVIDED MATERIALS**

- 24.1 Supplier Transfer.** Unless otherwise stated in a Purchase Order or the Contract, the Supplier shall transfer the ownership, title and risks of the Equipment that the Supplier manufactures or causes to be manufactured within the framework of the Contract to the Company, which accepts said transfer of ownership, title and risks. The transfer of ownership, title and risks shall be determined in accordance with Section 20.

24.2 **Provided Materials and Equipment**

- 24.2.1 If the Company makes the Equipment available to the Supplier by way of lease for the purpose of performance of the Contract, the Contracting Parties shall conclude a corresponding lease contract prior to the use of such Equipment by the Supplier. The statutory provisions shall apply, if the Contracting Parties do not conclude a separate lease contract.
- 24.2.2 If the Company makes Materials and Equipment available to the Supplier free of charge these Materials and Equipment shall remain the property of the Company and the Supplier is obliged to examine the Material provided by the Company to detect any defects noticeable by sight without undue delay. The



Supplier must also perform a quantity and identification check. Any differences must be reported to the Company within one working day.

- 24.2.3 The Provided Materials and/or Equipment may be used only to perform the Contract and may not be sub-leased, made available to a third party, reproduced, copied, pledged or granted as security. The Supplier will inform the Company, within a timeframe compatible with the launch of new Equipment, about normal wear and tear that might necessitate the overhaul of said Equipment.
- 24.3 Material Processing.** The processing of the Materials provided by the Company takes place always on behalf of the Company. If the value of the Materials provided by the Company exceeds the value of the processing and – if applicable – of the other components of the newly manufactured objects, the newly manufactured objects shall become the property of the Company and otherwise they shall be jointly owned by the Company and the Supplier in the ratio of the provided material to the value of the processing and the other components. For the avoidance of doubt: the above shall by no means restrict the obligation of the Supplier to provide the Company with the unrestricted ownership, free from encumbrances whatsoever, with delivery of the Contractual Products.
- 24.4 Property Marking.** At the Supplier's expense, the Equipment must be fitted with a plate positioned in a visible place which indicates the identification number, the name of the owner of the Equipment, in accordance with details provided by the Company, and the words "Property of FORVIA, which may not be sold, transferred, or pledged" or "Property of HELLA, depending on the FORVIA Company issued the Contract, which may not be sold, transferred, or pledged" (as determined by the Company that is a party to the Contract).
- 24.5 PPAP Process.** Equipment will be approved for payment only after the successful completion and approval of the Production Part Approval Process (PPAP) sample submission by the Company and its Customer, successful audit and payment for such Equipment to the Company by the Customer. Subject to compliance with the foregoing, payment terms for approved amounts shall be ninety (90) days after PPAP approval and successful audit. The Company shall have the right to deduct 5% from the payment in the event the Supplier's PPAP sample submission is more than fifteen (15) calendar days late from its scheduled due date. For PPAP sample submissions submitted forty-five (45) or more calendar days after their scheduled due date, the Company shall have the exclusive option to cancel any Purchase Order in whole or part, without any liability or obligation to the Supplier. Approved invoices will be paid by the Company after payment for such approved Equipment from the Customer, and in proportion to such payment actually received from the Customer. Invoices shall be subject to an audit of the Supplier's records prior to such invoices being approved. The Company shall have the right to audit the Supplier's books and records related to the Equipment for a period of two (2) years after PPAP submission by the Company to its Customer and in the event that the Company determines that any amount was not properly payable may debit the Supplier's accounts for such amounts. The Supplier will cooperate in the audit and supply the Company with all necessary information for the audit.



