

General Purchasing Conditions (GPC)

of

**Karl Simon GmbH & Co. KG,
Sulgener Straße 19-23, D-78733 Aichhalden
hereinafter referred to as SIMON**

applicable to all companies of the SIMONGROUP, currently consisting of
**Karl Simon GmbH & Co. KG / Simon Sinterlutions GmbH & CO. KG
Betek GmbH & Co. KG / Betek Tools Taicang Ltd. / Betek Tools Inc. /
Sitek Spikes GmbH & Co. KG**

1. Scope

- 1.1 These GPC of Karl Simon GmbH & Co. KG (hereinafter referred to as: SIMON) shall apply both now and in the future to any initiation, conclusion, or execution of our business relationships with suppliers of goods or services. They shall also apply as a supplement to all contracts concluded by us. Any contradictory or deviating conditions of the supplier shall be excluded without exception, and shall not apply unless we have confirmed individual contradictory or deviating conditions expressly and in writing. This is the case even if we do not object to any conditions of the supplier that contradict or deviate from these GPC in the course of the business transaction, or if we accept deliveries or services unconditionally.
- 1.2 These GPC are available at www.simon.group for download in the current valid version. In international business transactions, these GPC shall be incorporated into the entire legal relationship with the Supplier as an integral part of the contract by sending them to the Supplier in application of Article 8 of the United Nations Convention on Contracts for the International Sale of Goods (CISG = UN Sales Convention).
- 1.3 The GPC shall also apply directly to business transactions between the supplier and SIMON's affiliated companies, unless otherwise agreed.

2. Basic principle for delivering products

- 2.1 SIMON is a global manufacturer of safety and functionally-relevant industrial products (hereinafter jointly referred to as: "products"). The statutory and contractual obligation to which our customers and third parties are subject by law to ensure product safety throughout the entire supply chain is likewise binding for

each of our suppliers or service providers. The supplier shall comply with all regulations applicable in the European Union.

- 2.2 The quality assurance regulations are intended to protect valuable, legally protected rights such as health, bodily integrity, and environmental protection, in particular the regulations of DIN EN ISO 9000:2015 et seqq., for the automotive industry including IATF 16949. They are binding, serving as general standards for all services and work by suppliers in the version valid at the time the contract was concluded, even if they are not directly referred to, for the entire supply chain up to the final product. The individual requirements resulting from these regulations are set forth in a quality assurance agreement (QAA) (clause 4.2 of these GPC). The supplier's obligation to apply recognized regulations within its industry in the applicable version at the time the contract was concluded, with protective effect for its own scope of responsibility, shall remain unaffected.
- 2.3 The definitions used in the additional valid regulations (such as DIN EN ISO 9000:2015) shall always take precedence over any other interpretation with respect to technical terms. Definitions in these GPC shall take precedence.

3. Definition of the delivered object, contractually agreed properties, product modifications

- 3.1 The supplier shall be responsible for gathering information on the intended purpose of its product, its suitability, and its relevance for the safety of the final product. The supplier's competence to answer questions shall result from its product competence. The supplier shall be independently responsible for determining safety-relevant features of vehicle products in accordance (IATF 16949-4.4.1.2 applies). In order to do so, the supplier shall evaluate the feasibility of and its capability to manufacture in accordance with SIMON's product requirements (generally provided in a technical specification) (for vehicle products according to IATF 16949- 8.2.3.1.3), shall advise SIMON in defining product features, and shall ensure these are fulfilled in its production processes, including the production management plan.
- 3.2 The contractually agreed quality shall be documented in the initial sample testing report or relevant assessment documents, verifications of process capability, verifications of the capabilities of measurement equipment and measurement systems, as well as the deviations documented in the part life cycle (clause 9 of these GPC). These cover the expectations for quality and safety that can generally be applied to all services in the individual stage of a supply chain that are relevant to the final product. By submitting the complete initial sample testing

report or relevant assessment documents, including any other agreed documents, the supplier assures, through its signed verification documents (such as the initial sample testing report in accordance with VDA 2 or Part Submission Warrant -PSW-) or relevant declaration of fulfillment that its deliveries and services are approved and can be used as set forth in the contract for series deliveries of SIMON. A release by SIMON shall not be considered approval or acceptance by SIMON which relieves the supplier of responsibility under the law.

