

**General Terms and Conditions of Purchase of Encory GmbH,
its Subsidiaries, and Affiliated Companies
(Indirect Purchasing Department)**

As of: 31.01.2017



Hinweis für den Benutzer: Falls Sie diese RL ausdrucken, unterliegt das Dokument nicht mehr dem Änderungsdienst. Zwecks Rückfragen wenden Sie sich bitte an die zuständige Fachabteilung oder die Interne Revision.

Encory GmbH
Neuhofweg 5 – Gebäude P
85716 Unterschleissheim
Deutschland

Tel: +49 162 2973 536
E-Mail: info@encory.com
Web: www.encory.com

Deutsche Bank München
IBAN: DE11 7007 0010 0156 6777 00
BIC: DEUTDEMMXXX
USt-IdNr. DE308566801

Geschäftsführer:
Gregor Eggl,
Hanno Großesmidt
HRB 227476 AG München

Index

1. Scope of Application.....	4
2. Integral Parts of the Contract and Contract Conclusion	4
3. Service Provision	5
4. Modifications and Additions	6
5. Acceptance Procedure	7
6. Termination	7
7. Delivery Times and Delay	8
8. Power of Representation	8
9. Compensation, Invocing and Payment.....	9
10. Taxes.....	11
11. Duties, Orgin and Export Control.....	12
12. Warranty	13
13. Intellectual Property Rights.....	13
14. Data Protection.....	14
15. Confidentiallity and Advertising.....	14
16. Insurance	15
17. Environment	15
18. Social Responsibility	16
19. Miscellaneous.....	17
20. Governing Law; Legal Venue and Jurisdiction	17

Encory GmbH
Neuhofweg 5 – Gebäude P
85716 Unterschleissheim
Deutschland

Tel: +49 162 2973 536
E-Mail: info@encory.com
Web: www.encory.com

Deutsche Bank München
IBAN: DE11 7007 0010 0156 6777 00
BIC: DEUTDEMMXXX
USt-IdNr. DE308566801

Geschäftsführer:
Gregor Eggl,
Hanno Großes Schmidt
HRB 227476 AG München

1. Scope of Application

1.1. These General Terms and Conditions ("GTC") shall apply to the procurement of goods (including software) and services that are not production materials or motor vehicle parts (these goods and services shall be known together hereinafter as "Indirect items") by Encory limited liability company, Unterschleißheim ("Encory") and its affiliates in the sense of sections 15 ff. of the German Stock Corporation Act, and companies in which Encory GmbH has a direct or indirect holding of at least 50% (known together as the "Encory Group").

1.2 The company belonging to the Encory Group, which in the specific case procures the indirect items, is hereinafter referred to as "Encory". The Contracting Party is hereinafter referred to as "Contractor".

2. Integral Parts of the Contract and Contract Conclusion

2.1 The specific agreement for the procurement of indirect items shall be effected by means of a written order or a release order by Encory, and the corresponding acceptance by the Contractor. A release order is a statement by Encory to the Contractor, which states the quantity of the indirect items to be delivered, the place, the date and, if applicable, the time of delivery. The same shall apply in case of modifications or additions to the contract.

2.2 Unless otherwise agreed, the GTC version valid when the agreement is concluded shall form an integral part of the agreement. If these GTCs are not supplied with the offer or the order, it can be accessed via <https://encory.com> in the Supplier Portal.

2.3 In addition to these GTCs, supplementary Special Terms and Conditions ("STC") according to 2.1 and 2.2 may be included, depending on the respective indirect items. In case of conflict between the GTC and the STC, the relevant provision of the STC shall prevail.

2.4 In case of conflict between contract components, the following order shall apply:

- a) Encory order,
- b) (b) Tendering/negotiation protocol / individual contract (if any),
- c) Specification of services in the Contractor's final offer (without contract and delivery terms of the Contractor), and Encory tendering documentation including all annexes,
- d) (d) Framework agreement between Encory and the Contractor (if any),
- e) STC (if available), and
- f) These GTCs.

If services specified in the final offer, as per Section 2.4c, differ from the Encory tendering documentation, including all its annexes, these deviations shall only form an integral part of the agreement insofar as the Contractor has pointed them out in a separate document attached to its offer.