- 24.6 Identification.** Prior to the Supplier's first production shipment, the Supplier must submit to the Company in writing a listing of the Identification Numbers for all Equipment (including all molds, tools, tooling, dies, jigs, fixtures, and other capital equipment), detailed descriptions and locations for each item with an Identification Number, tooling biographies and confirmation that each is properly marked as detailed above.
- 24.7 Non-Disposal.** All Equipment, including molds, tools, tooling, dies, jigs, fixtures, and other equipment, shall not be scrapped or made available to third parties (for any purpose including but not limited to production purposes) without the prior written consent of the Company.
- 24.8 Transfer of Equipment.** Immediately upon the Company's request, all or any portion of the Company's Equipment in the possession of the Supplier shall be immediately released to the Company or delivered to the Company by the Supplier, either (a) for international shipments DDP at the Company's plant (F.O.B. the Company's plant for all other shipments) properly packed and marked in accordance with the requirements of the carrier selected by the Company to transport such Equipment, unless stated differently on the Purchase Order or (b) to any location designated by the Company, in which event the Company shall reimburse the Supplier the reasonable and documented costs of delivering such Equipment to such location.
- 24.9 Lien Waiver/Property Rights.** Where permitted by law, the Supplier hereby waives any possession rights, lien rights, requirements for the posting of bond or other surety, or other rights that the Supplier might otherwise have in any of such Equipment or other of the Company's property for work performed on such Equipment, Contractual Products or other goods manufactured with such Equipment or otherwise.
- 24.10 Condition and Treatment of Equipment.** As the custodian of the Equipment and or Provided Materials, Supplier will protect the Equipment and/or Provided Materials against the risks of loss, theft, damage or destruction. As a prudent and careful user, Supplier will keep the Equipment and/or Provided Materials in good working order and will be responsible for any extraordinary wear and tear or deviations in the manufacturing process. Supplier will inform Company, within a timeframe compatible with the launch of new Equipment, about normal wear and tear that might necessitate the overhaul of said Equipment. Supplier will take out all necessary insurance to cover the replacement value of the Equipment, as well as liability insurance policies against damage that the Equipment may cause to third parties. Supplier will provide proof of insurance at least once a year during the term of the Contract.
- 24.11 No Transfer of Ownership.** Performance by the Supplier hereunder shall not transfer any right of ownership in, nor license to, nor permission to use, the Equipment except to the extent necessary to produce Contractual Products or Contractual Services or as otherwise agreed in writing by the Company. The Company shall have the option at any time to purchase the Equipment, including any and all molds, tools, tooling, dies, jigs, fixtures, and other equipment, used in the manufacture of Contractual Products or delivery of



Contractual Services for the Company not already owned by the Company, at the then current book value, less any costs for repair or refurbishment.

25 TERMINATION

25.1 Company's Termination for Convenience.

25.1.1 The Company shall be entitled to terminate the Contract or any Purchase Order, statement of work or agreement hereof, partially or entirely at any time for any reason by providing thirty (30) days advanced written notice to Supplier (including notice by e-mail).

25.1.2 Upon receipt of notice of termination, the Supplier shall (a) stop work on the termination date and to the extent specified in the notice and terminate all orders and subcontracts to the extent they relate to the terminated work, (b) comply with the Company's instructions regarding the protection, transfer and disposition of title to and possession of such work and materials. The Supplier shall submit to the Company any claims relating to such termination as soon as possible, but in any event within thirty (30) days from the effective date of such termination. Failure of the Supplier to submit its claim within this time period shall be an absolute waiver of any right of compensation. The Supplier hereby grants the Company the right to audit and inspect the Supplier's books, records, and all other documents related to the Supplier's termination claims. Upon termination by the Company under this Section, the Company's sole and exclusive obligations shall be: (i) payment of the Purchase Order price for all finished supplies in the quantities ordered by the Company under the Purchase Order for which the Supplier has not been paid; (ii) the Supplier's actual cost of merchantable and useable work-in-process and raw materials incurred by Supplier under the Purchase Order, to the extent such costs are reasonable, and the parts and materials transferred to the Company under part (b) above; (iii) the Supplier's actual costs, to the extent such costs are reasonable, of settling obligations to its subcontractors required under the Purchase Order, to the extent directly caused by the termination, but limited to the amount of the firm quantities of supplies and raw materials/components specified in Releases issued by the Company and then currently outstanding; (iv) the Supplier's reasonable actual cost of carrying out its obligations under this Section and amounts due in connection with transition. Notwithstanding anything to the contrary herein or in any other document between the parties, the Company shall have no obligation for and will not be required to pay the Supplier for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, tooling, facilities and equipment rearrangement costs or rental, unamortized capital or depreciation costs, finished goods, work-in-process or raw materials that the Supplier fabricates or procures in amounts exceeding those authorized in the Releases, work-in-process or parts or raw materials inventory which can be returned to Supplier's vendors or subcontractors for credit or general administrative burden charges from termination of the Purchase Order or after the effective date of termination by the Company. In all cases, the Company's obligation upon termination under this Section will not exceed the



obligation the Company would have had to the Supplier in the absence of termination. The Company may, at its sole and exclusive discretion, require the Supplier to manufacture and deliver up to a twenty-four (24) week bank of Contractual Products (the "Product Bank") at the pricing set forth in the applicable Purchase Order. In such case, the Product Bank shall remain subject to all of the terms set forth in the Contract.

25.1.3 Unless otherwise authorized in writing by the Company, the Supplier shall not make non-terminable commitments for materials or fabricate in advance of the time necessary to permit shipment(s) on the delivery date(s) specified in the Company's Releases. The Company shall in no event be liable or responsible for any such costs or amounts incurred by the Supplier in breach of this provision.

