

Terms and Conditions for Tools of GRAMMER AG and affiliated companies pursuant to Articles 15 et seq. ('GRAMMER')

1 GENERAL INFORMATION / SCOPE

Tool contracts shall be concluded exclusively on the basis of these Terms and Conditions for Tools. GRAMMER hereby rejects all Supplier's terms and conditions that deviate or differ from these Terms and Conditions unless GRAMMER expressly acknowledges their validity in writing. These Terms and Conditions for Tools shall also apply in the event that GRAMMER accepts a delivery without reservation in the knowledge of contrary or deviating Supplier terms and conditions.

2 SCOPE OF SUPPLY AND SERVICES / OBJECT OF AGREEMENT

- 2.1 Full details of the object of the agreement indicated in the order ('Tool' or 'Tools') are set out here.
- 2.2 Tools may only be used to fulfil the Supplier's obligation towards GRAMMER. Tools may not be handed over nor made accessible to third parties nor used by the Supplier for third party purposes. The Supplier shall not be entitled in this respect to grant third parties rights to Tools, e.g. pledging as collateral, by assigning rights arising from this Agreement or loans to third parties. As far as the Tool remains for production purposes with the Supplier the Supplier shall be obliged to keep Tools in good working order and to maintain them accordingly, as well as to protect the Tool from destruction, damage and environmental influences and to insure it in the favour of GRAMMER against all insurable damage (all risk) to the extent customary in the industry.
- 2.3 Tools shall be designed and manufactured in accordance with the additional particulars given in our order and respecting the state-of-the-art, the parts drawings or CAD data, the order specifications, in particular the requirements of the QSA, technical specifications and/or feasibility study in their respective latest index version ('Specifications') provided by GRAMMER. State-of-the-art within this terms shall mean: a developed stage of technical possibilities at a specific point in time, as far as products, processes and services are concerned, based on the knowledge of science, engineering and know-how to this effect.
- 2.4 The Supplier shall hand over the tool drawings as well as CAD data, electrodes, model and sequential function charts to GRAMMER on completion of the respective Tool. Tool documentation as per the form provided by GRAMMER shall be kept insofar as no other specific requirements are imposed by GRAMMER customers. All documents to be handed over shall be part of the scope of delivery and included in the full Tool costs as per the respective order. All Tool parts manufactured by the Supplier must be reproducible according to CAM/CAD data.
- 2.5 The guaranteed minimum output and the duration of the obligation to deliver spare parts shall be stipulated in the respective order. In the event of non-compliance with the guaranteed output quantity, the Supplier undertakes to reimburse GRAMMER for the resulting damage and expenses or to create a follow-on-tool at GRAMMER's option. GRAMMER acquires ownership of this follow-on-tool including the related documentation from the very beginning of the follow-on-tool's production. Where the follow-on-tool is not delivered to GRAMMER, the transfer to GRAMMER is substituted by the fact that the purchaser takes it into custody at no charge with due care and diligence as a prudent businessman.

3 PAYMENT TERMS

As stipulated in the respective order.

The Supplier shall not be entitled to assign claims against GRAMMER or allow their collection by a third party. If the Supplier assigns a claim against GRAMMER to a third party nevertheless, the assignment shall still be valid. GRAMMER may, however, at its discretion, pay the Supplier or the third party with discharging effect.

4 OWNERSHIP

- 4.1 The Parties have irrevocably agreed that GRAMMER shall acquire ownership of Tools following payment in full of the total costs of the Tool indicated in the order. Until payment in full of the costs indicated in the order ('Total tool costs'), GRAMMER shall receive a contingent right to transfer of ownership. With full costs subject to amortization GRAMMER shall retain the collateral ownership of the respective tool until agreed full amortization. The Supplier shall ensure that it is the sole authorised owner at the time of the transfer of ownership and that Tools are unencumbered by any third party rights, in particular proprietary rights, rights of lien or equipment liability. Where the Tool is not delivered to GRAMMER the transfer to GRAMMER is substituted by the fact that the Supplier takes it into custody free of charge exercising the due care of a prudent businessman ('Loan'). If a third party is in possession of the Tools, the Supplier shall assign its claim for recovery of property against said third party to GRAMMER herewith. GRAMMER shall also be entitled to discharge any third party rights to the Tools. If GRAMMER shall discharge the rights of third parties to the Tools, the Supplier shall fully exempt GRAMMER from such discharge costs.
- 4.2 GRAMMER shall be entitled to request the return of the Tools at any time, irrespective in particular of the respective processing status and the associated scope of supply and services. GRAMMER shall be entitled in this respect, contrary to contractual payment terms, to pay the appropriate part of the total Tool costs, in accordance with the respective production status, also prior to them falling due and payable. This shall also apply in the case of total Tool costs that have not yet been fully amortised. The Supplier shall not be entitled to any counterclaims and rights