Differing or additional terms of contract or terms of delivery of the Contractor shall not form an integral part of the agreement, even if there is no express objection. If the Contractor confirms the order of Encory deviating from the Encory order or delivery release, these deviations shall only apply if and insofar as Encory explicitly agrees to this in writing.

2.5 The terms and conditions of a main order shall also apply mutatis mutandis to any additional or change orders, even if this has not been agreed separately.

2.6 If the Contractor creates, adapts, or provides software as part of its services, the "Encory GTC IT Deliverables" (hereinafter referred to as "GTC IT Deliverables"), which are valid at the time the agreement is concluded, shall become integral part of the agreement. The GTC IT deliverables are available under the following address: ENCORY Supplier Portal <https://encory.com> Supplier Portal - ENCORY GTC IT Deliverables. Encory will also send them at Contractor's request.

3. Service Provision

3.1 The Contractor shall bear system responsibility for the indirect items involved. It means that it shall be responsible towards Encory for the provision of services in all process steps and in respect of all service components, regardless of whether it uses a subcontractor, directly or indirectly, when providing services.

3.2 The Contractor shall ensure that all legal regulations are complied with at the time the services are provided, regardless of whether it uses subcontractors when providing services, either directly or indirectly. The Contractor shall indemnify Encory Group from any claims by third parties that arise from the fact that the Contractor or a subcontractor, directly or indirectly employed by it, does not comply with or violates a relevant legal provision (in particular the applicable minimum wage laws).

3.3 The Contractor may use subcontractors, directly or indirectly, only with the prior written consent of Encory. This shall not affect Sections 3.1 and 3.2.

3.4 The Contractor shall collect any material to be provided by Encory in good time and in the right scope to ensure proper performance.

3.5 The Contractor shall designate a project manager:

3.5.1 The project manager shall plan, coordinate, and monitor all aspects of the project, taking into account the respective guidelines (such as operating instructions, accident prevention regulations, etc.). He/she shall be the contact person for the Encory project manager.

3.5.2 The project manager of the Contractor shall, at any time, inform the Encory project manager of the progress of the service. He/she shall present a current schedule with the start and end date, degree of completion, and status for each function.

3.5.3 The project manager may only be replaced for important reasons, and with prior written notice to Encory. Encory may request that the Contractor replaces the project manager for important reasons.

3.6 The Contractor shall ensure that its employees and other third parties employed by it are aware of the Encory visiting conditions and house rules. Instructions of Encory plant security staff must be observed in this respect. Serious violations of the visiting conditions or the house rules (such as prohibition on filming and photography) entitle Encory to impose a ban against specific persons engaged by the Contractor.

3.7 The Contractor shall take all necessary measures within the scope of the service, without additional remuneration, even if these have not been explicitly mentioned in the commission. This applies particularly to the following measures:

3.7.1 The Contractor shall label the delivery items according to Encory's specifications.

3.7.2 The Contractor shall document the audits carried out, along with their results, ensuring a clear assignment to the respective deliveries/services. The Contractor shall store the documentation for a period of at least 10 years after the performance has been completed, and shall provide it to Encory upon request. It shall offer Encory an option to view the documentation before destroying it.

3.7.3 The Contractor shall promptly request or procure the documents necessary for the implementation. The Contractor shall examine these documents, also with respect to the local conditions, for completeness, correctness, any inconsistencies, as well as the execution of preparatory work by third parties. The Contractor shall immediately notify Encory of any concerns in writing, stating reasons, and shall seek agreement with the Encory project management regarding the continuation of the work.

3.7.4 The documents, manufacturing materials, and data provided to the Contractor or prepared according to the materials provided by Encory, may only be reproduced, disposed of, assigned, pledged, or otherwise handed over or used for third parties with the written consent of Encory. The same shall apply to delivery items, which have been produced using these documents and/or manufacturing materials.

3.7.5 Documents and manufacturing materials handed over to the Contractor are provided on a loan basis, and shall remain exclusive property of Encory. They must be returned to Encory at its request, but no later than once the performance has been completed.

3.8 Encory shall be entitled to refuse to participate in the performance, to accept the service, as well as to pay remuneration, insofar as a relevant legal provision is violated, or a relevant legal provision from 3.2 is violated.

