



IAV Automotive Engineering Inc. Terms and Conditions

1. Scope; Acceptance

These General Terms and Conditions of Purchase ("Terms") apply to all purchase orders and amendments thereto (collectively, the Terms, purchase orders, and amendments thereto shall be referred to as "Order") issued by IAV Automotive Engineering Inc., as well as its affiliates and subsidiaries (collectively, "Buyer"). For purposes of the Order, "Supplies" shall mean and refer to all goods and services (whether or not ancillary to a sale of goods) to be provided under an Order.

- a. Each Order is an offer by Buyer or its applicable affiliate or subsidiary to the party to whom such Order is addressed and such party's applicable affiliates and subsidiaries ("Seller") to purchase the Supplies described therein, and it shall be the complete and exclusive statement of such offer. An Order does not constitute an acceptance by Buyer of any offer or proposal by Seller, whether in Seller's quotation, acknowledgement, invoice or otherwise. In the event that any Seller quotation or proposal is held to be an offer, that offer is expressly rejected and is replaced in its entirety by the offer made up of the Order.
- b. An Order shall be deemed accepted upon the terms and conditions of such Order by Seller's shipment of goods, performance of services, commencement of work, written acknowledgement, or any other conduct of Seller that recognizes the existence of a contract pertaining to the subject matter hereof. Additionally, each Order shall be deemed accepted five business days after Buyer delivers the Order to Seller, if Seller fails to object to the Order. Acceptance is expressly limited to these Terms and such terms and conditions as are otherwise expressly referenced on the face of the Order. No purported acceptance of any Order on terms and conditions which modify, supersede, supplement or otherwise alter these Terms shall be binding upon Buyer and such terms and conditions shall be deemed rejected and replaced by these Terms unless Seller's proffered terms or conditions are accepted in a physically signed writing by an authorized representative of Buyer (a "Signed Writing"), notwithstanding Buyer's acceptance of or payment for any shipment of goods or similar act of Buyer. In the event of a conflict between the Order and any prior or contemporaneous agreement or document exchanged between Buyer and Seller, the Order governs. An Order is not a firm offer and may be revoked prior to acceptance.
- c. TERMS AND CONDITIONS OF AN ATTEMPTED ACKNOWLEDGMENT OF AN ORDER THAT ARE INCONSISTENT WITH OR IN ADDITION TO THE TERMS AND CONDITIONS OF AN ORDER ARE NOT BINDING UPON BUYER UNLESS SPECIFICALLY ACCEPTED BY BUYER IN A SIGNED WRITING, AND BUYER HEREBY OBJECTS THERETO. NO COURSE OF PERFORMANCE OR CONDUCT BY BUYER SHALL BE CONSTRUED TO WAIVE, MODIFY OR OTHERWISE ADVERSELY AFFECT BUYER'S RIGHTS.

2. Software

- a. Seller shall provide all Software in a timely, professional, safe, and workmanlike manner and in accordance with the terms, conditions, and Specifications. Seller shall determine the method, details, and means of performing the services to be carried out for Buyer.
- b. Seller shall design, develop, create, test, deliver, install, configure, integrate, customize, and otherwise provide and make fully operational Software on a timely and professional basis in accordance with all terms, conditions, and Specifications. Except to the extent expressly provided otherwise, Seller shall provide all Software to Buyer in both object code and Source Code form.
- c. The Seller grants to the Buyer a permanent, paid-up, non-exclusive, worldwide License to any Software which are included as standalone or embedded in the Goods and Tech Products, unless otherwise specified differently on the applicable Purchase Order. This License is limited to the use, repair, modification, or sale of any Software which are standalone or embedded in the Goods and Tech Products in conjunction with the use or sale of the Goods and Tech Products. Seller agrees that these Global Terms and Conditions supersede any license terms that it distributes with, causes the Buyer to click through or consent to prior to use, or otherwise includes with the Goods and Tech Products. The parties agree that Buyer's agents, outsourcers, and contractors who are under obligation of non-disclosure may use the Goods and Tech Products for the benefit of the Buyer.
- d. The Software shall include all support, updates, and enhancements which are available from the Seller in accordance with the support services specified on the Purchase Order. In the event that there are no support services specified, Seller will provide to Buyer support services, including updates and enhancements, which it makes generally available. In addition, as part of the support program, Seller shall provide Buyer with on-line end user materials, FAQ's, techniques, and general product usage information.
- e. Seller shall maintain and implement commercially reasonable and industry standard disaster recovery and business continuity procedures to ensure that the Software is not interrupted during the applicable.
- f. Prior to or concurrently with the delivery of any Software hereunder, or by such earlier date as may be specified in the Implementation Plan for such Software, Seller shall provide Buyer with complete and accurate Documentation for such Software. Where the applicable Statement of Work requires or permits delivery of Software in two or more phases, Seller shall also provide Buyer with integrated Documentation for the Aggregate Software upon its delivery. All Documentation shall include all such information as may be reasonably necessary for the effective installation, testing, use, support, and maintenance of the applicable Software by the Intended User(s), including the effective configuration, integration, and systems administration of the Software and performance of all other functions set forth in the Specifications. Seller shall provide all Documentation in both hard copy and electronic form, in such formats and media as are set forth in the relevant Statement of Work, or as Buyer may otherwise request. To the extent any Documentation consists of or includes Third-Party Materials, Seller shall secure, at its sole cost and expense, all rights, licenses, consents, approvals, and authorizations specified in Section 9(e) with respect to use of the Approved Third-Party Materials by Buyer, its employees, and/or Buyer's customer(s).
- g. Seller shall not include in any Software, and operation of all Software in accordance with its Specifications and Documentation shall not require, any Third-Party Materials, other than Approved Third-Party Materials. Seller shall secure, at its sole cost and expense, all necessary rights, licenses, consents, approvals, and authorizations necessary for Buyer, its employees, and/or Buyer's customer(s) to use, perpetually and throughout the universe, all Approved Third-Party Materials as incorporated in or otherwise used in conjunction with Software as specified.



