1. SCOPE; ACCEPTANCE; OTHER TERMS AND CONDI-TIONS

- 1.1 These Purchasing Conditions shall apply to all contracts between us, AVL Emission Test Systems GmbH, and the party to the contract hereinafter "**Supplier**".
- 1.2 Upon confirmation of our order, these Purchasing Conditions shall be deemed accepted by Supplier.
- 1.3 Supplier's conditions conflicting with or at variance from these Purchasing Conditions shall not be regarded as contractual contents even if we do not state our express objection to their conclusion. Should Supplier not be in agreement herewith, it shall immediately notify us in writing regarding this circumstance.

Any standardized reference to the Supplier's general terms and conditions is expressly opposed.

2. OFFERS; ORDER

- 2.1 No compensation shall be paid for the development of offers, plans, cost estimates etc. by Supplier unless expressly agreed to.
- 2.2 At our request, Supplier shall establish a connection to us through the SAP Ariba business network for the purpose of electronically exchanging via Ariba all documents relevant to orders and deliveries (such as order, order confirmation, shipping notification, invoice, etc.) and processes defined by us (uploading of product catalogs, vendor-managed inventory [VMI], etc.).
- 2.3 After receiving our written order, Supplier shall immediately but no later than within 3 days confirm it, decline it or submit a modified offer to us. This 3-day limit shall be referred to hereinafter as "Reaction Time". To comply with the written form, transmission by fax or email is sufficient. Periods occurring on a Saturday, Sunday or legal holiday at Supplier's headquarters are not calculated when determining Reaction Time. In the event that Supplier does not confirm our order within the Reaction Time, we are entitled to revoke the order.
- 2.4 Our orders and modifications to these shall be valid only when issued and/or confirmed by us in writing.
- 2.5 The passing on of our orders to third parties, whether fully or in part, shall take place only with our prior written consent. Violation of this provision shall entitle us to extraordinary termination of the Contract without notice. Further claims on our part shall remain unaffected.
- 2.6 Assignment of claims and/or transfer of collection of claims against us to third parties shall be permitted only with our prior written consent.
- 2.7 In the event that Supplier discontinues its payments or that insolvency proceedings are initiated against its assets, we are entitled to terminate the contract notwithstanding other rights.

3. DELIVERY AND SERVICE DEADLINES; DELIVERIES

- 3.1 The contractually agreed-upon delivery and/or service deadlines – hereinafter "**Deadlines**" – are binding and are defined as the date of receipt of the goods and/or services at the agreed-upon destination.
- 3.2 If compliance with a Deadline is jeopardized, Supplier shall make us aware of this situation in writing (fax is sufficient).
- 3.3 In the event of a delivery or service delay attributable to Supplier, we reserve the right to claim a contractual penalty in the amount of 0.2% per delayed workday but maximally 5% of the total volume of the assignment. We are also entitled to claim the contractual penalty even if we have not expressly reserved the right to do so when accepting the delivery and/or service. Further claims on our part, especially

those calling for compensation for damages, shall remain unaffected.

- 3.4 Even if we accept a postponement of the Deadline, our right to legal and contractual claims arising from the delay remains reserved.
- 3.5 In the event that delays beyond the delivery Deadline are attributable to Supplier, it is obligated to deploy the most rapid available means of transportation to reduce the Deadline delay notwithstanding the shipping mode specified in the order. These transport costs shall be borne by Supplier.
- 3.6 In the event of delay beyond the delivery Deadline attributable to Supplier, we are entitled, following expiration of a reasonable time period generally not longer than 14 calendar days, to withdraw from the Contract with immediate effect.
- 3.7 If a fixed Deadline was agreed to, the Contract shall be dissolved upon breach of the Deadline unless we claim fulfillment of the Contract immediately but within no more than three days after the breach.
- 3.8 Partial or advance deliveries and provision of services shall be permitted only with our written consent. Exceptions from this requirement include deliveries and provision of services within no more than 7 calendar days of the agreed-upon Deadline. Even in the case of allowable advance delivery, the payment Deadline shall coincide with the contractually agreed-upon Deadline.
- 3.9 Unless a different agreement is reached, deliveries shall take place in accordance with DDP (Incoterms 2010) at the agreed-upon destination.
- 3.10 Packaging shall be selected under consideration of relevant packaging standards, especially the AVL Delivery and Packaging Regulation (www.avl.com > Company > Quality, Environment, Safety & Security > Documents) to ensure damage-free delivery is free. Upon AVL request, Supplier is obligated to take back the transport packaging.
- 3.11 For claims of defects, erroneous deliveries or quantity errors under Sec. 377 Commercial Code (HGB), the following shall be valid: Our inspection of incoming goods takes place only with respect to externally detectable damage and externally detectable discrepancies in identity and quantity. We will promptly report such defects. We reserve the right to conduct further review of incoming goods. Furthermore, we will report defects as soon as they have been determined in the normal course of business. To this extent, Supplier waives its right to object to late notification of defect. Payment for the goods shall in no way signify unconditional acceptance of the goods.
- 3.12 In the event of specially agreed-upon delivery approval by us, we are entitled to extend the delivery Deadline for up to 90 calendar days. Supplier shall be obligated in this case to secure the goods at no charge until they are released for delivery.