4. Modifications and Additions

4.1 Encory may, at any time, request changes and additions to the order, provided that the performance consists of a service or a delivery, at least prior to acceptance, at the discretion of Encory, and taking into account the interests of the Contractor. This applies in particular to service changes and supplementary services that are technically necessary, result from official requirements, or are required to comply with the deadlines or the budget. The Contractor commits to examine such orders without delay for technical feasibility, as well as their impact on quality, deadline, and cost, and to inform Encory in writing about the results. The Contractor shall also commit to propose to Encory any changes which it considers necessary or appropriate for the purpose of successful performance of the contract, and also to implement these amendments following written consent by ENCORY.

4.2 If a change would result in cost increase or reduction and/or violation of the deadline, the Contractor is obliged to notify this when proposing its amendment, or immediately upon receipt of the Encory change request, and to submit a corresponding follow-up proposal. The change will be made on the basis of a written agreement specifying the reimbursement of extra cost, or stating reduced costs, as well as the schedule.

4.3 If a change affects the basis of the remuneration for the contractual services, or changes a Contractor's performance part, the remuneration shall be adjusted taking into account the additional or reduced costs.

4.4 If the change requires the Contractor to provide performance that is not stipulated in the agreement, the Contractor shall be entitled to additional remuneration, if this has been agreed before the additional performance is performed. Any additional payment shall be based on the basic price calculation for the contractual service plus the additional costs of the additional service requested.

5. Acceptance Procedure

5.1 If the services to be provided consist of the provision of work, a formal acceptance procedure shall be required. Encory shall conduct the acceptance procedure once the notification of completion has been received from the Contractor and all the documents related to the service provision have been supplied. If the testing of the services provided by the Contractor requires a commissioning or start-up process, the acceptance shall not be carried out until after the successful conclusion of the tests.

5.2 If, during the execution of the contract, the Contractor creates or amends software, it shall hand over the created and adapted programs to Encory, together with the source code and the documentation, following the execution of a program test, in a testable and machine-readable form, and on a suitable data medium. Already during the execution of the contract, the Contractor is obliged to grant Encory access to the source code and the documentation.

5.3 A formal acceptance log shall be prepared for the acceptance procedure. The formal acceptance procedure shall not be complete, however, until such time as the Contractor has rectified any defects found. The rectification of defects must be completed without delay, at the latest within a deadline set by Encory.

5.4 Any fiction that the acceptance procedure has been completed is hereby excluded. The handover of the completed work and/or services ready for use shall not constitute an acceptance procedure. Payments by Encory shall not indicate that Encory has accepted the work and/or services.

6. Termination

6.1 If the contract constitutes the provision of work, Encory may terminate the contract or separately delimited parts of it at any time.

6.2 If the Contractor is responsible for the grounds of the termination, Encory must pay for the completed and evidenced services completed as per the contract as long as Encory can use the results of said services. Claims for damages by Encory shall remain unaffected.

6.3 If the Contractor is not responsible for the grounds of the termination, Encory shall compensate the Contractor for the expenses that have been incurred by it directly from the fulfilment of the order until the contract has been terminated, including costs from inescapable commitments. The Contractor shall not be entitled to any additional claims for damages in connection with the termination. Rights of use under copyright law created during the provision of the works and services under this Clause 13 ("Intellectual Property Rights") shall be transferred to Encory.

6.4 The right to extraordinary termination for good cause shall remain unaffected. Good cause shall apply particularly in cases where

- The Contractor or a subcontractor directly or indirectly commissioned by it does not comply with or violates a relevant statutory provision, and therefore Encory cannot be reasonably expected to continue the cooperation taking into account all the circumstances, and considering interests of the two Parties;

- The Contractor has offered, promised or given benefits to another company representative (in particular an ENCORY employee) or an official, which could be designed to have an undue influence on this person in relation to the negotiation, decision or execution of the contract.

6.5 If the Contractor becomes insolvent, it defaults on payments, or an application is made to open insolvency proceedings or court winding-up proceedings against the assets of the Contractor or one of its owners, ENCORY may cancel the contract notwithstanding other rights for the unfulfilled part of it.

7. Delivery Times and Delay

7.1 If deadlines are specified by calendar weeks or months, the first working day shall be agreed as binding. The deadlines specified in the Purchase Order (including individual deadlines) shall be binding and if the Contractor is in delay, said deadlines must be met by means of free overtime, including outside normal working hours where possible. If these deadlines are missed through the fault of the Contractor, the statutory consequences of delay shall apply.