- of retention unless these are indisputable, ready to be decided or established as legally final and absolute. GRAMMER may avert the assertion of such counterclaims that are indisputable, ready to be decided or established as legally final and absolute by furnishing security, in particular a guarantee.
- 4.3 The Supplier shall notify GRAMMER immediately of third party interventions, in particular of enforcement proceedings as well as any impairment of ownership of the respective Tool. It shall also notify the third party of the ownership and legal circumstances of the respective Tool. The Supplier shall reimburse GRAMMER for any damage and costs resulting from a breach of these obligations and consequent intervention measures required in relation to third parties.
- 4.4 The Supplier undertakes to mark and label Tools in accordance with GRAMMER's specifications unless otherwise indicated by the GRAMMER customer. GRAMMER shall be granted access to Tools, also those in the design stage, and the associated documentation at any time during normal working hours.
- 4.5 The foregoing shall apply accordingly insofar as GRAMMER makes Tools available to the Supplier or the GRAMMER customer is the owner of the Tools.
- 4.6 Insofar as intellectual property rights (patents, utility patents and design rights, copyrights, trademarks, product designations or similar rights) and know-how arise in the course of the development of a Tool, GRAMMER receives free of charge a fully paid-up, non-exclusive right to use said rights for GRAMMER's own purposes, which right shall be unlimited in terms of time and geography. To the extent that Supplier's background intellectual property rights are necessary in order to use the Tool, GRAMMER shall hereby receive free of charge a fully paid-up, non-exclusive right of use with respect to such Tool, which right shall be unlimited in terms of time and geography and which shall include the use by GRAMMER for the purposes of series production as well as by third parties on behalf of GRAMMER. The same applies to back-ground know-how. These rights remain in existence even in case of termination of the loan and return of the Tools.

5 DEADLINES / TIME LIMITS

The Parties are aware of the importance of meeting part supply deadlines. The Supplier undertakes in this respect to comply with binding delivery deadlines as stipulated in the order and must draw up a project schedule (where appropriate also web-based, or according to GRAMMER customer specifications) in order to monitor Tool progress using milestones. The Supplier shall send GRAMMER a current tool progress report every 14 days without a specific request to this effect by using the according GRAMMER template and shall inform GRAMMER immediately in the event that a delivery deadline may be missed. GRAMMER shall be entitled to request additional reports at any time and to assess the respective progress on site. If a GRAMMER customer requests an earlier deadline, the Parties shall take all necessary steps in order to meet the respective deadline. In the event of failure to meet a deadline for which the Supplier is responsible, the Supplier undertakes to compensate GRAMMER for any resulting damage and expenses. Once an appropriate time limit has expired without effect, GRAMMER shall be entitled to an extraordinary termination of the contract, to request the return of the tool pursuant to Section 4 and to proceed with its completion itself.

6 CHANGES

If changes to the specifications or the interpretation thereof are required after the contract has been concluded, GRAMMER shall provide the Supplier with amended product drawings with applicable alteration status and date. The Supplier shall not be entitled to modify Tools without the prior approval of GRAMMER. Significant modifications provided, the Parties shall mutually amend the contractual provisions, in writing. Until such an agreement is reached the Supplier shall continue the Project according to the previous terms.

7 PARTS APPROVAL / NOTICE OF DEFECT

- 7.1 The parts which are produced with the Tool shall be released within the production part approval process (PPAP or PPF) on the basis of the Specifications ('Parts Sampling'). The place of a parts sampling shall be stipulated in the order. The date of parts sampling shall be given in the schedule pursuant to Section 5. Sampling costs shall be paid in full with the payment of the total Tool costs as per the respective order. The costs of other parts samplings shall be borne by the party responsible, otherwise they shall be borne by each party itself.
- 7.2 The result of the parts sampling shall be recorded in a written report. The time limits agreed for subsequent performance must be adhered to. Any fiction of a parts sampling in prototypes e. g. by means of installation of parts coming from the Tool are not accepted.
- 7.3 Where the Supplier and GRAMMER agreed in the order on direct acceptance of the Tool paragraph 7.1 & 7.2 for the direct tool approval shall apply accordingly.
- 7.4 An incoming goods inspection shall only be made by GRAMMER in terms of externally visible damage and differences in terms of identity and quantity that can be identified externally. GRAMMER shall notify such defects immediately. GRAMMER shall reserve the right to carry out further incoming goods inspections. Moreover, GRAMMER shall notify defects as soon as they are identified according to the circumstances of correct business processes. The Supplier shall waive the plea of late notification of defects in this respect.