- 3.3 The supplier shall archive the initial sample testing report documents and any subsequent amendments for at least 15 years on data storage media suitable for this purpose. Storing these on an external server (cloud computing) is permitted only with the approval of SIMON. The supplier shall guarantee that SIMON's access to the external server is protected. Access and authorization data must be provided to SIMON promptly upon request, in particular to defend against warranty or product liability claims. The supplier has no right to refuse performance.
- 3.4 SIMON must be notified of any changes to the product and the supplier's production processes, including all changes to the supplier's procurement process. Such changes shall require a written request to SIMON with justifications, as well as written approval from SIMON. SIMON can request a new sample of the supplier's product at its own cost in case of changes that are initiated by the supplier. Clause 3.1 applies accordingly.
- 3.5 The supplier shall perform its services and complete its deliveries itself. Any commissioning of third parties requires the written approval of SIMON. The supplier shall be responsible for the quality capabilities of the third party as it is for its own. The supplier shall ensure the suitability of the products acquired by it. Services performed by subcontractors are considered as being performed by agents, and therefore are always considered as services by the supplier itself. Clause 3.4 shall apply accordingly to changes to subcontractors.
- 3.6 SIMON shall be entitled to request changes to the delivered object or production process, including testing materials and methods, at any time. The supplier's duties of collaboration under clause 3.1 shall apply accordingly to such changes. Any resulting additional or reduced costs shall be agreed between the parties. The supplier cannot make its collaboration dependent on the prior conclusion of an agreement on costs.
- 3.7 If the supplier has been stipulated by SIMON's customer (preferred supplier in the sense of IATF 16949- 8.4.1.3), then it shall be responsible for validating the use of its product by SIMON. The preferred supplier shall provide SIMON with all

information and documents necessary in order to ensure that the overall product is free from faults, based on its professional expertise for SIMON. The relationship between the preferred supplier and SIMON shall be considered a contractual obligation under the law in the sense of Sec. 311 no. 3 BGB (German Civil Code), regardless of any other contractual agreements.

- 3.8 If the supplier is an intermediate dealer involved by the actual manufacturer in or for its distribution organization, then it shall be considered a manufacturer in relation to SIMON. This shall not be the case if the dealer assigns all of the rights to liability for material defects against the manufacturer, or other liability as a whole to which it is entitled to SIMON, and supports SIMON in enforcing these claims in full.
- 3.9 In the case of mass-produced parts, standard or regulated parts (such as screws, rivets, bushings, washers, etc.), the supplier shall describe its product management measures intended to ensure quality, and shall guarantee that specifications set forth under the standard or regulation are complied with. Upon request by SIMON, the supplier shall agree to further tests with SIMON for the purpose of ensuring quality.

4. Quality management system

- 4.1 During its business relationship with SIMON, the supplier must maintain a certified and effective quality management system (QMS) in accordance with DIN EN ISO 9001:2015 and IATF 16949:2016, or equivalent. If the supplier is not certified, it shall develop its QMS so that it is suitable for certification within a term agreed with SIMON. The assessment of its quality capabilities shall be based on the requirements of a certified QMS, unless otherwise agreed. SIMON can request verification of 100% outgoing goods testing if a supplier does not maintain a capable QMS. Regardless of any certification, the organizational and service obligations under DIN EN ISO 9001:2015 and IATF 16949:2016 shall be considered the supplier's direct contractual obligations under Sec. 280 paragraph 1 BGB. The supplier shall notify SIMON promptly of any expiration, restriction, or withdrawal of a certificate. SIMON's rights to request its own audits and measures for annual re-qualification shall remain unaffected.
- 4.2 SIMON can request that a quality assurance agreement (QAA) be concluded at any time, in particular in case of a deterioration in the supplier's quality capabilities. The QAA shall define further requirements for the QAA, as well as the production and testing processes, including in consideration of the customer's specific requirements for SIMON (customer specific requirements). In this case,

concluding a QAA is a prerequisite for the supplier to perform its deliveries and services.

5. Coordinators, part life cycle, change management

- 5.1 SIMON and the supplier shall each generally name a responsible coordinator for each product. The coordinators shall define all processes resulting from product realization, and shall document required verifications for vehicle products according to the VDA 2 in the version valid when the contract was concluded, unless otherwise agreed. The coordinators for vehicle parts are considered process owners in the sense of ISO 9001:2015 – section 7.2 or IATF 16949-5.1.1.3. The supplier's coordinator shall hold the position of a product safety officer.
- 5.2 The coordinators shall record any change to products or production processes, in particular the current valid drawing and index version, in a part life cycle and mutually confirm such changes in writing. The part life cycle is the decisive verification document for the last valid status of the agreement between SIMON and the supplier. The part life cycle may only be updated by individuals selected to handle this task in advance, if no coordinator is named.
- 5.3 Upon request by SIMON, the supplier shall disclose all documentation to be created by it in the course of product realization, and submit or provide these documents to SIMON. If compelling reasons of the protection of legitimate trade secrets of the supplier oppose the handover, SIMON may demand the surrender, inspection and evaluation by a third party bound to professional secrecy.