7.2 If the contract includes a contract penalty, ENCORY may also claim compensation which goes beyond this. The right to demand payment of an agreed contract penalty shall not be waived by the fact that the contract penalty is not expressly reserved when the service undergoes the acceptance procedure.

7.3 The above provisions shall also apply in the event that the Contractor completes part of or the complete services in time, but they are not ready for the acceptance procedure.

7.4 In the event that delays occur for which the Contractor is not responsible, the Contractor shall be entitled to a reasonable extension of the contract deadlines. In the event of delays which are the responsibility of ENCORY, the Contractor shall be entitled to claim the reimbursement of any costs it incurs as a result (excluding loss of profit).

7.5 The Contractor must notify ENCORY without delay and in writing on any threat to a deadline even if it assumes that ENCORY is already aware of the circumstances and reasons.

7.6 Force majeure, labor disputes, official action or other unavoidable events shall exempt ENCORY from its duty to accept the services for the duration of said problem.

8. Power of Representation

8.1 The Contractor may not represent ENCORY in legal transactions unless ENCORY has authorized it in writing to do so. However, it shall be entitled to take action required to complete the ordered works or services as set out in the contract and to ensure that the project can be conducted correctly and which shall not have any negative effects of a qualitative, deadline or financial nature for ENCORY. This shall also apply to declarations which are materially necessary for the coordination and monitoring of the execution of the contract. In particular, the Contractor shall be commissioned and authorized to represent BMW against third parties involved in the

project for dealing with defects, setting deadlines and for placing requests for and issuing reminders for services.

8.2 Third parties engaged by ENCORY with planning and/or monitoring duties shall not be authorized to represent ENCORY in legal transactions. These third parties shall in particular not be entitled to extend completion deadlines or legally accept invoice monies, wage claims, subcontractor hourly payments, dimension tolerances or the like.

8.3 ENCORY shall be entitled but not obliged to accept goods in the absence of the Contractor for it; however, ENCORY cannot accept any liability for the goods being complete or correct even if a written receipt is provided. The Contractor shall be responsible for all safekeeping risks.

9. Compensation, Invoicing and Payment

9.1 All prices shall be net fixed prices exclusive of any statutory payable value-added tax and, unless otherwise agreed, shall include all additional costs (such as transport and installation costs, travelling expenses, supplements, lump sums, etc.) The prices shall apply without change until the completion of all the services to be provided under the contract.

9.2 The payment of the agreed remuneration to the Contractor covers all services agreed, including all rights to be assigned or to be granted.

In the event that an invoice is submitted in the form of a credit note as described in Section 9.7, the start of the payment period shall be the receipt of the goods at the place of use or the acceptance procedure for the service.

In the event when the invoice does not take the form of a credit note, the start of the payment period shall be receipt of the goods at the place of use or the acceptance procedure for the service as well as

the receipt of a correct, auditable invoice that meets the requirements of ENCORY set out in section 9.6. To calculate the due date for payment, a service which is completed before the agreed deadline shall not be deemed to have been completed until the agreed deadline.

9.3 If ENCORY demands the provision of a guarantee, the Contractor must provide this with no time limits and as specified on the respective ENCORY form. The guarantee shall be provided by a German major bank or insurance company at ENCORY's discretion. The guarantee must cover all claims resulting from non-contractual order completion, invoicing or warranty. It must be declared with a waiver of the defense of contestability, setting off and failure to pursue remedies and also with the exclusion of any possible deposit. It shall not rule out further claims. The defense of contestability does not have to be waived if the Contractor's right to contest or claim is not disputed by ENCORY, is due for a decision, or has been established by a court of law.

9.4 Payment shall be made by transfer or check, at the discretion of ENCORY. All payments are made subject to later review and any possible claims on return payment plus interest. The Contractor is not entitled to claims for compensation for loss of enrichment (Section 818 German Civil Code).

9.5 ENCORY shall be entitled to set off its own accounts receivable both against accounts receivable by the Contractor and against accounts receivable that the Contractor has transferred to third parties. ENCORY shall also be entitled to set off its own accounts receivable against accounts receivable by the Contractor, which the latter has against one or more of the following companies:

- Encory GmbH;
- ENCORY Ibèrica S.L;

ENCORY shall also be entitled to set off accounts receivable by the Contractor to accounts receivable by one of the above companies from the Contractor.