- h. The Seller shall indemnify us against all claims of third parties based on an infringement of property rights by the software supplied by it, irrespective of whether it is standard or individual software. Unless it is expressly agreed in writing whether a software is licensed for use by named users or concurrent users, the software shall be licensed for concurrent users.
- i. Seller hereby authorizes Buyer or a third party retained by Buyer to modify or reverse engineer the Software solely for the purpose of and limited specifically to testing Software for deficiencies or defects related to cyber security vulnerabilities. In the event Buyer has questions for Seller related to such cyber security assessments during the Term of this Agreement or any time thereafter, Seller agrees to provide feedback and support within a reasonable timeframe depending on the severity of any concerns identified in such assessments.

3. OpenSource

- a. Free and Open Source Software (hereinafter "FOSS") is software for which license conditions meet the requirements of the "Open Source Definition" (available at <https://opensource.org/osd>) of the "Open Source Initiative" and is therefore made available to the general public by the respective authors for comprehensive and free use, usually in source code, and/or - whose license conditions are recognized by the "Open Source Initiative" and/or the "Free Software Foundation" as free software licenses or open source software licenses on their websites, and/or - which is offered as public domain software.
- b. An integration of FOSS into software provided to the Buyer shall only be permitted with Buyers prior written consent and in compliance with the respective FOSS license conditions. If the Seller integrates FOSS without our consent, the Seller shall, at our request, do everything reasonable to replace the FOSS with equivalent proprietary software. Unless otherwise agreed, defects in the software or impairments of use originating from the sphere of the Seller shall be remedied by the Seller without delay. The Seller shall inform the Buyer regularly, at least quarterly, about any defects or impairments of use that have occurred as well as the remedial measures and times.
- c. Seller's license audits (checks of compliance with the rights usage regulations for software that the Seller provided to the Buyer) are only permitted, (i) if there is reasonable suspicion that the Buyer has exceeded our rights of use, (ii) if the Seller has presented such reasonable suspicion to the Buyer in writing at least two months before the audit, (iii) if the audit is carried out exclusively by a third party from the legal and tax advisory professions who is legally bound to secrecy and who has been commissioned by the Buyer to carry out the audit together with our employees, without the third party having sole access to our systems, and (iv) the date of the audit and the manner in which it is to be carried out have been agreed with the Buyer in due time, but at least two weeks in advance.
- d. The Seller is not permitted to copy data during the audit unless the Buyer expressly permits the Seller to do so in individual cases.

4. Documentation and Information

- a. Buyer reserves the property rights and copyrights to technical requirement profiles, illustrations, drawings, calculations, samples and other documents; these must not be made accessible to third parties without Buyers express written consent. Such documents and information must be used exclusively for production and delivery on the basis of our order. Buyer reserves the right to demand the conclusion of a confidentiality agreement at any time. Seller must return all documents to the Buyer without being asked to do so after processing the order, but at the latest after our acceptance.
- b. Any work of authorship created by Seller or Seller's employees under a Purchase Order will be considered as a "work made for hire" and all copyrights for such works of authorship will belong to Buyer by operation of law.
- c. The documents prepared by the Seller for the fulfilment of the order (drawings, plans, etc.) shall be handed over to Buyer clearly and completely as originals, tracings of the originals or, at our request, as other electronic media or on data carriers. The Seller is entitled to destroy the documents created by it in connection with the fulfilment of its contractual obligations after the expiry of the limitation period for claims for defects. Prior to this, however, the Seller must offer to hand over these documents to Buyer and notify Buyer of the intended destruction. The documents may only be destroyed if Buyer is in default of accepting the offered documents.