6. Traceability

- 6.1 The supplier shall ensure the traceability of all products delivered by it, including all purchased products and materials (process engineering products) and services on a batch-by-batch basis. The system must be suitable to ensure traceability in the upstream supply chain (IATF 16949-8.5.2.1 applies for vehicle parts). Product labels for the purpose of tracing products shall be agreed upon with SIMON in each individual case.
- 6.2 Upon request by SIMON, the supplier shall provide documentation prepared by the supplier to verify that SIMON has fulfilled its obligation to ensure traceability, in particular in order to reliably identify the scope of defective products. Any acceptance testing certificates prepared for the supplier by its own preliminary suppliers, such as standard acceptance testing certificates pursuant to EN 10204-3.1, shall be submitted to SIMON with every delivery as independent warranty declarations of the supplier.

7. Incoming goods inspection

- 7.1 The supplier shall review and document the condition of its products upon delivery in accordance with the agreed characteristics. Therefore, SIMON shall conduct an incoming goods inspection (Sec. 377 HGB - German Commercial Code) only to ensure the identity and quantity of the products, and to check for obvious damage in transit. SIMON shall notify the supplier of any defects found promptly in the normal course of business. SIMON's inspection obligations shall be restricted to within the scope of the acceptance testing certificate if such an acceptance testing certificate is submitted according to EN 10204-3.1 or 3.2, or equivalent. In this respect, the supplier waives the right to object due to insufficient delayed notification of defects.
- 7.2 Generally, due to the specific features of the product or production process, defects can only be found during SIMON's processing procedures or in subsequent steps of value creation by third parties. Prompt notification of defects identified during such steps, or due to complaints by SIMON's customers (hidden defects) shall be considered appropriate and in compliance with the contract in the sense of Sec. 377 HGB. A complaint shall be considered prompt even if reliable evidence that the "root cause" of the defect was the fault of the supplier is found only due to testing or investigations by SIMON or by a third party.
- 7.3 In all cases pursuant to clause 7, the supplier shall waive any right to object due to a delayed complaint of defects. Any statutory claims of SIMON, in particular in accordance with Sec. 445a BGB, shall remain unaffected.

8. Provided tools, production materials

- 8.1 Production materials of any kind, such as samples, drawings, models, tools, specifications, software, etc. provided to the supplier by SIMON shall remain the sole property of SIMON. The supplier shall clearly and permanently mark them as such according to specifications provided by SIMON or SIMON's customer. They are subject to the same conditions as tools and products purchased by the supplier. Production materials provided by SIMON may contain protected trade secrets of SIMON that are subject to confidentiality under clause 22.
- 8.2 Production materials that are acquired or manufactured by the supplier and paid for by SIMON or amortized via the part price shall be considered the property of SIMON upon acquisition or completion. The handover of production materials to SIMON necessary for the transfer of ownership shall be replaced by lending the production materials to the supplier, and the supplier's associated obligation to safeguard them for SIMON. After the end of the lending relationship, SIMON shall have an absolute right to recover such materials. SIMON can request the conclusion of separate tool provision agreements.
- 8.3 The supplier shall store the provided production materials free of charge, separate from other property and protected against access by unauthorized people, with the due diligence of a prudent merchant. The supplier shall be liable toward SIMON for all damages to the production materials or caused by improper use. Maintenance and servicing costs, as well as operating costs and costs for wear parts shall be borne by the supplier, unless otherwise agreed.
- 8.4 Production materials owned by SIMON shall be used only for the purpose of fulfilling contracts for SIMON. In case of violations, SIMON shall be entitled to request the return of the production materials at any time. Any right of the supplier to refuse services shall be excluded, in particular to ensure SIMON's production capabilities.
- 8.5 The supplier shall promptly notify SIMON of any third-party access to the production materials, and shall provide SIMON any support necessary to prevent access by third parties under SIMON's own rights.
- 8.6 Unless otherwise agreed, the supplier must insure these objects at their new value under its operating liability insurance and fire insurance, including expanded natural disaster insurance. The supplier shall instruct the insurer to provide insurance payments exclusively to SIMON.