9.6 The Contractor must submit an invoice to ENCORY which complies with the commercial and fiscal requirements of the country involved, and the BMW Purchase Order number must be quoted on it.

9.6.1 The original invoice must be addressed to the department at ENCORY which is responsible for creditor settlement.

9.6.2 In the event that German value-added tax is applicable, the invoice must, in particular, contain the following information:

- Full name and address of the company Contractor and the Client
- Tax or VAT identification number of the Contractor
- Unique sequential invoice number
- Date of issue or date of invoice
- Point in time the delivery is made or service is performed
- The usual commercial description of the delivery / service
- Quantity
- Net amount, broken down by tax rates
- Tax rate, tax amount (broken down by tax rates)
- Reference to tax exemptions
- Any reduction of charges agreed in advance, if not already accounted for; lower VAT value must be stated.

The invoice shall be sent in electronic form to invoice@encory.com.

9.6.3 At the request of ENCORY, all invoicing documents must be supplied in electronic form (e-invoicing). The possible bank transfer variants will be specified by ENCORY.

9.6.4 ENCORY may reject an invoice which does not contain the information required in section 9.7 and notify the Contractor; costs incurred by ENCORY as a result shall be charged to the Contractor. The payment period shall not start until the date on which a new, auditable, correct invoice which satisfies the requirements in Section 9.6 is received by ENCORY.

9.7 ENCORY may demand that the account is dealt with using a credit note procedure. The credit note notification shall be issued on the basis of the received goods or service confirmations by ENCORY and sent to the Contractor. In this case the Contractor does not need to issue an invoice with the information set out in Section 9.6.

At the request of ENCORY, the account documents shall also be sent in electronic form in this case ("e-invoicing"). The possible bank transfer variants will be specified by ENCORY.

9.8 The Contractor shall not be entitled to assign accounts receivable without the prior written consent of ENCORY.

10. Taxes

10.1 Taxes shall comprise all current or future taxes, charges, levies, costs and other fees of any kind as well as additional payments such as interest, fines for delays, default supplements and fines, fines for late payment and penalty payments which must be or have been paid as a result of obligations under public law.

10.2 ENCORY and the Contractor shall each be responsible for fulfilling their fiscal obligations and liabilities. If one of the Parties fails to meet its fiscal obligations or liabilities and this results in loss, damage, or any other disadvantage for the other party, the first party shall fully indemnify the other party from said loss, damage, or other disadvantage.

10.3 If withholding tax falls due on the amounts to be paid by ENCORY to the Contractor, the withholding tax shall be withheld by BMW pursuant to the applicable law and regulations, and paid to the relevant German tax authority for the Contractor's account.

Upon request of the Contractor and in compliance with applicable German tax law and regulations, ENCORY shall provide the Contractor with a valid tax certificate evidencing payment of withholding taxes on behalf of the Contractor.

If an applicable double taxation agreement or another regulation provides for a reduction or exemption from withholding tax deduction, ENCORY shall only withhold the reduced amount or apply the exemption if the Contractor has provided ENCORY with a valid tax exemption certificate ("Freistellungsbescheinigung") at least 10 banking days before the payment date. Otherwise, ENCORY shall deduct and withhold the withholding taxes from the amounts due, which must be paid to the relevant tax authority to comply with the current income tax and corporation tax law.

The Contractor shall meet all its certification, information and documentation obligations and other duties required for the application of reduced tax rates or exemptions under the applicable double taxation agreements or other regulations.

10.4 The Contractor shall pay all taxes which the Contractor incurs in Germany or elsewhere due to the purchase, consumption or production of goods or for the use of services or from business trips by its own employees, which are required for the provision of the services. These taxes shall be included as costs in the price agreed with ENCORY unless the Contractor has a claim to reimbursement, deduction, or repayment of these taxes in Germany or elsewhere. The Contractor shall not invoice ENCORY with these taxes separately insofar as they are not included in the price. Statutory value-added tax shall be excluded.

11. Duties, Origin and Export Control

11.1 The Contractor shall comply with all applicable laws and regulations, particularly those relating to duties and export controls (including US and locally applicable export control law) and all the requirements which relate to the security of the supply chain.