5. Total Price and Taxes

- a. All prices shall be DDP (place of delivery). The prices in an Order shall be complete, and no additional charges of any type shall be added without Buyer's express written consent, including but not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, crating, currency fluctuations, or changes in raw material or component pricing, labor or overhead, unless specifically agreed to by Buyer in a Signed Writing. All cash discounts shall be computed from the date of receipt by Buyer of a final invoice or receipt of the Supplies, whichever occurs later. Duty drawback and similar rights of Seller and its suppliers are assigned to Buyer. Unless prohibited by law, the Seller shall pay all federal, state or local tax, transportation tax, or other tax, including but not limited to customs duties and tariffs, which is required to be imposed upon the Supplies ordered, or by reason of their sale or delivery. All Order prices shall be deemed to have included all such taxes.
- b. Seller represents that the price charged to Buyer for Supplies is at least as low as the price charged by Seller to Buyers of a class similar to Buyer under conditions similar to those specified in the Order during the 12 months prior to delivery, and that all prices comply with all applicable governmental laws and regulations in effect at the time of quotation, sale and delivery. Seller agrees that any price reduction implemented by Seller for any Supplies or related charges will apply to all shipments of such Supplies under the Order or any Order amendment from and after Seller's implementation of the price reduction. If Seller offers a lower price for the same or similar goods or services to any other customer during the term of an Order, then to the extent permitted by law, Seller will immediately offer Buyer the same price for the Supplies on the same terms and conditions as was offered to the other customer. Buyer shall also receive the full benefit of all discounts, premiums and other favorable terms of payment offered by Seller to its customers. Seller shall insure that the price charged to Buyer for Supplies remains competitive with the price for similar goods or services available to Buyer from other sellers.
- c. To the extent the Buyer is required by law to withhold tax based upon the Seller's income or revenue, the Buyer may deduct such tax from the amounts payable to the Seller and remit to the appropriate government authorities provided that: (i) the Buyer may only deduct such tax to the extent the income or revenue pertains to amounts paid by the Buyer to the Seller; (ii) such deduction is in accordance with the tax laws and regulations of the applicable countries; and (iii) the Buyer shall subsequently



provide the Seller with a receipt showing the payment of such tax. For the avoidance of doubt, any taxes, withheld or otherwise, imposed on the Seller's income or revenue will be the sole financial responsibility of the Seller.

6. Payment Terms

Payment terms will be set forth on the Order. If no payment term is set forth on the Order, then the payment term is net 75. If a payment date falls on a non-business day, payment will occur on the following business day.

7. Quantity

If an Order is identified as a "Blanket Order" or in some other manner indicating Buyer's liability to purchase a specific quantity is limited to those goods subject to releases ("Releases"), the quantities specified and delivery dates listed are estimated quantities and delivery dates, and the purchase of the Supplies specified is expressly contingent upon the issuance of a firm Release by Buyer identifying the Supplies to be purchased and providing delivery directions.

8. Delivery

Deliveries shall be made both in quantities and at times specified on the Order or on Releases furnished by Buyer. Time and quantity of delivery are of the essence. Seller shall adhere to shipping directions specified on the Order or Release. Buyer shall not be required to make payment for Supplies delivered to Buyer that are in excess of firm quantities or delivery schedules specified in Orders or Releases. Buyer may return over shipments at Seller's expense for handling and transportation costs. Premium shipping expenses and/or other related expenses necessary to meet delivery schedules set forth in Releases shall be Seller's sole responsibility. The Seller is liable for all direct, incidental, and consequential damages, losses, costs, and expenses incurred by the Buyer resulting from the failure of the Seller to deliver conforming Goods or to comply with the shipping and delivery or other requirements of the Buyer, unless the delay or expense was solely the result of Buyer's gross negligence or intent. The Seller provides Buyer with notice of any claim against Buyer within ten (10) days after the occurrence of the alleged negligent action of Buyer giving rise to such claim.

9. Risk of Loss; Title to Supplies

Notwithstanding any agreement concerning payment of freight expenses, delivery shall not have occurred and the risk of loss shall not have shifted to Buyer until the Supplies have been delivered to Buyer's facility and have been accepted at that facility. All risk casualty insurance for the full value of the Supplies must be provided by Seller for the benefit of Buyer. The cost of any insurance must be paid by Seller unless otherwise agreed to in a Signed Writing. Risk of loss shall not be governed by transfer of title.

10. Changes

Buyer may, at any time, make changes in quantities, drawings, specifications, testing or quality control, packing, shipment, scope of work and other terms of an Order. Any purported change shall be binding on Buyer only if made in a Signed Writing. Any difference in price or time for performance necessarily resulting from such changes shall be adjusted equitably and an amendment to the Order or delivery schedule shall be provided in writing, provided Seller makes demand for such adjustments and delivers all supporting documentation within 10 days of receipt of Buyer's change. Time is of the essence for such demand. The price shall be adjusted solely to compensate Seller for increased costs of materials and direct costs necessarily incurred as a result of the changes. No adjustments shall be made for any change unless in a Signed Writing. In addition, Buyer shall have the right to audit all relevant records, facilities, work or materials of Seller to verify any claim. Seller shall consider and advise Buyer of the impact of a design change on the system in which the Supplies covered by the Order are used. Nothing in this paragraph shall excuse Seller from proceeding with the Order as changed.