9. Environment, hazardous materials, conflict minerals

- 9.1 The supplier shall provide verification of a certified environmental management system in accordance with EN ISO 14001 or equivalent. The supplier shall notify SIMON promptly and in writing of any expiration, restriction, or withdrawal of a certificate. If the supplier does not maintain an environmental management system in accordance with EN ISO 14001, it shall guarantee upon request by SIMON that it continuously fulfills all environmental regulations that apply to its operations. The supplier shall inform SIMON of any restriction to its operating permit that could influence products to be delivered to SIMON. The supplier shall release SIMON from any liability resulting from the violation of statutory provisions applicable to it.
- 9.2 The supplier shall guarantee that it does not use any prohibited or hazardous materials or substances (RoHS). It shall inform SIMON promptly and in writing if a previously permitted material or substance is no longer permitted under domestic or international law or due to publications by recognized national or international organizations, regardless of this, if it contains risks that were not sufficiently assessed, and is therefore considered concerning. The supplier shall be responsible for fulfilling all obligations of the REACH regulation in its current valid version, with protective effect for SIMON.
- 9.3 The supplier shall declare and document all substances and their compositions under the IMDS for vehicle parts. No prohibited substances may be used. The supplier must ensure ongoing monitoring of all applicable provisions, for instance through the “Global Automotive Declarable Substances List GADSL,” www.gadsl.org, and shall provide SIMON with information on an ongoing basis.
- 9.4 If SIMON is contractually obligated under domestic or international law or by contract to provide information on the sources of materials, substances, or components used by the supplier, for instance under the USA Dodd Frank Act (Conflict minerals), then the supplier shall provide this information to SIMON promptly and in full. The supplier shall not have any right to deny services with respect to potential sanctions as a result of violating such provisions. The supplier shall be liable towards SIMON for any resulting damages, in particular if SIMON is not able to promptly fulfill its informational obligations toward third parties in the required scope, or if SIMON suffers disadvantages because of the actions of the supplier.
- 9.5 The supplier shall ensure that its services, sources (clause 3.1) or business relationships do not violate any national, international or other state restrictions of any kind, or any embargoes. It shall release SIMON from all damages or resulting costs.

10. Logistics, packaging

- 10.1 Deliveries shall be completed based on the delivered object, and based on logistics agreements with the supplier.
- 10.2 A delivery is only considered to conform with the contract if delivered products have the agreed characteristics (clause 3.2) and if the agreed or legally required documents, including documents under customs law for international commerce are enclosed in full, correctly, and in a timely fashion, or if they are submitted to SIMON by the supplier in such a manner.
- 10.3 Partial services are not permitted without the written approval of SIMON. SIMON's acceptance of partial services shall not be considered approval of partial services. Other statutory claims of SIMON shall be unaffected.
- 10.4 If not otherwise agreed, the supplier is responsible for ensuring that packaging is appropriate for the product and transportation, as well as for further processing. All packaging must be suitable for disposal in an environmentally friendly manner and in the disposal systems available under applicable packaging regulations.

11. Deliveries, default of delivery

- 11.1 Every delivery agreement for a specific product shall constitute a separate delivery contract, to which these GPC shall apply even if they are not expressly referred to. If not otherwise expressly set forth in the delivery contract, the delivery contract shall form the basis for the supplier's delivery obligations for the length of time SIMON is obligated to complete deliveries to its customers (continuing obligation). If product prices in a supply contract are limited in time or made subject to conditions, they shall continue to apply until a new price commitment and limitation is agreed. The supplier cannot make continued deliveries at the previous prices until the new pricing agreements are concluded dependent on conditions that restrict delivery obligations.
- 11.2 Delivery terms are set forth in the order or call-off agreements, or in the respective individual call-offs. Delivery terms shall be binding for the supplier upon receipt of SIMON's delivery schedule call-offs. Failure to comply with agreed delivery dates or deadlines shall constitute default on the part of the Supplier with the statutory consequences of default.
- 11.3 Regardless of this, the supplier shall inform SIMON promptly of any impending default, as well as of the measures it has taken to avoid the delay and to reduce the default damages.

- 11.4 The supplier shall provide verification that it has organized emergency plans (IATF 16949-6.1.2.3 applies to vehicle parts) and maintained their effectiveness in case of delivery disruptions and force majeure (clause 12 of these GPC). If emergency plans are insufficient, the supplier shall not be entitled to invoke force majeure.
- 11.5 SIMON is entitled to take any suitable measure to reduce damages, including making covering purchases, based on information provided by the supplier after a reasonable term to be set by the supplier expires. The supplier is entitled to verify that there are less expensive measures.