4. MODIFICATIONS TO DELIVERIES AND SERVICES

4.1 We are entitled at any time to make changes to the agreedupon scope of deliveries and/or services, especially in construction, processes and/or execution as well as changes not regarded by Supplier as unreasonable.

In the event of such requests for change, the impact with particular reference to price increases or decreases shall be indicated in writing by the Supplier and agreement shall be reached between the parties. Supplier is obliged to take all precautions to limit additional costs to those absolutely necessary.

Supplier shall have a claim to remuneration for price increases only where these have been included in a written agreement with us.

- 4.2 To the extent that Supplier wishes to change the content and/or scope of agreed-upon deliveries and/or services, it shall propose such changes to us in writing at the earliest possible opportunity, generally at least six months in advance. The proposed modification shall be permitted only if we have provided our prior express written consent to this.
- 4.3 Modifications required due to amendments to legal regulations or Supplier standards do not require agreement but rather advance, immediate and timely prior communication by Supplier.

Supplier is obligated to propose to us in a timely manner such modifications as it deems necessary or appropriate with respect to amended legal regulations or otherwise compulsory regulations or for other reasons. To the extent that a modification can affect cost or delivery dates, Supplier's proposal shall make us aware of this situation as well.

5. QUALITY AND DOCUMENTATION

- The goods to be delivered shall correspond to the latest 5.1 versions of domestic and international provisions (especially safety, accident prevention and environmental protection regulations, relevant ordinances and guidelines of Association of German Electrical Engineers (VDE) regulations, REACH Ordinance [EC] No. 1907/2006, ROHS Guideline 2011/65/EU, most recently modified by Delegated Directive 2016/58/EU as well as the latest recognized rules and standards of the technology, and delivery shall be made in strict accordance with the documentation underlying the order and known to Supplier, such as drawings, descriptions, samples, specification sheets, acceptance conditions, etc. Supplier shall submit accordingly all required data sheets and bulletins together with the ordered goods and shall label its deliveries in accordance with respectively valid regulations (such as CLP Regulation [EC] no. 1272/2008).
- 5.2 Supplier shall establish a quality management program corresponding to the requirements of ISO 9001 and shall implement a quality control program suited in its nature and extent to the current state of the technology and, to the greatest extent possible, shall make progress toward ISO 16949 and VDA 6.4 and adopt a zero defect philosophy.

Supplier shall comply with the ISO 26262 standard with respect to functional security for systems with electronics and software. Supplier shall provide for IT security in accordance with the provisions of ISO 27001.

- 5.3 Complete maintenance, operation and service instructions for devices, instruments, system parts and systems shall be included in the delivery without separate invoice and at no extra charge.
- 5.4 Supplier is hereby notified that we are certified under ISO 14001, ISO 9001 and VDA 6.4. Supplier shall observe the QES documents, including the currently valid list of ingredients and substances ("AVL Substances List") that may not be delivered to us or may only be delivered under specific conditions; the list is available at our Internet page *www.avl.com* under Company > Quality, Environment and Security.

In the event that goods to be delivered by Supplier contain one or more ingredients found in the above-mentioned current AVL Substances List, Supplier shall inform the respectively responsible purchaser regarding these ingredients.