11. Inspection

Buyer shall have a reasonable time (but not the obligation) of not less than 90 days after delivery, to inspect delivered Supplies prior to accepting the Supplies. Non-conforming and defective Supplies will be held for Seller's instructions at Seller's risk and expense subject to Buyer's other remedies. Supplies returned as defective or non-conforming shall not be returned to Buyer without Buyer's approval. Payment for the Supplies shall not constitute an acceptance. Buyer may rely on Seller's obligations and is not obligated to inspect goods prior to use. Acceptance shall not release Seller's responsibility for non-conforming or defective Supplies.

12. Audit Rights

Buyer shall have the right at any reasonable time to examine all relevant information, including, but limited, documents, records, materials, data equipment and Supplies in the possession or under the control of Seller relating to any of Seller's obligations under this Order or any other purchase order. Seller agrees to reasonably cooperate in any such audit request by the Buyer. The Seller will keep all relevant documents, data, and other written information for at least 4 years (or for such longer time period as is required by the law governing the Purchase. The information conveyed to the Buyer under this Section will be "Confidential Information" within the meaning of Section 13 hereof. Seller will segregate its information and documents as directed by the Buyer, and otherwise cooperate with the Buyer to facilitate the audit or verification process. In addition, the Buyer has the right to visually inspect and audit any facility or process relating to the goods or services to be provided under the Order, including those relating to production quality.

13. Confidential Information

Seller acknowledges and agrees that it will be obligated to maintain the secrecy and confidentiality of all information disclosed by Buyer to Seller during the course of work under any Order ("Confidential Information"), including, but not limited to, any information regarding Buyer or its business or its customers, the existence and terms of any Request for Quotation or Order, and any drawings, specifications, or other documents prepared by either party in connection with any Request for Quotation or Order. Seller agrees that it will not disclose Confidential Information to or use Confidential Information with or for the benefit of itself or any third party without prior written authorization from Buyer. Seller also agrees to adopt measures to protect the secrecy and confidentiality of Confidential Information that are reasonable under the circumstances. The foregoing obligation shall not apply to any information that was publicly known or becomes public through no fault of Seller. Additionally, unless agreed otherwise in writing, Seller agrees that the confidentiality terms and conditions specified herein for Buyer Confidential Information shall apply to any Third-Party Materials provided to Seller by Buyer hereunder. Each Party shall keep confidential



any Confidential Information and shall not divulge such information, directly or indirectly, to third parties, except as agreed in writing. Neither Party shall, without the prior written consent of the other Party, disclose any information regarding the terms and conditions of this Agreement to any Third Party provided, however, neither Party shall be precluded from disclosures required by law, regulation or court or administrative order. Seller agrees to promptly return all Confidential Information to Buyer upon the expiration or termination of this Agreement or promptly upon request by Buyer. The Seller will promptly notify the Buyer if it has provided information to a government regarding the Goods or Services. This notification will include the following information: the date the notification was provided to a Government, the affected Goods (or components of the Goods, as applicable), and the report type (e.g., for reporting to the U.S. Government, an Early Warning Report or Noncompliance Report).

14. Proprietary Rights; Patents; Trademarks; Copyrights

- a. All Supplies, including, but not limited to, any idea, invention, concept, design, prototype, product configuration, process, technique, procedure, system, plan, model, program, software or code, data, specification, drawings, diagram, flow chart, materials, documentation, or the like that are created in the course of performing any Order and any associated proprietary rights or intellectual property rights therein are the sole and exclusive property of Buyer.
- b. Seller agrees that all works of authorship created by Seller in connection with each Order are “works made for hire” on behalf of Buyer as that term is used in connection with the U.S. Copyright Act. The term “intellectual property” as used herein means all patents, patent applications, patentable subject matter, copyrights, copyrightable subject matter, work of authorship, derivative works, trademark, trade name, trade dress, trade secrets, know-how, and any other subject matter, material, or information that is considered by Buyer to be proprietary or confidential and/or that otherwise qualifies for protection under any law providing or creating intellectual property rights, including the Uniform Trade Secrets Act.
- c. Seller hereby assigns to Buyer and its affiliates ownership of all right, title, and interest in the Supplies and any associated proprietary interests or intellectual property, and further agrees to cooperate with Buyer and to assist in the preparation and execution of all documents relating to any effort by or on behalf of Buyer to apply for, obtain, maintain, transfer, or enforce any intellectual property right related to the Supplies at the request and expense of Buyer. Seller expressly warrants that the Supplies shall not incorporate any intellectual property (including copyright, patent, trade secret, mask work, or trademark rights) of any third party, and further agrees that Seller shall not disclose to Buyer any confidential information, including any trade secrets, of any third party. Seller grants to Buyer an irrevocable, non-exclusive, royalty-free, worldwide license with the right to grant sublicenses to affiliates to use any technical information, know how, copyrights, and patents, or other intellectual property owned or controlled by Seller or its affiliates to make, have made, use, sell, and import any Supplies provided by Seller under an Order. Such license shall be effective from the first delivery under an Order.
- d. Seller expressly warrants that all Supplies will not and do not infringe any patent, trademark, copyright or other intellectual property of any third party. Seller (i) agrees to defend, hold harmless and indemnify Buyer and its customers against all claims, demands, losses, suits, damages, liability and expenses (including actual fees for attorneys, experts and consultants, settlement costs and judgments) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright or other proprietary right by reason of the manufacture, use or sale of the Supplies, including infringement arising out of compliance with specifications furnished by Buyer or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions; and (ii) waives any claim against Buyer and its customers, including any hold-harmless or similar claim, whether known or unknown, contingent or latent, in any way related to a claim asserted against Seller or Buyer for infringement of any patent, trademark, copyright or other proprietary right, including claims arising out of compliance with specifications furnished by Buyer.