25.1.4 The Supplier shall not terminate or cancel a Purchase Order.

25.2 Termination Upon Default.

25.2.1 The Company reserves the right to terminate a Purchase Order in whole or in part for default occasioned by the Supplier's threatened or actual failure to perform in accordance with the requirements of a Purchase Order (including the obligations arising under these Terms) or Release. Such termination shall be without liability to the Company, except for accepted Contractual Products and accepted Contractual Services. The Supplier shall be liable for all direct, indirect, special and consequential damages, including but not limited to lost profits, penalties or costs imposed by the Customer on the Company, either in whole or in part caused by, arising from or resulting from the Supplier's default.

25.2.2 The Company may terminate the Contract or any Purchase Order in whole or in part, in the event of a change in control/ownership of the Supplier or the sale by the Supplier of a material part of the assets used to perform under a Purchase Order. "Control" within the meaning of this Section shall mean that a third party directly or indirectly obtains at least fifty percent (50%) of the shares or voting rights at the shareholders' meeting and/or any decision-making corporate body of the Supplier. Any such termination shall be a termination for cause and shall be without cost to the Company. In such case, Supplier shall remain subject to the damages set forth in 25.2.1 to the Company.

25.2.3 The Company may immediately terminate, in whole or in part, any Purchase Order if the Company determines, in its sole discretion, that the Supplier has breached its obligations to perform in compliance with the Company's Code of Ethics, QAA, Warranty Agreement and related policies. In such case, the Supplier shall be liable for all costs, damages and expenses caused by or resulting from such default.

25.2.4 If the Company believes the Supplier may breach its obligations under the Contract or any Purchase Order or statement of work hereunder, the Company may, but shall not be obligated to, demand adequate assurances from the Supplier. In such case, the Supplier shall provide, in the detail and in the form required by the Company such adequate assurances that it is capable of and will continue to perform in



conformity with its obligations hereunder. The Supplier shall provide such adequate assurances within five (5) calendar days following a written request by the Company.

25.3 Termination Upon Insolvency or Bankruptcy.

The Company may terminate a Purchase Order, without liability, in the event of the insolvency, bankruptcy, reorganization, arrangement, receivership or liquidation by or against the Supplier; or if the Supplier fails to provide adequate written assurance of adequate performance after demand by the Company as set forth in Section 25.2.4; or if the Supplier makes an assignment for the benefit of creditors or ceases to carry on business in the ordinary course. If the Company does not terminate a Purchase Order upon the occurrence of Supplier's Insolvency or Bankruptcy, the Company may make such equitable adjustments to the price, payment terms and/or delivery requirements as the Company deems appropriate to address the change in the Supplier's circumstances, including the Supplier's on-going liability to perform its obligations regarding warranty, defective Contractual Products and/or Contractual Services, or other requirements under a Purchase Order.

25.4 Termination or Suspension for Prolonged Excusable Delay or Force Majeure.

If any delay whether or not permissible in accordance with Section 267 below, lasts longer than thirty (30) days, the Company may, but shall not be obligated to, terminate the Purchase Order without liability and the Supplier shall reimburse the Company for all costs associated with the termination.

25.5 Consequences of the Expiration or Termination of the Contract.

Provisions of the Contract that, by their nature, extend beyond the end of the Contract shall remain valid after the end of the Contract. This shall apply regardless the reason for which the Contract comes to an end.

Upon termination of the Contract for any reason and against reasonable consideration, the Supplier shall immediately, upon demand by the Company, deliver to the Company all inventories of raw materials and parts, work-in-process and/or finished Contractual Products and/or any related safety equipment used in the performance of the Contract and which are in its possession at the effective date of termination.

26 SPARE PARTS

26.1 Delivery Obligation

- 26.1.1 The Supplier agrees to supply 100% of the Spare Parts according to the terms of the Contract to the Company and its Affiliated Companies to meet their needs during serial production and after EOP -here and in the following understood as last series vehicle application of the Customer Products for a further period of 15 years.
- 26.1.2 Without limiting the foregoing, the Supplier shall supply the Spare Parts at any time on simple request of the Company and throughout the term for the additional period during which the Customer is likely to order Spare Parts from the Company.
- 26.1.3 The Supplier must actively notify the Company about the end of contractual delivery obligation 12 months in advance and must offer one



last delivery as all-time buy at conditions valid at time of request. Otherwise, delivery obligation is prolonged for 12 months to allow the Company to agree on an all-time buy.