8 WARRANTY

The Supplier guarantees that manufactured Tools comply with the Specifications and are suitable for the use stipulated by GRAMMER. Compliance with the minimum output quantity guaranteed in orders shall remain unaffected by this.

In good time prior to reaching the minimum output quantity, however, at the latest 6 months prior to reaching said quantity, the Supplier shall contact GRAMMER in order to agree how to proceed in relation to the respective Tool.

9 CANCELLATION

9.1 Until completion of the respective Tool, GRAMMER shall be entitled to cancel a Tool order at any time in accordance with statutory provisions.

9.2 GRAMMER shall be entitled to ordinary termination of the Loans at any time giving 1 month notice. Moreover, GRAMMER may terminate the Loan at any time on an extraordinary basis for good cause without giving notice. Good cause shall exist in particular if delivery is delayed on multiple occasions (minimum 3), in the event of disruptions to deliveries for which the Supplier is responsible, or suspension of delivery (even temporary), in the event of non-compliance with section 10.3, 10.4 or in the event of an application for the initiation of bankruptcy or insolvency proceedings in relation to the Supplier's assets.

9.3 In the event of termination, the Supplier shall hand over Tools, in particular with accessories, models, manufacturing documents, tool manuals, CAD data and maintenance and operating instructions to GRAMMER. Moreover, Section 4 shall apply accordingly.

9.4 In the event of termination by GRAMMER the Supplier shall be released of its obligation regarding the provision of standard and spare parts upon the effective date of the termination.

10 SUBCONTRACTORS

10.1 The Supplier shall be liable for vicarious agents or other parties employed. Irrespective of this, the Supplier shall notify GRAMMER in writing in advance of any subcontracting to a third party and shall only allow this to go-ahead with prior approval from GRAMMER. GRAMMER may only refuse to give its approval for good cause and shall not release the Supplier from its liability. The Supplier shall undertake to oblige its sub-Suppliers according to this Terms and Conditions for Tools.

10.2 The Parties agree that upon the written request of GRAMMER the Supplier shall be immediately obliged to assign all rights from the respective purchase contract with its sub-Suppliers, in particular, but not limited to warranty rights and the rights to influence a legal relationship by unilateral declaration. The Supplier has no entitlement to claim an assignment. Insofar as such assignment has not been duly agreed, the Supplier shall not be exempted from its contractual rights and duties.

10.3 The Supplier ensures in case of the applicability of the Minimum Wage Law (**German 'MiLoG'**) its control and compliance with its rules by himself as well as by any subcontractors engaged by the Supplier. On request from GRAMMER the Supplier shall submit appropriate verifications of fulfilment of the Minimum Wage Law. Beyond that the Supplier shall comply with the necessary information and cooperation duties to the required extent in case any claims are directed to GRAMMER due to an infringement of the Supplier or his subcontractor resulting from an infringement of the Minimum Wage Law.

10.4 In the event of breach of duties to which the Supplier or any of his engaged subcontractor is subject according to the Minimum Wage Law, or in case of the Supplier's failing resp. culpable breach of cooperation and information duties according to section 10.3, the Supplier has to release GRAMMER extensively from any third party claims that are related to and resulting from that. In case of a detected failure to pay the minimum wage GRAMMER is, furthermore, entitled to extraordinarily terminate the contract without previous notice.

11 GENERAL PROVISIONS

11.1 GRAMMER commits itself to the Verhaltensrichtlinie des Bundesverbandes für Materialwirtschaft, Einkauf und Logistik e.V. („BME Code of Conduct“) and expects its Suppliers and sub-suppliers to comply with this BME Code of Conduct or similar guidelines. The BME Code of Conduct is available at: <https://www.grammer.com/en/supplier-support/purchasing.html>

11.2 The Parties agree that the courts having jurisdiction over the principal place of business of the ordering GRAMMER entity shall have exclusive jurisdiction.

11.3 The terms of any order including this Terms and Conditions shall be governed in accordance with the laws of the country of the ordering GRAMMER entity's principal place of business. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980 and the applicable conflict of laws principles are hereby expressly excluded.

11.4 If a provision is or shall become invalid, this shall not affect the validity of the other provisions. The contracting parties undertake to replace the invalid provision with another provision that most closely reflects the commercial intention of the original provision.

11.5 Additional agreements have not been reached. Amendments or additions shall only be possible in writing. This also applies to amendments to this written form clause.

- 11.6 For the purpose of executing this Agreement or any amendment or supplement thereof, facsimile signatures, PDF image signatures or electronic signatures rendered via an electronic signature service (e.g. DocuSign, AdobeSign) shall be treated as original signatures if in accordance with the applicable law and any such document shall be deemed to be in writing.