15. Warranty

- a. “Warranty Period” shall mean, for each of the Supplies provided, the time period beginning (i) on the day of first use of the Supplies, and continuing until the later of five years. (ii) enhancements, and other modifications to previously-accepted Goods or Services, including those made pursuant to the Support Services, Buyer's receipt thereof.
- b. In addition to Seller's customer warranties, any express warranties set forth in the Order, any statutory warranties or any warranties implied by law, Seller expressly warrants that all of the Supplies provided under the Order: (i) shall strictly conform with all specifications, drawings, statements on containers or labels, descriptions and samples furnished to or by Buyer, and all industry standards, laws and regulations in force in countries where such Supplies or vehicles equipped with such Supplies are to be sold; (ii) shall be free from defects in design, material and workmanship and shall be new and of the highest quality; (iii) not infringe any proprietary rights (including patents, copyrights, trademarks, trade secrets) (iv) shall be free and clear of all liens, claims or other encumbrances, and that Seller is conveying good title to Buyer; (v) shall be merchantable, of good material and workmanship, free from defects, and safe, fit and sufficient for the particular purposes intended by Buyer, which purposes Seller acknowledges are known to it; (vi) in the case of services, all services performed on behalf of Buyer shall be performed in a competent, workmanlike manner; (vii) the Supplies shall be manufactured in accordance with all applicable federal, state, and local laws, regulations, industry standards or other standards, labeling, transporting, licensing approval or certification requirements in the United States or any other country where the Supplies will be sold or used; and (viii) Seller has complied with QS9000, ISO 14001 and any other standards which Buyer or its customer requires the Supplies to satisfy. (ix) Seller warrants that it has the right to license the Tech Products to Buyer and that Seller is in compliance with the licenses of any free or open-source software contained in the software. No Tech Products will contain software (a) constituting Copyleft Materials, or (b) not in compliance with the applicable notice, disclaimer, or other licensing requirements thereof. “Copyleft Materials” means materials subject to any license that requires as a condition of use, modification, or distribution thereof, that such materials, or materials combined or distributed with such materials, be (disclosed or distributed in source code or similar form, licensed for the purpose of making derivative works, or redistributable at no charge.
- c. If Buyer experiences any breaches of the foregoing warranties, Buyer shall have the right, in addition to exercising all other rights Buyer may have under other applicable statutes or law, to take the following actions, at Buyer's option: (i) retain the defective Supplies in whole or in part with an appropriate adjustment in the price for the goods; (ii) require Seller to repair or replace the defective Supplies in whole or in part at Seller's sole expense, including all shipping, transportation, and installation costs; (iii) correct or replace the defective Supplies with similar items and recover the total cost relating thereto from Seller; or



(iv) reject the defective Supplies. Without limiting the generality of the foregoing, should any Supplies fail to conform to the warranties set forth herein, Seller shall promptly reimburse Buyer for any special, incidental and consequential damages caused by the nonconforming Supplies, including, but not limited to, professional and legal fees and costs, expenses and all other losses of any nature incurred by Buyer.

- d. Seller warrants its performance of an Order shall comply with those sections of QS-9000, ISO-9001, TS 16949 and other industry quality standards applicable to the obligations of Seller, whether or not Seller is certified under such standards.
- e. If the Goods or Services do not conform, the Buyer will inform the Seller, orally or in writing, about the nonconformity as soon as reasonably practicable after the Buyer has discovered it. The Buyer will confirm the nonconformity in a written notice if requested by the Seller.

16. Indemnity; Insurance

Seller shall indemnify Buyer for any and all damages and reasonable expenses (including professional and attorney fees and costs) incurred because of property damages, personal injury, or other claims arising out of any breach or default of the Order or the condition, defect, sale, design or use of the Supplies if the damages claimed were not caused solely by negligence of Buyer. Seller expressly waives the application of the doctrine of comparative negligence. Seller shall maintain insurance in amounts acceptable to Buyer, naming Buyer as an additional insured, and covering general liability, public liability, product liability, product recall, completed operations, contractor's liability, automobile liability insurance, Worker's Compensation, and employer's liability insurance as will adequately protect Buyer against such damages, liabilities, claims, losses and expenses (including attorney's fees), with a minimum aggregate limit of \$5,000,000. Liability coverage shall include completed products and operations coverage. Seller agrees to submit certificates of insurance, evidencing its insurance coverage when requested by Buyer. The certificates must certify that the required insurance not be canceled or materially changed until 90 days after written notice to Buyer.