12. Force majeure

- 12.1 The supplier shall inform SIMON promptly in case of force majeure, in particular natural catastrophes, fire, unrest, terrorism, official measures, labor disputes outside of the supplier's tariff zone, including strikes and lockouts, or embargoes. This also applies to impending labor disputes, including strikes and lockouts in the supplier's tariff zone. Such labor disputes, as well as shortages of raw goods or materials if production of plastics is halted, for instance, are not considered cases of force majeure.
- 12.2 For the length of the incidence of force majeure, the affected contractual party shall be freed from their performance obligations if such performance is impacted by the force majeure.
- 12.3 Incidences of force majeure that represents more than a temporary obstacle to performance shall entitle SIMON to withdraw in full or in part from an affected acceptance obligation. This applies accordingly if the incidence of force majeure results in an ongoing, significant reduction in requirements at SIMON due to customer measures.
- 12.4 Regardless of this, the supplier is obligated to take all measures necessary to ensure delivery to SIMON and to support the purchase of cover deliveries. With the approval of SIMON, the supplier is obligated to relocate production at its own cost for the length of time services are disrupted due to force majeure, or to purchase products to be delivered to SIMON from third parties. SIMON shall not deny approval and collaboration without a valid reason to do so. SIMON shall furthermore be entitled to take all measures necessary to avoid the consequences of force majeure at its own discretion.
- 12.5 Sec. 206 BGB (default due to force majeure) shall not apply.

13. Payment

- 13.1 Payment shall be made after contractual delivery or service by the 25th of the following month with a 3% discount, or after 60 days net via credit note, unless otherwise agreed in the respective individual contract.
- 13.2 Payments shall be due only after the contractual delivery or service is complete and after receipt of a proper and auditable invoice, and shall be made by the 25th of the month following the month they are due. If deliveries are early, the due date shall be determined based on the agreed delivery deadline.
- 13.3 If a delivery is defective, SIMON is entitled to withhold a portion of the payment until the delivery or service is properly fulfilled. If and insofar as payments have already been made for faulty deliveries or services, SIMON is entitled to withhold or offset payments that due, including from or against other delivery agreements, in the amount of the payments already made. Payments by SIMON shall not be considered recognition or approval of defective deliveries or services. They shall not affect any of SIMON's rights.
- 13.4 The supplier is not entitled to assign its claims against SIMON or allow them to be collected by third parties without the prior written approval of SIMON, although it may not deny such approval unreasonably. If there is an extended retention of ownership, then approval shall be deemed granted. If the supplier assigns its claims against SIMON to a third party without the approval of SIMON, then SIMON shall be entitled to make payment to the supplier or the assignee at its own discretion with debt-discharging effect.

14. Liability for material defects (warranty)

- 14.1 Any deviation from the characteristics agreed or expected for the delivered object (clause 3.2) based on the latest version of the part life cycle (clause 5.2 of these GPC), including in particular if documentation is missing, incorrect, or incomplete, shall be considered a material defect. SIMON shall be entitled to statutory liability claims for material defects, including costs of installation and removal, as well as reimbursement for any costs imposed on SIMON by third parties due to the defects, if the supplier is responsible for these. Claims by SIMON resulting from a culpable breach of duty that is associated with the material defect or that caused the material defect that does not fall under the supplier's supplementary performance obligations under a warranty or independent consultation shall remain unaffected.
- 14.2 If it is impossible for the supplier to complete supplementary performance, or if the supplier does not do so within a reasonable deadline set by SIMON, then SIMON shall be entitled, in particular to reduce damages or avoid production

disruptions at SIMON's or its customer's facilities, to correct the material defect itself at the cost of the supplier after providing appropriate notification of this to the supplier, or have the defect corrected by a third party, to obtain a replacement from another supplier, to withdraw from the contract or to reduce the supplier's compensation accordingly. SIMON's statutory claims shall remain unaffected. In every case when SIMON undertakes independent measures to correct such matters, the supplier is entitled to participate in SIMON's measures or, if reasonable for SIMON, to carry out such measures itself.

- 14.3 If SIMON is obligated to provide supplementary performance to third parties due to a material defect caused by the supplier, then the supplier shall support SIMON in accordance with SIMON's specifications, regardless of all other obligations, in particular to avoid expenses and damages. The supplier must provide SIMON with all information, documents, and products which SIMON considers necessary, and take part in the error analysis, assessment, documentation, and correction of the defect. The supplier shall bear the costs of this, if it is responsible for them.
- 14.4 If claims are made against SIMON by third parties due to a material defect caused by the supplier beyond claims for supplementary fulfillment, then the supplier shall release SIMON from all causal, verified costs for which it is responsible as through the supplier's material defect had not occurred. This includes, in particular, costs and expenditures for transportation, SIMON's own investigations and tests, installation and removal and costs and expenditures resulting from claims made due to the supplier's material defects, including the costs for recalls or customer service campaigns by SIMON's customer due to the material defect. The supplier is entitled to object because it was not culpable for these, because SIMON was partially culpable, or because causal costs and claims for damages were lower than stated.
- 14.5 Claims due to material defects shall expire 36 months after delivery to SIMON, unless the law provides for longer terms, in particular in the cases of Sections 478, 479 BGB. The limitation period shall be halted, regardless of any applicable statutory provisions, upon receipt of a request from SIMON to the supplier with a deadline for supplementary fulfillment, to provide a position on the material defect about which it has submitted a complaint, or to open an 8D report by the supplier or a relevant process to analyze the cause of the defect.