- 26.1.4 The Supplier needs to ensure that the obligations towards the Company referred to in this Section **Fehler! Verweisquelle konnte nicht gefunden werden.**⁶ will be fulfilled by their suppliers to ensure supply to the Company. The Supplier is liable for any commercial damage out of non-compliance with contractual obligations (such as night, and weekend shifts, charges by Customers (e.g., rental car charges of vehicles off road)). For the period after EOP, the Company may support with forecasts for planning purposes, yet, unless otherwise agreed by the Company in written, forecasts are never to be interpreted as binding.
- 26.1.5 For 100% of Spare Parts after EOP the same contractual agreements apply as before EOP (e.g., the Supplier is expected to produce in lot size optimized production batches based on rolling releases for the following 6 months). In case of unpaired demands and paired tooling, the Supplier may notify the Company about rolling 12 months sum unbalance requesting scrapping approval. The Supplier forfeits the right to request raw material scrapping approval (if material cannot be reused) and compensation if not done on a 12-month base during project lifetime. The Supplier may request compensation for overstock for the parts produced in 6-month time frame at end of product lifecycle. Minimum order quantity is smallest packaging unit of packaging approved by the Company.

26.2 Price

26.2.1 Price Validity

- 26.2.1.1 During serial production until EOP of the Customer Products, the price for Spare Parts will be not higher than the agreed price for the Products specified in the Purchase Order, also considering commercial agreements (e.g. rebates).
- 26.2.1.2 The price for components of Products used as Spare Parts will be not higher than the Supplier's actual production or acquisition cost. In no case, however, the total price of all components of the Products will exceed the current Purchase Order price less assembly costs.
- 26.2.1.3 Supplier shall maintain the last Purchase Order price less any amortization for at least 5 years (but not less than the agreed warranty period for the Product) after EOP of the Customer Products. Potential cost increases in this period have to be agreed within the period in the Letter of Nomination to be valid.

26.2.2 Price Changes

If the Supplier believes a change in pricing for Spare Parts after the period acc. to Section **Fehler! Verweisquelle konnte nicht gefunden werden.** is justified (up or down), a price change request may be submitted to the Company as follows:

- The Company must be informed 9 months before the following calendar year, with earliest price validity starting 1st of January of the following calendar year.



- The Supplier's request is limited to significant and ongoing changes in component, raw material costs, or manufacturing costs.
- The Supplier is obliged to provide detailed cost comparison between pre and post EOP phase with burden, selling, general and administrative expenses and profit values being the same as for serial production. Set-up efforts must be stated separately.
- The Supplier will provide actual invoices, published price changes, price change requests from its suppliers, all relevant sales information, evidence of actions taken to mitigate price increases, and other information reasonably requested by the Company (e.g., cost break downs, base figures for hourly/machine rates, set up efforts) to substantiate the requested price change. The Parties will negotiate in good faith any price change and not arbitrarily delay an agreement; provided that, however, it is still at the Company's sole discretion if any price change can be accepted, and nothing in this Section 26.2.2 shall be interpreted as the Company has an obligation to agree on a price change requested by the Supplier.
- Mutually agreed price changes will become effective after recovery of all backorders and not applied retroactively.
- The Supplier will continue to ship according to the Company's requirements under the current Purchase Order during these pricing negotiations.

26.3 Tooling

- 26.3.1 The Supplier agrees to maintain in good condition all tools and equipment necessary to produce Spare Parts, and all corresponding drawings, designs and manufacturing processes until the end of the period of time mentioned in Section 0.
- 26.3.2 Prior EOP, the Supplier must check if own and the Company provided tooling can supply entire service lifetime after EOP. Potential claims (e.g., tool repair) must be requested 6 months prior to EOP but not later.
- 26.3.3 The Supplier is not entitled to sell the Company's drawing parts to other parties than the Company and its Affiliated Companies without explicit written approval by the Company. If doing so, licensing and tooling fees apply. In case of third-party business the Supplier must bear all tool related costs and the Company will not compensate any repair costs at EOP and after.
- 26.3.4 All other associated costs with machines and tooling, such as maintenance, repair and re-qualification costs, are already incorporated in the piece price.

26.4 Compliance

The Supplier has the same contractual responsibility for 100% of Spare Parts after EOP as in current series vehicle application and has responsibility for all associated expenses. The Supplier will provide any most recent legal and/or material



compliance documentation valid at time of the request required by the Company and the Customers to sell or import Spare Parts for any applicable market the parts are sold into and warrants compliance with all regulations.

26.5 IMDS

The contents of the Spare Parts must be entered and maintained up to date to latest standard in IMDS also after EOP as long as the Products are offered in any market.

26.6 Shelf-life

The Supplier must provide shelf-life information on individual labeled packaging units as well as applicable documentation and storage environment requirements in case of an all-time buy.

26.7 Termination Survival

26.7.1 Section **Fehler! Verweisquelle konnte nicht gefunden werden.**6 is applicable to future business, current business if agreed so and in case of any condition changes of past and current business (e.g., new prices).