11.2 At the request of ENCORY, the Contractor undertakes to provide all the required documents, for example certificates or declarations (such as AEO security declarations, declarations under C-TPAT or similar programs), to support BMW during official investigations and to use similar caution in its dealings with its business partners.

11.3 ENCORY shall be entitled to reject the services from the contract which forms part of the business relationships if the Contractor breaches regulations set out in section 11.1 and this would make the execution of the contract by ENCORY a breach of the law. The same shall apply, notwithstanding an infringement by the Contractor, if the execution of the contract by ENCORY would constitute a breach of the regulations set out in section 11.1. In these cases the Contractor shall waive its right to any compensation or other claims relating to the justified exercise of its right to withhold performance on the part of ENCORY.

11.4 The Contractor must notify ENCORY of possible export restrictions relating to the services to be provided which are applicable in the country of production and/or shipment. The Contractor must notify ENCORY if the goods and production equipment are subject to an export/re-export license under US law. If the Contractor is based in the European Union, it must notify ENCORY of existing license requirements for dual use goods and armaments pursuant to European export restrictions and their implementations in national law. The Contractor must also notify ENCORY of the relevant classification number (for example the ECCN Export Control Classification Number for US products, the "AL number" of goods included on the German exports list or in the EC Dual Use Directive, etc.) and of the possible license exceptions for goods and production equipment. All notifications must be sent direct to ENCORY GmbH, Unterschleißheim, Department for Customs and Export Controls. At the Contractor's request, ENCORY shall provide the Contractor with a form for this purpose.

11.5 The Contractor must support ENCORY with all the required means to reduce or minimize ENCORY's payment obligations relating to customs duties. If the Contractor provides services which may be imported into the recipient country on preferential terms, the Contractor must attach a preferential certificate of origin with each consignment (for example movement certificates Form A, EUR 1 or EUR-MED) if the legal requirements have been satisfied for this. If certificates of origin other than preferential ones are required in the recipient country as a result of national import regulations, ENCORY must also be supplied with these by the Contractor.

The Contractor must contact the relevant ENCORY customs department to discuss any questions and instructions relating to customs duties.

ENCORY shall complete the customs clearance formalities unless otherwise agreed. If the Contractor completes the customs clearance formalities without the prior written consent of ENCORY, it shall act on its own behalf and on its own account. This shall apply even if it claims to be acting on behalf of and for the account of ENCORY but does not hold any power of representation.

12. Warranty

12.1 The warranty shall be based on the applicable statutory regulations unless otherwise agreed. Regardless of this, ENCORY shall be entitled initially to demand free defect rectification or the delivery of perfect goods. If the Contractor is in default with this, ENCORY may rectify the defect itself and demand compensation for the costs incurred by this.

12.2 Defects in the provided services shall be reported by ENCORY to the Contractor as soon as they are identified during its normal business routines. The Contractor waives its right to claim that a complaint was made too late.

12.3 Any notice of defect by ENCORY shall suspend the warranty period for the defective services. After the defect has been rectified, the warranty period for the affected services shall commence afresh.

13. Intellectual Property Rights

13.1 The Contractor shall ensure that the provided goods or services are free of third party intellectual property rights which exclude or adversely affect the use of the goods and works or services by or for the ENCORY Group, and that it has the authority to grant the appropriate rights of use.

13.2 The Contractor shall indemnify and hold ENCORY harmless from all claims by third parties, including the claims of any copyright authors involved, which may be asserted against ENCORY as a result of the use of the work results provided to ENCORY by the Contractor. This shall not apply if the Contractor did not know and could not have known about the existing of third party rights. The Contractor shall conduct any necessary legal disputes if possible itself on its own behalf and at its own expense. This shall not affect ENCORY's right under the statutory regulations to demand compensation and cancel the contract.

13.3 Unless otherwise agreed, all rights of use under copyright law, commercial intellectual property rights and legal positions similar to intellectual property rights created during the provision of the works and services under this contract and attached to all other written, machine-readable and other work results created during the execution of the contract shall be transferred to ENCORY on creation without any further conditions and without any additional remuneration. ENCORY shall be exclusively entitled to these rights with no geographical, temporal or content restrictions, and they may be extended, transferred, revised, adjusted, amended, reproduced or published without the Contractor's consent.