15. Product liability

- 15.1 If claims are made against SIMON by third parties due to producer's liability regardless of culpability, or product liability regardless of culpability under domestic or international law, regardless of the place of jurisdiction or legal regulations under which the claims are made, then the supplier shall release SIMON from all claims and reimburse all costs if the damages and costs are based on deliveries and services of the supplier, and the supplier is responsible for them. Clause 14.4 shall apply accordingly. The supplier shall provide SIMON with all information and documents, including those from its own or internal investigations, tests, or production process documentation which SIMON considers necessary or expedient, in particular to determine the cause of the damage, to reduce damages, for corrective measures and for legal prosecution. The supplier shall support SIMON in defending against such claims. The supplier shall not be entitled to deny services, in particular in order to reduce damages. The supplier is entitled to object because SIMON was partially culpable, or because causal costs were lower than stated.
- 15.2 The supplier shall be liable towards SIMON at least to the extent that it would be liable towards third parties under the law itself as the manufacturer. Section 1 paragraph 3 of the Product Liability Act shall not apply to recourse between SIMON and the supplier. SIMON and the supplier shall coordinate and exchange information on this point. SIMON and the supplier shall only conclude settlements with SIMON's customer that could represent a burden on SIMON or the supplier following prior consultation and in consideration of their respective interests.

16. Insurance

- 16.1 Regardless of any further liability, the supplier hereby undertakes to conclude operating, product, and environmental liability insurance for the duration of the contractual relationship in order to secure the statutory and contractual liability risk, in consideration of the potential of the delivered object to present a product safety risk, and to maintain such insurance for the length of the delivery relationship, with subsequent liability for at least three years. The sums insured per claim shall be 5 million euros in each case, unless otherwise agreed:
- 16.1.1 At least a flat rate of 5 million euros for personal injuries and material damages as well as co-insured pecuniary losses resulting from the expanded product liability obligation, in particular for inspection costs, advanced costs, installation and removal costs and exchanges of individual parts for the operating liability insurance with expanded product liability obligation.

- 16.1.2 At least a flat rate of 5 million euros for personal injuries, material damages and pecuniary losses for the environmental liability and environmental damage insurance.
- 16.2 The supplier hereby undertakes to provide written proof of said insurance policies within four weeks after the contract is signed, and then annually thereafter. The supplier shall provide prompt written notification if an insurance contract is interrupted or ended.
- 16.3 SIMON is entitled to maintain the supplier's insurance protection, to make premium payments to the insurer that were not paid by the supplier, and to assert such payments against the supplier. SIMON is also entitled to co-insure the supplier under its own insurance at the supplier's cost (insurance on third party account) or withdraw co-insurance without the approval of the supplier. In case of insurance on third party account, the insurance policy must be provided to SIMON. SIMON shall be exclusively responsible for managing any claims handling. The supplier shall obtain approval from SIMON before engaging in any correspondence with the insurer.

17. Protected rights

- 17.1 No protected rights, nor the use or exploitation of any such rights shall be transferred to the supplier upon commissioning by SIMON. SIMON can request that protected rights resulting from joint developments be transferred to SIMON at regular market conditions, if they have not already been compensated with the supplier's remuneration.
- 17.2 If the supplier's deliveries or services consist of protected rights, including knowledge, to which it is entitled, SIMON shall have the exclusive authority to use and exploit the protected rights with respect to their intended use and further use by SIMON's customers for an unlimited term worldwide, with the right to sub-licensing. This shall be considered compensated with the product price.
- 17.3 The supplier shall ensure that its deliveries and services do not violate any protected rights of third parties. If third party protected rights are violated, the supplier shall be responsible for ensuring that its agreement with the holder of the protected rights ensures use and exploitation by and for SIMON free of charge. Otherwise, the supplier shall modify its deliveries and services in agreement with SIMON so as to exclude any violation of third party protected rights.
- 17.4 If claims are made against SIMON due to a violation of protected rights for which the supplier is responsible in relation to use of the supplier's deliveries and

services, then the supplier shall release SIMON from all such claims and subsequent costs, and reimburse SIMON for verified costs it has incurred. This shall not be the case if SIMON is responsible for the violation of protected rights. The supplier is furthermore entitled to object because SIMON was partially culpable, or because causal costs were lower than stated.