26.7.2 Unless otherwise agreed in writing, or unless the Company removes Tooling from the Supplier, the Supplier's obligations under this Section **Fehler! Verweisquelle konnte nicht gefunden werden.**6 shall survive the termination or expiration of the Contract for any reason.

27 EXCUSABLE DELAY; FORCE MAJEURE

27.1 Force Majeure. If the performance of the Contract is prevented, delayed or suspended by reason of a Force Majeure event, the Supplier shall, as soon as possible (but no more than one (1) full working day) after the occurrence, provide written notice to the Company describing such delay, the causes thereof, remedial steps being taken to mitigate impact on the Company and its Customer, the anticipated duration of the delay and the time that the delay will be cured consistent with this Section 26. The Supplier's inability to perform as a result, or delays caused by, the Supplier's insolvency or lack of financial resources is deemed to be within the Supplier's control. The change in cost or availability of materials or components based on market conditions, supplier actions, or contract disputes or any labor strike or other labor disruption applicable to the Supplier or any of its Subcontractors or suppliers, will not excuse the Supplier's performance (under theories of force majeure, commercial impracticability or otherwise), and the Supplier assumes these risks.

27.1.1 Company Options. During the delay or failure to perform by the Supplier, the Company may at its sole option: (a) purchase supplies from other sources and reduce its schedules to the Supplier by such quantities, without liability to the Company; (b) require the Supplier to deliver to the Company at the Company's expense all finished goods, work in process and parts and materials produced or acquired for work under the Purchase Order; (c) have the Supplier provide supplies from other sources in quantities and at a time requested by the Company and at the price set forth in the Purchase Order; or (d) the Company may source the Contractual Products and/or Contractual Services from an alternative source and Supplier shall reimburse the Company



for any difference in cost in procuring such Contractual Products or Contractual Services, including but not limited to price differences, expedited shipping/freight costs or similar costs.

- 27.1.2** The Supplier, at its sole cost and expense, shall use best efforts to mitigate any adverse effects or costs to the Company due to any actual or potential delay, including (i) the implementation of a production contingency plan; (ii) expedited freight and shipping; (iii) sourcing through alternative locations/jurisdictions; and (iv) upon the Company's express written authorization, increasing the Supplier's inventory of finished goods or the Contractual Products to a level sufficient to sustain deliveries during such delay. The Supplier will cooperate with the Company in securing alternate supplies, providing requested information, including specifications and processes, as to the event and duration, and in any investigation into whether an event is under the Supplier's reasonable control or not.
- 27.1.3** The Company may delay acceptance of delivery of the Contractual Products and/or performance of the Contractual Services by reason of an excusable delay. In such case, the Supplier shall hold the Contractual Products or delay performance of the Contractual Services, at the Company's direction and at no cost to the Company, until the cause of the excusable delay has been removed.
- 27.1.4** Without limiting Supplier's obligations hereunder, in the event of any supply allocation, including that cause by a Force Majeure Event, Supplier shall give preference to the Company for all of the Contractual Products and dedication of persons for the delivery of the Contractual Services ordered under any Purchase Order.
- 27.1.5** In addition, the Supplier at its expense will take all necessary actions to ensure the supply of the Contractual Products and/or Contractual Services to the Company for a period of at least thirty (30) days during any anticipated labour disruption or resulting from the expiration of the Supplier's labour contracts. If upon the Company's request, the Supplier fails to provide within ten (10) days (or such shorter period as the Company requires) adequate assurance that any delay will not exceed thirty (30) days, or if any delay lasts longer than thirty (30) days, the Company may terminate the Purchase Order without liability and the Supplier shall reimburse the Company for costs associated with the termination.

28 RECALL; RECALL LIABILITY

Upon the occurrence of a Recall, if a potential cause for the Recall is determined in the Company's reasonable judgment to be attributable to the Supplier, the Supplier will release, defend, indemnify and hold the Forvia Indemnified Parties harmless for all Liabilities, including but not limited to the costs of any services or other actions incurred to correct or to remedy any Recall. The Forvia Indemnified Party remedies under this Section shall include, but not be limited to, a claim for actual, consequential and incidental damages (including, without limitation, attorneys' fees, legal costs, expert fees and costs, and administrative costs and expenses) arising out of, resulting from or related to any such Recall. The term "Recall" shall mean (i) in the absence of an order