17. Liability.

- a. Seller shall be liable without limitation within the scope of the statutory provisions. In particular, it shall be liable for ensuring that national and foreign patents and other industrial property rights are not infringed by the purchase and use of the items offered and delivered by it.
- b. Seller shall indemnify us on first request against all claims of third parties if and to the extent that it is obliged to compensate us for any damage.

18. Termination for Convenience

In addition to any other right of Buyer to terminate each Order, Buyer may immediately terminate all or any part of an Order or Release for Buyer's convenience, at any time and for any or no reason, by giving written notice to Seller.

19. Termination for Default

Buyer reserves the right to terminate immediately all or any part of each Order, without any liability of Buyer to Seller, in the event of any default by Seller. The following are causes, among others, allowing Buyer to terminate the Order: (i) Seller fails to timely deliver goods or perform services and Seller fails to give the buyer a remediation plan within one day of the Buyer's notice to Seller of such failure, obtain Buyer's acceptance of such plan, and perform such plan to Buyer's satisfaction (ii) if Seller repudiates, breaches or threatens to breach any of the terms of the Order including, without limitation, Seller's warranties; (iii) if Seller fails to perform or deliver Supplies as specified by Buyer; (iv) if Seller fails to provide Buyer with adequate and reasonable assurance of Seller's ability to perform timely any of Seller's obligations under any Order, including, without limitation, delivery of Supplies; (v) if Buyer terminates for breach any other Order issued by Buyer to Seller in accordance with the terms of such Order (whether or not such other Order is related to the Order); or (vi) if Seller fails to remain competitive with respect to price, quality, delivery, technology, payment terms, or customer support; or Seller (i) becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due. In the event that an act of Termination for Default by Buyer is determined to be improper for any reason, the damages available to Seller shall be limited to the damages that Seller would have been entitled to receive if Buyer had terminated for convenience.

20. Termination Claims

- a. Upon receipt of notice of termination pursuant to Section 18, Seller, unless otherwise directed in a Signed Writing, shall (i) terminate immediately all work under the Order; (ii) transfer title and deliver to Buyer the usable and merchantable finished Supplies, work in process, and raw materials/components that Seller produced or acquired in accordance with firm Release amounts under the Order and which Seller cannot use in producing Supplies for itself or for others; (iii) settle all claims by subcontractors approved by Buyer on the face of an Order or Order amendment or in a Signed Writing, if any, for reasonable actual costs that are rendered unrecoverable by such termination; (iv) take actions reasonably necessary to protect property in Seller's possession in which Buyer has an interest and (v) upon Buyer's request, cooperate with Buyer in effecting the resourcing of the Supplies covered by the Order to an alternative supplier designated by Buyer.
- b. Within 30 days after termination pursuant to Section 18, Seller may submit its termination claim ("Termination Claim") with sufficient supporting data and documentation to permit Buyer to audit that claim, and shall promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agent shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any claim, or Seller's claim is deemed waived. The Termination Claim shall include only the following amounts without duplication: (i) the Order price for all custom manufactured Supplies which have been completed in accordance with an Order or Release not previously paid; and (ii) Seller's direct costs of work in process and raw materials incurred in furnishing the custom Supplies to the extent such costs are reasonable in amount; less the reasonable value or cost (whichever is higher) of any Supplies or materials used or sold by Seller with Buyer's written consent. Buyer shall not pay for finished Supplies, work in process or raw materials fabricated or processed in excess of those in Releases (if Releases are used in performance of an Order), for undelivered Supplies which are Seller's standard stock or which are readily marketable, or which are not promptly delivered to Buyer after request. Buyer shall not pay or be liable for lost profit, consequential or incidental damages, professional or legal fees or costs, unabsorbed overhead, interest, development and engineering costs, facilities and equipment, rearrangement cost or rental, unamortized depreciation, and general administrative burden.



- c. Upon termination pursuant to Section 19, Seller shall not be liable to Buyer except for the price as set forth in these Terms for Services accepted by Seller less any damages incurred by Seller or Setoff as provided herein.
- d. Except as expressly set forth in this Section 20, Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontracts, for any other alleged damages, losses or costs, whether denominated as loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, ancillary exit charges (including, but not limited to, costs of riggers, warehousing, premium manufacturing costs, loading of trucks or other standard business procedures related to transitioning production to an alternative supplier), or general and administrative burden charges resulting from termination of the Order or otherwise. Nor shall Buyer pay or be liable for lost profit, consequential or incidental damages, professional or legal fees or costs, unabsorbed overhead, interest, development and engineering costs, facilities and equipment, rearrangement cost or rental, unamortized depreciation, and general administrative burden. Notwithstanding anything to the contrary, Buyer's obligation to Seller upon termination shall not exceed the obligation Buyer would have had to Seller in the absence of termination.