18. IT security

- 18.1 The supplier shall maintain an information security management system based on DIN/ISO IEC 27001 in its current valid version (currently 2008, and guidelines in accordance with DIN/ISO IEC 27002), and organize it such that incidents relevant to security are detected promptly. The supplier shall document all incidents relevant to security (in particular hacker attacks, Trojan horses, viruses, spying by domestic or international services or organizations) in its IT system and store this information there for ten years. The supplier shall promptly report any internal or external incident relevant to security to SIMON, excluding any right to deny services or payment. SIMON and the supplier shall jointly evaluate the potential impact of such incidents on safeguarding operating secrets, non-disclosure obligations towards third parties, and information security, and shall define corrective measures. If effective corrective measures cannot be reliably taken, then SIMON is entitled to halt electronic business transactions with the supplier. The above shall also apply if SIMON's customers request verification of IT security.
- 18.2 SIMON is entitled to audit the effectiveness of IT security measures implemented by the supplier or to have them audited by a third party who is obligated to maintain secrecy. This provision shall apply accordingly to incidents at SIMON that are relevant to security.
- 18.3 Customary industry standards for IT and cybersecurity (such as the VDA) shall apply in their current valid version to products for the automotive industry.

19. Contractual term, end of the contract

- 19.1. If not otherwise regulated in other agreements, SIMON is entitled to terminate existing delivery agreements without notice in whole or in part.
- 19.1.1 In case of impending insolvency or a motion for bankruptcy of the supplier. The supplier is obligated to promptly inform SIMON if it is threatened with bankruptcy.
- 19.1.2 The supplier does not participate sufficiently in defining specifications for the delivered object or in product realization, despite a written warning.
- 19.1.3 If the certification for the supplier's QMS expires or is restricted or withdrawn.
- 19.1.4 In case of unauthorized use of production materials according to clause 8.1.
- 19.1.5 In case of repeated poor fulfillment of agreed deliveries or services, despite a warning and escalation by SIMON.
- 19.1.6 In case of refusal by the supplier or significant delay caused by the supplier in concluding a QAA according to clause 4.2.

- 19.1.7 If the order is withdrawn by SIMON's customer, even if SIMON is responsible for the withdrawal. In this case, SIMON shall reimburse the supplier for contractual products that have already been produced in whole or in part, as well as for costs for materials the supplier purchased to fulfill the contract with SIMON and is not able to use otherwise. The supplier must provide credible proof that the materials cannot be used otherwise. SIMON is entitled to take possession of the materials at the supplier's cost price. The standard for valuation shall be Sec. 255 I HGB.
- 19.1.8 In case of a violation of the IT provisions in clause 18.
- 19.1.9 In case of a significant change in shareholder rights or the owner of the supplier's company (change of control), in particular if assets or shares are sold to a competitor of SIMON, if the change is unreasonable for SIMON.
- 19.2 Both the supplier and SIMON shall retain the right to termination for good cause.
- 19.3 The contractual relationship must be terminated in writing by registered letter.
- 19.4 The supplier hereby undertakes to continue completing its deliveries to SIMON even after termination of the respective delivery contract at the agreed conditions until SIMON has developed a suitable alternative supplier. The supplier shall support SIMON in doing so.

20. Place of jurisdiction, contractual language

- 20.1 The exclusive place of jurisdiction is the district court of the headquarters of SIMON. SIMON is also entitled to file suit against the supplier at any other permissible court. The contractual language is German. The place of fulfillment is the delivery destination indicated by SIMON.
- 20.2 Upon request by SIMON, the supplier shall agree to an arbitration agreement for all legal disputes in accordance with the rules of arbitration of the Deutsche Institution für Schiedsgerichtsbarkeit e.V. (DIS), excluding ordinary legal remedies <http://www.dis-arb.de>, if prosecuting claims and enforcing an arbitration award abroad is more promising, effective, or simpler than in court proceedings in accordance with international legal regulations. There shall be three arbitrators. The language of the arbitration proceedings shall be German. German law is the applicable material law.
- 20.3 Clause 20.2 shall apply to all legal disputes related to a violation of the confidentiality agreement in accordance with clause 22.

21. Choice of law

- 21.1 Legal relationships between SIMON and the supplier shall be governed exclusively in accordance with German material and formal law. The United

Nations Convention of Contracts for the International Sale of Goods (CISG) shall apply to international business transactions.

- 21.2 If claims are made against SIMON and/or the supplier by a third party according to international law at an international place of jurisdiction, then they shall be entitled, regardless of the choice of law and place of jurisdiction set forth in these GPC, to take all legal measures necessary to safeguard their rights, including according to the law at this international place of jurisdiction.
- 21.3 German law at the place of jurisdiction set forth in no. 21 of these GPC shall apply exclusively to settlement and recourse claims resulting from such legal disputes.