issued by any applicable governmental agency or authority of China or any other country, notification by the Customer to the applicable governmental authority of China or such other foreign country and to owners, purchasers, and dealers as required under applicable law, that any motor vehicle or item of replacement equipment contains a defect related to motor vehicle safety or that such vehicle or item of replacement equipment fails to comply with an applicable motor vehicle safety standard, or such other notification as may be required under any other applicable law and/or (ii) an order by any applicable Chinese or foreign governmental agency or authority with respect to any motor vehicle or item of replacement equipment which fails to comply with an applicable motor vehicle safety standard or contains a defect which relates to motor vehicle safety, or an order by any applicable Chinese or foreign governmental agency or authority requiring notification and remedial action on the part of the Forvia Indemnified Party with respect to any motor vehicle or item of replacement equipment. Any decision by the Company, in its sole discretion, to contest in a legal proceeding or any determination by any Chinese or foreign governmental agency or authority, with respect to a Recall order shall not waive or diminish in any manner any rights of any Forvia Indemnified Party under the provisions of this Section. The Forvia Indemnified Party's rights under this Section shall be cumulative and additional to any remedies provided by law or in equity.

29 LIMITATION ON REMEDIES, LIABILITIES AND DAMAGES

The Company's entire liability to the Supplier for any loss, liability or damage, including attorneys' fees, for any claim arising out of or related to the Contractual Products and/or Contractual Services, regardless of form of action, will be limited to the Supplier's actual direct out-of-pocket expenses which are reasonably incurred by the Supplier, and only to the extent that sufficient and acceptable documentary evidence of such damages is presented to the Company. In no event will the Supplier's recovery exceed the total amount of purchases by the Company during the three (3) month period immediately preceding such claim. IN NO EVENT WILL THE COMPANY OR ANY FORVIA INDEMNIFIED PARTY BE LIABLE TO THE SUPPLIER OR ANY THIRD PARTY FOR LOST PROFITS, CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES, HOWSOEVER ARISING OUT OF OR RELATED TO THE CONTRACTUAL PRODUCTS OR CONTRACTUAL SERVICES PROVIDED TO THE COMPANY, REGARDLESS OF THE BASIS OF SUCH CLAIM.

30 INDEMNIFICATION

The Supplier agrees to indemnify, defend, protect and hold harmless Forvia Indemnified Parties from and against any and all Liabilities.

31 REMEDIES

31.1 Cumulative Remedies. The remedies provided by these GPC and at law are cumulative and in addition to any other rights and remedies available to the Company at Law, in equity or otherwise. The Supplier hereby waives any claims that it may have against the Company in tort, under statute or in equity, and confirms that the Supplier's complete rights and remedies as against the Company, including the right of indemnity and measure of damages in the event of the Company's breach or default, are limited to those expressly conferred by or provided for in these GPC.



- 31.2 Continued Performance.** Notwithstanding the termination of a Purchase Order, in whole or part, whether for cause or convenience, so long as during the Transition Period, as defined hereinafter, and provided that the Company timely pays the pricing set forth on the Purchase Order for such Contractual Products and/or Contractual Services, the Supplier shall have the absolute obligation to continue to provide or deliver the Contractual Products and/or Contractual Services in accordance with the terms of the Purchase Order for a reasonable period of time to permit the Company the opportunity to procure a replacement supplier, so as to permit an orderly transition of the production of the Contractual Products and/or Contractual Services and so as to avoid any interruption of production at the Company's facilities or the facilities of the Customer. Such period being referred to herein as the "Transition Period." The Supplier will cooperate with the Company and its replacement supplier in transitioning the work to a replacement supplier.
- 31.3 IRREPARABLE HARM.** THE PARTIES FURTHER AGREE THAT ANY BREACH OF THESE GPC OR A PURCHASE ORDER OR THREAT OF BREACH BY THE SUPPLIER THAT WOULD HAVE THE EFFECT OF INTERRUPTING PRODUCTION AT THE COMPANY OR THE CUSTOMER, WOULD RESULT IN IRREPARABLE HARM TO THE COMPANY, ITS CUSTOMERS AND THE BUSINESS AND REPUTATION OF EACH OF THEM, AND THAT MONEY DAMAGES WOULD NOT BE A SUFFICIENT REMEDY FOR ANY SUCH BREACH. THE PARTIES AGREE THAT IN SUCH EVENT THE COMPANY SHALL BE ENTITLED TO EQUITABLE RELIEF, INCLUDING INJUNCTION AND SPECIFIC PERFORMANCE, REQUIRING FURTHER PRODUCTION OF CONTRACTUAL PRODUCTS AND/OR THE PROVISION OF CONTRACTUAL SERVICES, AS A REMEDY FOR ANY SUCH BREACH OR CLAIMED BREACH. FOR PURPOSES OF CLARITY, IN THE EVENT THAT THE SUPPLIER TAKES OR THREATENS TO TAKE ACTION (OR FAILS TO ACT) IN A MANNER THAT DISRUPTS OR THREATENS TO DISRUPT THE COMPANY'S ABILITY TO PRODUCE AND DELIVER TO THE CUSTOMERS ON SCHEDULE, THE COMPANY SHALL HAVE THE RIGHT TO SEEK SPECIFIC PERFORMANCE OF A PURCHASE ORDER IN A COURT OF THE COMPANY'S CHOOSING WITHOUT APPLICATION OF PRINCIPLES OF CONFLICTS OF LAW.
- 31.4 Legal Fees.** For purpose of clarity, in addition to any other remedy available to the Forvia Indemnified Parties, the Forvia Indemnified Parties shall be entitled to recover its costs, reasonable attorneys' fees and costs, and expert fees and costs incurred in connection with any legal proceeding brought by or against any Forvia Indemnified Party.