13.4 If, during the execution of the contract, the Contractor creates or amends software, the rights of use, commercial intellectual property rights and legal positions similar to intellectual property rights as set out in section 13.3 shall not be limited to the object code but shall also extend to the source code and the documentation for the created and amended programs.

13.5 ENCORY may use the service provided free of charge. ENCORY shall be granted the right to register patentable development results for patents.

14. Data Protection

The Contractor shall ensure that all persons entrusted with the service provision comply with the legal provisions on data protection. Such persons have to sign a non-disclosure agreement to maintain the confidentiality of the data in accordance with data protection laws before they carry out their activity for the first time, and evidence of this has to be provided to ENCORY upon request.

Insofar as the Contractor processes personal data within the framework of the service provision, it shall undertake to make an agreement on data processing commissioned by ENCORY, according to the current DViA template, which is available in the ENCORY Partner Portal of the ENCORY Group at <https://b2b.Encorygroup.net / > departments /> Purchasing of indirect material /> Purchasing conditions>, or can be sent on request. The Contractor shall also ensure that its subcontractors also conclude any further agreements required for the processing of personal data. It may be necessary in individual cases that these are concluded directly between ENCORY and the subcontractors.

15. Confidentiality and Advertising

15.1 The Contractor and ENCORY shall be obliged to treat all information they obtain, directly or indirectly, from the other Party within the scope of their business relationship as confidential, and to protect this information from access by third parties. Notwithstanding this, ENCORY is entitled to pass on information to companies of the ENCORY Group.

15.2 The duty of confidentiality in accordance with this clause extends to all of the staff and representatives of the Parties, without consideration of the nature and legal form of the collaboration. The Contractor and ENCORY undertake to impose appropriate obligations of confidentiality upon this group of persons if this has not already been done.

15.3 The confidentiality obligations under this Section shall not apply to the extent that information is publicly available or becomes publicly available without a violation of these obligations, or was lawfully received from any third party, or is already known by the receiving party, or must be disclosed pursuant to mandatory rules or orders, provided that the receiving party shall notify the other party of a required disclosure prior to such disclosure, unless such notice could not reasonably be given.

15.4 The Contractor may only advertise its business relationship with ENCORY with the prior written permission of ENCORY. The current version of the marketing guideline "Guideline for partner or supplier communication of the ENCORY Group" shall be applicable, and must be followed by the Contractor. This is published on the ENCORY Partner Portal of the ENCORY Group at <https://b2b.Encorygroup.net /> Departments /> Purchasing indirect material /> Purchasing Conditions>.

15.5 The terms set out in this provision 15 shall also apply after the expiry or termination of a contract.

16. Insurance

16.1 The Contractor undertakes to adequately insure the liability risks relating to the Service Provision by means of suitable insurance policies at its own expense and with an adequate insured sum, and to supply evidence of said insurance policies to ENCORY on request. A minimum general insured sum of EUR 5.0 million shall apply to this insurance duty. The Contractor's liability shall not be limited by taking out insurance policies.

16.2 If it becomes clear that the Service Provision will directly entail liability risks in the USA or Canada, which may result in compensation claims there, the minimum insured sum shall be EUR 10.0 million.

16.3 The review or any failure to request evidence of the insurance policies by ENCORY shall not be regarded as a waiver of any of the duties set out in this section 16 ("Insurance").

17. Environment

17.1 During the service provision, the Contractor shall use the necessary resources (in particular materials, energy, and water) efficiently, and shall reduce the environmental impact (in particular with respect to waste, wastewater, air pollution, and noise) to a minimum. This also applies to logistics and transport operations.

17.2 The Contractor shall – provided that the service provision may have, or will have any environmental impact – establish and maintain a certified environmental management system in accordance with the requirements of ISO 14001, or an acknowledged and certified environmental management system derived from ISO 14001, no later than two years following Purchase Order placement, and shall provide evidence to ENCORY by submitting a corresponding certificate.

17.3 Provided that the supply of goods is stipulated in the contract, the additional clauses 17.3.1 to 17.3.3 shall apply:

17.3.1 The Contractor shall immediately upon request provide ENCORY with the information required for the quantitative assessment of Contractor's resource efficiency relating to the total annual scope of orders placed by and supplied to ENCORY (e.g. total energy consumption; CO₂ emissions; total water consumption; process waste water; amount of waste; VOC emissions). In addition, the Contractor shall provide on ENCORY's request data for a life cycle assessment relating to delivery items or parts thereof (including data with regard to the material input) according to the data collection format for life cycle assessment of the German Association of the Automotive Industry (VDA).