5.5 All modification of the production process, production site or destination of the goods requires our prior written consent, which may not be reasonably denied. Costs and damages we incur as a result of the failure to observe this regulation or that otherwise occur due to a site change by Supplier are to be borne by Supplier. Supplier shall immediately inform us in writing regarding site relocations or changes of subcontractor in its supply chain of which it becomes aware. 5.6 Supplier is obligated to include complete product documentation in its delivery (especially installation, maintenance, operation and service instructions, documentation of testing, CE declarations, etc.) without separate invoice and at no extra charge in an electronically editable format, as pdf and as hard copy. In this process, the specifications of the Supplier Documentation Specification Sheet (http://srm.avl.com > Aushang Kundendokumentation) shall be observed. We are entitled to use this product documentation without restriction and especially to incorporate it into training and operations documents as well as into customer documentation, whether wholly or in part, in the original language or in translation.

6. PRICES AND PAYMENT

- 6.1 Unless otherwise expressly agreed upon in writing, the prices listed in Supplier's offer and/or in our order are fixed and unalterable over the full course of delivery and services provided under the Contract.
- 6.2 Unless otherwise agreed upon in writing, payment shall occur following receipt of goods in accordance with the Contract or performance of services in accordance with the Contract and receipt of a proper and auditable invoice after 14 days with 2% discount or 30 calendar days net.

7. LIABILITY FOR DEFECTS AND INSURANCE OBLIGA-TIONS

- 7.1 Unless otherwise agreed upon in writing, the period for claims of defects shall extend to 36 months following transfer of risk
- 7.2 Within the legal warranty period, Supplier shall immediately correct deficiencies at its own cost.
- 7.3 All costs connected with correction of deficiencies for example, transport or removal and installation costs – shall be borne by Supplier.
- 7.4 The period for justified claims of deficiencies arising from liability for defects shall be suspended for the duration of the efforts to correct the deficiency until the deficiency has been successfully corrected.
- 7.5 With respect to parts replaced or repaired in the context of the correction of deficiencies, liability for defects shall extend to 36 months following installation of the replaced or repaired parts.
- 7.6 To the extent that Supplier fails to meet its obligation to correct deficiencies within a reasonable period set by us, we are entitled to implement our own correction of the deficiencies at Supplier's cost or to arrange for a third party to do this or, where this is not possible, to procure a replacement in other ways.
- 7.7 The agreement referenced in Paragraph 7.6 shall apply accordingly in cases where, weighing our mutual interest in preventing substantial damage, we may waive imposition of a deadline or where doing so is unreasonable for us. Further legal provisions shall remain unaffected.
- The Supplier is obligated to take out an appropriate insur-7.8 ance policy for the duration of the supply relationship and a reasonable period thereafter (minimally 10 years) with coverage for all risks arising from the concrete supply relationship (especially operating and product liability obligations, expanded product liability obligations including the costs of removal and installation as well as the costs of testing, sorting and motor vehicle recall) for an insured minimal amount of EUR 5 million per claim with worldwide coverage (including the United States/Canada). This insurance coverage shall be maintained for the entire duration of all obligations arising from the supply relationship. Without solicitation by AVL, Supplier shall submit proof of insurance coverage and the maintenance of this insurance coverage over the term of the Contract within 14 days following the signing of the Con-

tract and respectively every six months.

8. REPLACEMENT PARTS, PRODUCTION MATERIALS AND PRIMARY MATERIALS

- 8.1 Supplier shall guarantee the availability of replacement parts for the goods it delivers for a period of 15 years following the end of deliveries and shall in turn impose this obligation on all its subcontractors. Within this period, should a replacement part no longer be available, Supplier shall supply an alternative technical solution with a delivery term not longer than the delivery term that was originally agreed to and at a price that may not exceed that of the affected replacement part.
- 8.2 Should Supplier intend to discontinue production of replacement parts for any products delivered to us, it shall inform us immediately following the decision to discontinue. This decision shall be made at least six months prior to the discontinuation of production.
- 8.3 Production materials we make available to Suppler shall be handled with care.
- 8.4 Production materials that Suppler manufactures or produces and for which we have paid the costs of manufacturing (tool costs) shall be transferred to our possession upon payment. Our payment of at least 50% of the costs of manufacturing (tool costs) shall entitle us to receive proportional coownership.
- 8.5 All production materials supplied by us or acquired in the sense of Paragraph 8.3 shall be preserved for 15 years from the last date and time of production to be made available to us and shall bear a permanent label reading "Owned (co-owned) by AVL Emission Test Systems GmbH". Should such preservation be impossible or unreasonable for Supplier, it shall inform us in writing regarding this situation so that other measures can be agreed to.