32 CUSTOMER TERMS

Except to the extent of any conflict with explicit terms of a Purchase Order, the Supplier shall comply with the general terms and conditions of purchasing of the Company's Customer or other agreement received by the Company from the Customer, the Supplier shall be responsible for ascertaining the Customer's general terms and conditions that may affect the Supplier's obligations hereunder. Without restricting the foregoing, the Supplier shall take such steps within the Supplier's control to enable the Company to meet the Company's obligations to the Customer under the Customer's purchase orders.

- 32.1 Customer Terms Update.** The Company may, from time to time, in its sole discretion, provide the Supplier with information regarding the applicable



Customer Terms, but, in any event, the Supplier shall remain responsible for ascertaining the Customer Terms that may affect the Supplier's obligation hereunder and hereby agrees to be bound to such Customer Terms.

32.2 Conflict of Terms. If there is any conflict between the provisions of the Customer Terms and any provisions of the Purchase Order, the Company shall have the sole and exclusive right to determine which terms shall govern.

32.3 Customer Insolvency. In the event that the Customer threatens or suffers an insolvency event, in the course of any proceedings relating to such insolvency event and in connection with actual or threatened termination by the Customer of its contract(s) with the Company, the Company permits a reduction in the prices paid by the Customer for the Contractual Products and/or Contractual Services, then the prices paid to the Supplier for such Contractual Products and/or Contractual Services from and after the date of such reduction will be automatically adjusted proportionately by the same percentage as the price reduction granted to the Customer, and the Purchase Order(s) shall otherwise remain in effect without modification.

32.4 Assignment of Accounts Payable. In the event the Customer fails to pay the Company for the products incorporating the Contractual Products and/or Contractual Services supplied by the Supplier, the Company reserves the right to assign to the Supplier the right to collect such amounts directly from the Customer, in whole or in part, and the Supplier agrees to accept such assignment as payment for any invoices due from the Company to Supplier on a dollar-for-dollar basis. In such case, the Supplier shall release the Company of any liens or similar obligations upon completion of such assignment.

32.5 Payment Term Adjustments. In addition to any other rights or remedies provided under the Contract or any Purchase Order, if the Customer designated the Supplier as a Mandated Supplier, (i) the Company will pay the Supplier for the Contractual Products and Contractual Services received only after and to the extent of, and in proportion to, the Company's actual receipt of payment from the Customer for those products into which the Contractual Products and/or Contractual Services are incorporated; (ii) any lengthening of the Customer's payment terms to the Company for those products into which the Contractual Products and/or Contractual Services are incorporated will automatically lengthen the payment terms as between the Company and the Supplier in proportion to the change in Customer Terms; and (iii) within three (3) days of any change in price, specifications or other terms negotiated or proposed between the Supplier and the Customer, the Supplier shall notify the Company in writing and immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on the Company without the Company's specific written consent.

33 APPLICABLE LAW - JURISDICTION

33.1 Interpretation. These terms and any Purchase Order shall be interpreted and enforced in accordance with the laws of the People's Republic of China, exclusive of the choice of law rules.



- 33.2 Good Faith Negotiation.** The Contracting Parties shall endeavour to amicably resolve differences of opinion with respect to the interpretation, performance or termination of the Contract prior to bringing a complaint or initiating a legal proceeding.
- 33.3 Venue.** For any legal or equitable action arising out of the Purchase Order or the Contract, the Supplier consents to the exclusive jurisdiction of the competent court in the location of the Company issuing the Purchase Order.

34 GENERAL PROVISIONS

- 34.1 Subcontractors.** The Supplier shall only be permitted to use Subcontractors to render Contractual Products and/or Contractual Services or portions thereof with the prior written consent of the Company. The Supplier shall be required to contractually and organizationally ensure that the Subcontractors are properly trained and comply with the provisions of the Contract (particularly the non-disclosure obligation).

Non-reduction of Liability. Consent by the Company shall not limit the liability of the Supplier. The Supplier shall be liable on an unrestricted basis for the acts and omissions of the Subcontractor.