21. No Termination Right by Seller

Because Buyer's commitments to its customers are made in reliance on Seller's commitments under each Order, Seller has no right to terminate any Order.

22. Remedies for Breach by Seller

- a. The rights and remedies reserved to Buyer in each Order shall be cumulative with, and additional to, all other or further remedies provided in law or equity. Seller acknowledges and agrees that money damages would not be a sufficient remedy for any actual, anticipatory or threatened breach of any Order by Seller with respect to its delivery of Supplies to Buyer and that, in addition to all other rights and remedies which Buyer may have, Buyer shall be entitled to specific performance and temporary, preliminary and permanent injunctive or other equitable relief as a remedy for any such breach, without proof of actual damages and without bond or other security being required. In addition to any other remedies provided herein to Buyer, in the event of any breach by Seller of any right of Buyer, Seller shall be liable and shall pay to Buyer any and all damages incurred by Buyer, including but not limited to, special, incidental and consequential damages, specially including processional and legal fees and costs, expenses and all other losses of any nature incurred by Buyer.
- b. In addition: Seller grants to the Buyer a non-exclusive, world-wide, paid-up, irrevocable license under any intellectual property of Seller that is incorporated into or used to make or design the goods or Work Product, to make, have made, sell, offer for sale, import or export or modify such goods or Work Product. Upon Buyer's written request, Seller will provide the following for such goods or Work Product: (i) any design aides, including without limitation, any computer aided design data and design aides, specifications, (ii) bills of material, (iii) Seller information for any purchased components used in such goods or Work Product, and (iv) manufacturing process information regarding such goods or Work Product

23. Seller's Financial Condition

Seller represents and warrants to Buyer as of the date of each Order (which representations and warranties shall be deemed repeated at the time of each delivery or rendering of work under the Order) that: (i) it is not insolvent and is paying all debts as they become due; that it is in compliance with all loan covenants and other obligations; (ii) all financial information provided by Seller to Buyer concerning Seller is true and accurate; (iii) such financial information fairly represents Seller's financial condition; and (iv) all financial statements of Seller have been prepared in accordance with generally accepted accounting principles, uniformly and consistently applied. With each delivery, Seller shall be deemed to have made the representations, warranties and covenants with respect to its financial and operating condition. (v.) Seller will promptly furnish to the Buyer such information regarding the Seller's operations, business affairs and financial condition or such other information as the Buyer may reasonably request. Buyer agrees to use commercially reasonable efforts to keep Seller's information confidential.

24. Seller Insolvency

Buyer may immediately terminate each Order without any liability of Buyer to Seller upon the occurrence of any of the following or any other similar or comparable event (each, a "Seller Insolvency"): (i) insolvency of Seller; (ii) Seller's inability to promptly provide Buyer with adequate and reasonable assurance of Seller's financial capability to perform timely any of Seller's obligations under any Order; (iii) filing of a voluntary petition in bankruptcy by Seller; (iv) filing of an involuntary petition in bankruptcy against Seller; (v) appointment of a receiver or trustee for Seller; or (vi) execution of an assignment for the benefit of creditors of Seller. Seller shall reimburse Buyer for all costs incurred by Buyer in connection with a Seller Insolvency, including but not limited to, all attorney and professional fees.

25. Set Off; Recoupment

- a. In addition to any right of setoff or recoupment allowed by law, all amounts due Seller, or any of its subsidiaries or affiliates shall be considered net of indebtedness or obligations of Seller, or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries or affiliates, and Buyer may set off against or recoup from any amounts due or to become due from Seller, or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries or affiliates however and whenever arising, including the Buyer's attorneys' fees and costs of enforcement. In the event that Buyer or any of its subsidiaries or affiliates reasonably feels at risk, Buyer may withhold and recoup a corresponding amount due Seller or any of its subsidiaries or affiliates to protect against such risk.
- b. If an obligation of Seller or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries or affiliates is disputed, contingent or unliquidated, Buyer or any of its subsidiaries or affiliates may defer payment of all or any portion of the amount due until such obligation is resolved. Without limiting the generality of the foregoing and by way of example only, in the event of a bankruptcy of Seller, if all of the Orders between Buyer and Seller have not been assumed, then Buyer may defer payment to Seller, via an administrative hold or otherwise, for Supplies against potential rejection and other damages. In the event of a Seller Insolvency (defined below), Buyer also may setoff, recoup, and/or withhold from amounts due Seller or any of its subsidiaries or affiliates any amounts that Seller is obligated to indemnify Buyer pursuant to this Order, regardless of whether such amounts become due before or after the filing of a petition for bankruptcy protection by Seller.