Upon request, the production materials shall be transferred to us during the above-mentioned preservation period without the right of retention. Upon transfer to us of the production materials concerned, Supplier's obligation to preserve such materials shall end.

8.6 In the event of damage, loss or destruction of the primary materials provided by us (semi-finished products, castings, preprocessed parts, etc.), Supplier shall compensate us for the costs of their re-procurement.

9. DOCUMENT RIGHTS; CONFIDENTIALITY

9.1 All drawings, sketches, calculations, descriptions and the like – collectively hereinafter "Documents" – shall remain our property and shall be returned to us upon submission of the offer or execution of the order. The Documents may not be modified or copied or made accessible to third parties without our advance written consent.

In the event that Supplier, with our advance consent in accordance with the previous paragraph, makes changes to the Documents, Supplier may use the modified Documents exclusively for the submission of offers or execution or orders. For the rest, Supplier grants us exclusive use and exploitation right unrestricted in time, space and content. The claim for restitution in accordance with the above paragraph extends as well to unchanged documents.

9.2 Supplier is obligated to treat in strict confidence all AVL business and operational secrets of which it becomes aware in the course of its cooperation with us ("Confidential Information"). Without our written consent, the Confidential Information may not be copied or disclosed to third parties or used for purposes other than the processing of our orders. Supplier is specifically prohibited from removing Documents (including data, documentation, programs) of any sort from

our company premises without our written consent. In (partial) subcontracting permitted by us for the purpose of fulfilling its contractual obligations, Supplier shall impose corresponding confidentiality obligations on its subcontractors. In the same way, it shall obligate its employees accordingly regarding confidentiality (including prohibition of exploitation).

- 9.3 Confidential information shall specifically include all drawings, calculations, business, technical and personal data pertaining to AVL itself and its customers, the entire body of technical expertise (constructions, specification sheets, plans, software, etc.) pertaining to AVL itself and its customers, the order as well as the resulting tasks, results, data and knowledge involved in the submission of offers and execution of orders.
- 9.4 In the context of what can be accomplished according to the current state of the technology, Supplier is obligated to provide effective safeguarding of all Confidential Information against unauthorized third-party access immediately upon receiving such information and especially to secure it against misappropriation, loss, manipulation, damage or any manner of copying. Should Supplier have indications that unauthorized third parties could have gained knowledge of Confidential Information, it shall promptly inform us and, in coordination with us, shall take all required steps to clarify the situation and prevent any future access.
- 9.5 Where Supplier stores, edits or processes the Confidential Information in its data processing systems, it shall ensure that unauthorized third parties are unable to access these data.
- 9.6 Following execution of the job, Supplier is obligated to return to us all physical and data-based Confidential Information. Supplier shall additionally remove all Confidential Information from its data processing systems and, at our discretion, return all copies of the Confidential Information or destroy the copies in such a way that their reconstruction is excluded. At our request, Supplier shall provide evidence of this complete return or destruction and shall confirm the action in writing.
- 9.7 Supplier is obligated to comply with all legally applicable data protection provisions in their most recently amended versions and shall respect this obligation. Supplier shall instruct all employees and subcontractors concerning the data protection provisions and shall, where necessary in accordance with the data protection provisions applicable to it under the law, impose on them the obligation to maintain the confidentiality of the data. Supplier is especially obligated to take measures to ensure the technological guarantee of data protection (privacy by design) and data protection-friendly default settings (privacy by default).
- 9.8 Supplier is obligated to support us in data protection-related duties falling to us.
- 9.9 Should Supplier be commissioned by AVL to process personal data, it shall do this exclusively according to our instructions, and for this purpose it declares its readiness to conclude a separate data processing contract in accordance with Art. 28 Abs. 3 EU General Data Protection Regulation.
- 9.10 Any violation against the provision in the present Paragraph 9 shall entitle us to extraordinary termination of the Contract without notice. Further claims on our part shall remain unaffected.
- 9.11 Supplier can access our data protection declaration at www.avl.com. Our data protection officer and our data protection office may be reached by email at privacy@avl.com.
- 10. WORK RESULTS AND INDUSTRIAL PROTECTION RIGHTS
- 10.1 Work results in the sense of these provisions comprise all