- 34.2 Tort Recovery.** The Company's rights and Supplier's obligations under any Purchase Order shall not limit in any way whatsoever the Supplier's tort obligations or the Company's right to sue in tort in addition, or as an alternative to suing under contract principles. The Supplier hereby waives the right to sue in tort in respect to any matter that is addressed, in whole or in part, by the Contractual Documents, including the Contract or any Purchase Order.
- 34.3 Assignment of Claims.** The Supplier shall not be entitled to assign claims arising from the Contract to third parties without the prior written consent of the Company. The Company may not unfairly deny consent. If an extended reservation of title of a supplier of the Supplier is present, consent shall be deemed to be given following separate written notice (a notice on the delivery note or on an invoice shall not suffice). If the Supplier assigns its claims against the Company without the necessary consent, the Company can, at its discretion, render performance to the Supplier or the relevant third party with obligation-discharging effect.
- 34.4 Setoff and Retention.** The Supplier shall only be entitled to set off any claims against the Company, if such claims have been acknowledged by the Company or judicially established. This shall apply mutatis mutandis to rights of retention of the Supplier. The Company may deduct or set-off at any time indebtedness from any amounts due or to become due to the Supplier (and/or Supplier's affiliates), with or without notice to the Supplier.
- 34.5 Relationship of the Contracting Parties.** If not explicitly agreed differently in writing, the Contract should not be interpreted as:
- 34.5.1** constituting a de facto company, a joint venture, an agency, a foundation, or any other association of any kind between the Contracting Parties; or



34.5.2 constituting a joint and several liability between the Company and the Affiliated Companies or between the Affiliated Companies among themselves; or

34.5.3 permitting to one of the Contracting Parties, towards a third party, to act or to declare itself as having the authority to act as an agent, a representative, or by any other means, to commit or to bind the other Party at any obligation; or

34.5.4 constituting an exclusive engagement, profiting to the Supplier for the delivery of the Contractual Products and/or Contractual Services.

34.6 Assignment and Transfer.

The Company is entitled to freely assign in whole or in part the Contract, including any Purchase Order (including the Company's interest therein) to any Affiliated Company or to any third party, without the Supplier's consent. The Supplier shall not assign the Contract, including any Purchase Order or any portion thereof or any work thereunder or any interest therein, except that the Supplier may, with the prior written consent of the Company, make an assignment of monies due or which may become due to the Supplier to a bank, or other financial institution: provided, however, that any such assignment shall be subject to set-off, recoupment or any other lawful means of enforcing any present or future claim or claims which the Company may have against the Supplier.

34.7 Severability Clause.

Should any provision of the Contract be void, invalid, illegal, unenforceable, or in violation of any applicable laws, by virtue of a judicial decision, arbitration award, competition regulatory body's decision, or any other regulatory bodies' decision, or under any applicable laws, the provision of the Contract thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the laws, and all other provisions of the Contract not affected or impaired shall remain in full force and effect.

34.8 Dates, Working Days and Measures. Unless otherwise regulated or agreed:

34.8.1 all dates shall be subject to the Gregorian calendar.

34.8.2 working days shall be all weekdays with the exception of Saturdays, Sundays and Chinese public holidays.

34.8.3 for all physical quantities the International Systems of Units (SI) of the International Bureau of Weights and Measures shall apply.

34.9 No Waiver.

The fact that one of the Contracting Parties does not use a right arising from the Contract or by statute at any point in time or demand the use of such right by the other Contracting Party shall not constitute waiver of the use of such right. The Contracting Party shall be entitled to continue to assert such rights.

34.10 Company's Website.



34.10.1 Company's internet website (or such other website as may be directed through links on the Company's website, or other supplier portal provided by the Company) (the "Company Website") may contain specific additional requirements for certain items covered by the Purchase Orders, including supply chain and logistics, labelling, packaging, shipping, delivery and quality specifications, procedures, directions and/or instructions. Any such requirements shall be deemed to form part of the Contract and apply to the Purchase Order. Company may periodically update such requirements by posting revisions on the Company's Website.

34.10.2 The Company may modify the Purchase Order terms, GPC, QAA, Code of Conduct, Particular Conditions or the Contract from time to time by posting revised terms to Company's Website. Such revised terms shall apply to all Purchase Orders and Purchase Order revisions issued on or after the effective date of the Company's posting of the modified terms and conditions. The Supplier agrees that it is Supplier's obligation to review the Company's Website periodically and waives notice of any updates to the Contract, or Purchase Order, other than as such updated terms may be posted on the Company's website.

On behalf of HELLA:

On behalf of the Supplier:

Date: _____

Date: _____

Name: _____

Name: _____

Signature

Signature