17.3.2 Polymer materials contained in delivery items shall comply with the ENCORY requirements, which are derived from the respective statutory targets or standards for vehicle hydrocarbon emissions throughout the entire life cycle of the delivery items. The production processes for delivery items shall be adapted to comply with these ENCORY requirements.

17.3.3 The Contractor shall comply with the requirements stated in ENCORY Group Standard GS 93008 (1 to 4) "Hazardous substances" throughout the entire life cycle of the delivery items. The Contractor is responsible for registration and, where necessary, authorization or notification of chemical substances contained in the delivery items in accordance with the statutory requirements that apply to the respective market (e.g. according to the EU regulation EC/1907/2006 (REACH)). If a chemical substance is imported into the area of application of a relevant law, the Contractor

shall assume responsibility for all obligations stated above, and all associated costs. Furthermore, the Contractor will immediately upon request provide ENCORY with any and all information about delivery items and substances contained therein, even if such items have already been delivered, as well as declarations and confirmations, required by ENCORY in order to fully and timely fulfil its statutory information duties (e.g. under Art. 33 of REACH).

In the event that the delivery items are chemical substances, preparations, or materials, the Contractor shall provide ENCORY with "Safety Data Sheets" for these items.

17.4 The Contractor shall ensure that its subcontractors are contractually bound to comply with the terms of this Provision 17 ("Environment").

18. Social Responsibility

18.1 For ENCORY it is of paramount importance that corporate activities take account of the social responsibility to employees and the society as a whole. This applies both to ENCORY itself and to its suppliers. ENCORY and the Contractor acknowledge their compliance with the principles and rights set by the International Labor Organization (ILO) in its "Declaration on fundamental principles and rights at work" (Geneva 06/98), the Directives of the UN Initiative Global Compact (Davos, 01/99), and the UN Guiding Principles on Business and Human Rights (2011). The following principles are of particular importance:

- Respect for human rights,
- Elimination of forced, compulsory, and child labor,
- Positive and negative freedom of association,
- Elimination of discrimination on the basis of gender, race, ethnic origin, religion or worldview, membership of a trade union or the like, handicap, age, sexual identity, nationality, marital status, political affiliation, veteran status, or other characteristics protected by local law
- Compliance with occupational health and safety standards,
- Protection from individual arbitrary personnel measures,
- Maintenance of employability by basic and advanced training,
- Maintenance of adequate social working conditions,
- Provision of conditions that enable employees to enjoy a reasonable standard of living,
- Remuneration, which permits employees to secure their livelihoods including their social and cultural participation (living wage),
- Implementation of equal opportunities and family-friendly policies,
- Protection of indigenous rights,
- Ban on bribery and blackmail,
- Compliance with the applicable laws and regulations.

In view thereof, the Contractor shall take adequate measures in order to prevent corruption offences within its company.

18.2 It shall be Contractor's responsibility to cause its subcontractors to act according to the regulations of this Provision 18 ("Social Responsibility").

19. Miscellaneous

19.1 Amendments, supplements and notices of termination must be made in writing. In the event of amendments and supplements, it shall be sufficient that they are supplied in writing by letter, fax, email or electronic data interchange (EDI) to comply with this requirement for written form. Notices of termination, on the other hand, must be made in writing by letter or fax. The requirement for written form may only be waived by means of a written agreement.

19.2 If a provision or part of a provision in these GTC or the applicable STC is or becomes invalid or unenforceable, this shall not affect the validity of the remainder of the contract. ENCORY and the Contractor undertake to do their utmost in good faith to replace the invalid or unenforceable provision by a valid, enforceable provision which has the same commercial result as long as this does not result in a major change to the content of these GTC or the applicable STC.

20. Governing Law; Legal Venue and Jurisdiction

20.1 The legal relations between the Parties shall be subject to German law as used between German businessmen. The UN Convention on Contracts for the International Sale of Goods (CISG) dated 11.04.1980 shall not apply.

20.2 The place of fulfilment and exclusive place of jurisdiction for all disputes arising from or in conjunction with the execution of the contract shall be Munich unless the law specifies a different place of jurisdiction or place of fulfilment.