knowledge gained through execution of the Individual Contract, including all inventions regardless of their capacity for industrial protection rights and regardless whether they are grounded, stored or embodied in drawings, descriptions, experimental designs, models, devices or systems (hereinafter "Work Results"). All emergent Work Results, no matter whether these have the capacity for industrial protection rights, shall be documented by the party to the Contract responsible for their emergence.

- 10.2 All Work Results developed by Supplier shall become our exclusive and unrestricted property upon their emergence, and Supplier shall promptly make these known to us and provide us with access to them. This shall also apply to inventions and shares in inventions transacted by Supplier. Supplier shall assign to us without restriction all rights to such inventions and shares in inventions. In the event that we waive our rights to inventions and/or shares in inventions (such as private use, applications for patents, awarding licenses to third parties, etc.). Inventions and/or shares in inventions shall be compensated by the agreed-upon price in accordance with Paragraph 6 of these General Terms and Conditions.
- 10.3 With respect to copyrights accruing to Supplier in connection with the commission, Supplier shall grant us permanent, unrestricted right of use at no cost.
- 10.4 Supplier is obligated to provide its deliveries and/or services that do not infringe the rights of third parties. Supplier shall be liable for any violation of third-party rights in its execution of the Contract and use of the object of delivery or service. With respect to justified third-party claims due to violations of industrial property rights, Supplier shall hold us harmless to this extent.

11. EXPORT RESTRICTIONS; SUPPLIER DECLARATION

- 11.1 Supplier is obligated to inform us in writing without our solicitation and as soon as possible regarding possible goodsrelated restrictions of (re) exports of goods it has delivered or is to deliver in accordance with European or United States export and/or customs regulations as well as the export and/or customs regulations of the country where the goods originated. To this end, it shall include in its offers and order confirmations at least the following information regarding the individual goods:
 - EU common military list and dual use list numbers,
 - for U.S. goods, the export control classification number issued by the U.S. Export Administration Regulation (EAR)
 - for U.S. Defense goods ("ITAR" goods), the USML (United States Munitions List) category,
 - information regarding the non-preferential origin of its commodities (goods, technology, software) and their components,
 - information on commodities that were manufactured based on controlled U.S. technology and/or controlled U.S. components.

Upon our request, Supplier is also obligated to inform us in writing (especially the purchaser identified in the order) regarding all further export trade data as well as to inform us spontaneously in writing regarding all changes to existing data.

11.2 The legally binding assumption of re-export restrictions in accordance with the regulations under the Technology Transfer Ordinance shall be limited to goods for which an export permit is demonstrably required in the supplying country (for the United States, the Export Administration Regulation of the U.S. Department of Commerce, as amended, shall apply) that are also accordingly identified in the delivery papers and which Supplier has expressly

brought to our attention in offers and order confirmations.

11.3 Suppliers with headquarters in the EU are obligated to submit to us within one calendar week, upon corresponding request, the original of the (long-term and/or) supplier declaration for goods having preferential originating status in accordance with Council Regulation (EC) no. 1207/2001 as amended and/or DVO (EU) 2015/2447.

In the event that Supplier fails to meet this obligation or that its declaration does not comply with legal regulations, it shall hold us harmless from and against any resulting negative consequences.

12. REGULATIONS IN ACCORDANCE WITH THE LAW CONCERNING THE POSTING OF EMPLOYEES ABROAD (AENTG), MINIMUM WAGE LAW (MILOG)

Supplier guarantees that it will meet all obligations arising from the current Law Concerning the Posting of Employees Abroad (AEntG). Supplier particularly guarantees that, in its business relationship with us, it pays the workers it hires at least the minimum wage under the Minimum Wage Law (MiLoG) and that no deductions from this are made other than statutory deductions. Supplier shall release us upon first written request from all third-party claims against us arising from regulations regarding non-payment of minimum remuneration (Sec. 14 AEntG) and/or minimum wage (Sec. 13 MiLoG).