22. Confidentiality

- 22.1 All exchanged information received by the parties from their contractual partner shall be considered confidential, regardless of the type of media, type of transmission, documentation, and storage. This includes all technical, financial and organizational information and trade secrets, as well as other intellectual property of SIMON. Such information may be used by the recipient only in order to carry out agreed business transactions and fulfill contractual obligations, unless otherwise agreed expressly in writing. SIMON and the supplier shall only distribute the information to the extent necessary to fulfill the contract (need to know principle). The information may not be used either directly or indirectly for the parties' own economic purposes, for other purposes, or for the purposes of others. If not otherwise agreed, any non-disclosure agreements concluded before the conclusion of a delivery agreement shall only continue to apply for the term of the respective delivery agreement.
- 22.2 The parties shall obligate their employees and all third parties they make use of to fulfill the contract in writing to maintain confidentiality, including beyond the end of the respective legal relationship, regardless of their contractual relationship with them.
- 22.3 Any violation of obligations to IT security according to clause 18 shall also be considered a violation of confidentiality.
- 22.4 The non-disclosure obligation shall not apply to information that is known to the supplier directly or from publicly acceptable sources, or that becomes known to the supplier without a breach of law.
- 22.5 The non-disclosure obligation shall not apply if there is a statutory disclosure obligation in administrative, financial, or court proceedings. It shall likewise not apply to consultants who are subject to a professional secrecy obligation. In every

case, information provided must be restricted to the absolute minimum necessary.

- 22.6 If there is a violation of confidentiality, SIMON shall be entitled to a claim for information against the supplier regarding to whom, where, when, and to what extent confidential information was disclosed.
- 22.7 SIMON and the supplier shall take all necessary precautionary measures to avoid a violation of confidentiality by the criminal actions of third parties.

23 General provisions

- 23.1 Amendments, supplements, terminations, or repeals of contracts shall require the written form, and shall be effective only with a legally valid signature. The written form requirement is not fulfilled by electronic form.
- 23.2 If a provision of these GPC is or becomes invalid, this shall not affect the remaining provisions. If provisions become invalid, SIMON and the supplier shall work to agree on an effective provision coming as close as possible to the original legal and economic intent.

24 Information on data processing

24.1 This data protection note shall apply in addition to all statutory provisions for data processing by SIMON, which shall always take precedence.

Controller:

**Karl Simon GmbH & Co. KG,
Sulgener Straße 19-23, D-78733 Aichhalden**

24.2 Data processing carried out by us in the course of business with a supplier is done exclusively in accordance with the law, in particular the GDPR.

This data is collected:

- in order to identify a supplier;
- to initiate a business relationship
- to prepare and conclude pre-contractual or contractual relationships, or similar legal relationships, their termination;
- to carry out contracts (contract data processing);
- for advertising purposes, if desired;
- to safeguard the legitimate interests of SIMON (for instance to enforce open claims or avoid contractual disruptions), including for legal defense;
- for appropriate advising;
- for correspondence;
- for invoicing;
- to enforce any liability claims and enforce any of the parties' own claims;

Data processing is required in accordance with Art. 6 para. 1 clause 1 lit. b GDPR for the purposes indicated for appropriate processing and for both parties to fulfill their obligations resulting from the contractual relationship.

The personal data we collect will be stored until the end of the statutory retention period and then deleted, unless we are obligated to store it for longer in accordance with Article 6 para. 1 clause 1 lit. c GDPR under tax and commercial law retention and documentation obligations (under the HGB, StGB (German Penal Code) or AO (Tax Code)), or if the supplier has consented to longer storage pursuant to Art. 6 para. 1 clause 1 lit. a GDPR.

24.3 Personal data is never transmitted to third parties for reasons other than the purposes indicated.

If necessary in accordance with Art. 6 para. 1 clause 1 lit. b GDPR to carry out the contractual relationship, personal data can be transmitted to third parties within the framework permitted by law.

24.4 The supplier's rights, in particular

- pursuant to Art. 7 para. 3 GDPR;
 - pursuant to Art. 15 GDPR;
 - pursuant to Art. 16 GDPR;
 - pursuant to Art. 17;
 - pursuant to Art. 18 GDPR;
 - pursuant to Art. 20 GDPR;
 - pursuant to Art. 21 GDPR
- shall remain unaffected.

24.5 Personal responsibility

The supplier's statutory obligations to protect all data in and from its own organization, including ensuring effective consent by its employees, shall remain unaffected. This applies in particular to ensuring that data transmitted by the supplier or its employees to SIMON is permitted, correct, and complete, not subject to any particular restrictions, and that no situation applies where data may not or may no longer be processed because of circumstances that are the responsibility of the supplier. The supplier is responsible for ensuring the integrity of the data it transmits to SIMON, as well as that it is objectively correct and up to date and that confidentiality is maintained.