13. COMPLIANCE AND SOCIAL RESPONSIBILITY

13.1 We support and observe the protection of internationally recognized human rights and strive to comply with all applicable laws and regulations. We have implemented for our employees a Code of Conduct based on the principles of integrity, honesty and fairness, and we also expect compliance by our suppliers and their subcontractors with the regulations on the protection of internationally recognized human rights, all applicable laws and regulations and these underlying principles.

In view of this, Supplier is obligated in the course of this Contractual Relationship to comply with the laws of the respectively applicable legal systems. Especially

- observance of basic and human rights,
- prohibition on child labor and forced labor,
- compliance with legal minimum wages and social services or those customarily required in the industrial sector,
- compliance with legal working hours or those required by industrial or other standards,
- guarantee of applicable laws and regulations on freedom of association and the right to collective bargaining,
- prohibition against discrimination based on race or ethnic origin, religion or world view, disability, age or sexual identity,
- compliance with legal requirements for occupational safety and health protection,
- responsibility for and compliance with applicable environmental protection regulations,
- compliance with anti-corruption regulations and prohibition against any form of corruption and bribery or taking of undue advantage, whether active or passive, direct or indirect,
- compliance with respectively applicable laws regarding competition and cartels, especially prohibition against anticompetitive pacts.

13.2 Moreover, Supplier shall refrain from using goods containing

"conflict minerals" in accordance with Section 1502 of the U.S. Dodd-Frank Act that originate in the Democratic Republic of the Congo or a bordering country. In the event that tin, tantalum, wolfram or gold are contained in the goods delivered by Supplier, it must submit upon request all required documentation proving conformity with the law across the entire supply chain.

13.3 Supplier shall employ its own reasonable measures to comply with the laws, regulations and principles identified in this paragraph and shall promptly provide evidence of its actions upon request by AVL. Moreover, Supplier shall make its best efforts to influence its subcontractors to accept corresponding obligations.

14. ENVIRONMENT

- 14.1 In the fulfillment of its contractual obligations, Supplier shall make efficient use of necessary resources, especially materials, energy and water and shall minimize impact on the environment with particular respect to refuse, wastewater and air and sound pollution. This shall also apply to outlays for logistics and transport. To enable quantitative assessment of Supplier's resource efficiency, Supplier shall provide us and our associated companies upon request with the following information with respect to its total yearly scope of work:
 - total energy outlay in MWh;
 - CO2 emissions from its own and external energy sources in t;
 - total water consumption in m³;
 - process wastewater in m³;
 - waste for disposal in t;
 - waste for recycling in t;
 - VOC emissions (volatile organic compounds) in t.
- 14.2 No later than two years after initiation of the order, Supplier is obligated to introduce and operate a certified environmental management system in accordance with "ISO 14001" or a recognized and certified environmental management system derived from that system and to demonstrate this operation to us through submission of a corresponding certificate.
- 14.3 Through appropriate contractual provisions with its subcontractors, Supplier is obligated to ensure their compliance with the provisions contained in this Paragraph 14.

15. FINAL PROVISIONS

- 15.1 Amendments and supplements to these provisions shall be made in writing. This shall also apply to cancellation of this written form clause.
- 15.2 Should one or more provisions of these Purchasing Conditions and/or any other contracts concluded between the parties be or become ineffective or should a loophole become evident, the validity of the remaining provisions shall not be affected and a reasonable, permissible provision that the parties to the Contract would have wished had they been aware of the ineffectiveness or loophole shall be inserted in place of the ineffective provisions or to plug the loophole consistent with the meaning and intent of the provisions being replaced.
- 15.3 The place of performance for deliveries and services shall be the destination we designate. The place of performance for payments shall be our company headquarters.
- 15.4 The exclusive jurisdiction for all disputes arising from or in connection with the contractual relationship is Neuss. We are also entitled nevertheless to file suit at Supplier's head-quarters.

15.5 With respect to all legal relations arising from this contractual relationship, the parties reach agreement on the exclusive use of the law of the Federal Republic of Germany under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and other international reference norms.