26. Compliance With Laws

Seller shall comply with all applicable laws, rules, regulations, orders, conventions, or standards enacted by the United States of America that regulate the manufacture, labeling, transportation, import, export licensing, approval or certification of goods or services, including but not limited to, those relating to environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety, and each Order shall be deemed to incorporate by reference all the clauses required by the provisions of said laws, orders, rules, regulations and ordinances. Buyer may request Seller from time to time to certify in writing its compliance (and that of its subcontractors) with the foregoing, and Seller will comply with each such request.

27. Data and Data Protection (Privacy)

- a. Buyer **retains** all right, title, and interest in and to all Buyer Data. During the term of the applicable Purchase Order, Buyer hereby grants to Seller a limited, non-exclusive, non-transferable, revocable license to strictly collect, transmit, store, or otherwise process Buyer Data for the sole purpose of providing the Goods and Tech Products to Buyer. Seller shall not use Buyer Data, whether in aggregated, anonymized, or de-identified format or not, for any business or other commercial purpose of Seller or any other person.
- b. Seller shall be responsible for all reasonable and necessary data incident notifications, forensics, credit protection services, and other data mitigation services resulting from Seller's failure to protect Buyer Data.
- c. Supplied Data shall be provided to Buyer at no additional charge at the request of Buyer. Supplied Data shall not include any Buyer Data provided by Buyer to Seller. Seller shall deliver all requested supplied Data to Buyer with right for Buyer to use supplied Data in analytics, in operations, related to providing products and services, in manufacturing, with third parties, or merged with other data assets.
- d. Insofar as the Seller obtains access to personal data or processes confidential information from the Buyer that contains personal data, it complies with the applicable data protection regulation.

28. Export Control

- a. Seller shall comply with US export control regulations or any other foreign trade law and other export control and customs regulations affecting the respective performance of the contract. In particular, the Seller shall, without being requested to do so, inform the Buyer of the classification numbers (e.g. the ECCN - Export Control Classification Number for US products, the "AL number" of the goods and technologies listed in the German export list or in the EC Dual-Use Regulation, etc.) as well as any exemption licenses relevant to the contract for the goods and technologies. The Seller shall provide all necessary information in the delivery documents so that the Buyer can make the necessary statements in accordance with the applicable export control and customs regulations and take appropriate measures.
- b. The Seller shall notify the Buyer by e-mail to exportkontrolle@iav.de of the transmission of the information referred to above in this Section.
- c. If applicable export control laws and regulations or official directives prevent acceptance of the contractual services of the Seller and do not appear feasible in the foreseeable future, The Buyer shall be entitled to refuse acceptance of the service concerned and to withdraw from the contract. Section 22. shall apply in addition.

29. Sustainability

The Buyer expects the Seller to be committed to ecological and social aspects in the sense of sustainability in addition to economic concerns and to pass on this expectation to its own supply chain. Upon request, the Seller shall provide the Buyer with information on non-financial information such as environmental, employee and social issues, respect for human rights, the fight against corruption and bribery by providing suitable documents as evidence of its sustainable corporate governance, unless the Seller has already published the information (e.g. as part of a publicly available sustainability report).

30. Ethical Standards and Seller Code of Conduct

Seller shall not in any manner advertise or publish the fact that Seller has contracted to furnish goods to Buyer (or Buyer's customer). Seller shall not give or offer to give any direct or indirect gift or benefit to Buyer's employees. or enter into any outside business relationship with Buyer's employees. Seller Code of Conduct. Seller has read the current version of the IAV Seller Code of Conduct and agrees to adhere to the policy contained therein. A copy of the Seller Code of Conduct can be accessed by following this link: [Supplier-Code-of-Conduct-2024.pdf](#)

31. Delivery of Dangerous Goods

If a delivery consists of dangerous goods or items containing hazardous substances, the Seller is obliged to provide the Buyer with the relevant safety data sheets in good time, but at least three working days before the delivery date agreed for the delivery concerned. The same applies to the transmission of appropriate safety information if a safety data sheet is not required according to applicable law. The relevant information must be sent by e-mail to purchase.orders@iav-usa.com. If the information referred to in this Section is not provided or is not provided in good time, the Buyer shall be entitled to refuse acceptance of the delivery.

32. Disposal of Scrap

Any goods, assemblies, subassemblies, or materials related to this Order which are disposed of by Seller in any manner other than through sale to the Buyer and must be mutilated or otherwise rendered unusable for anything other than material content. The Buyer has the right to examine all pertinent documents, data and other information relating to the mutilation of any and all Scrap. In addition, the Seller has the right to visually inspect and audit any facility or process relating to the mutilation of Scrap. Seller must maintain all relevant documents, data and other written information relating to its obligations to mutilate Scrap under the Order for at least four (4) years following the later of last delivery of the goods or final payment under the Order. Such documents, data and written information relating to Seller's obligations to mutilate Scrap will be made available to Buyer upon its request.



33. Limitations on Buyer's Liability

In no event shall Buyer be liable to Seller for any lost profits or for any incidental, consequential, special, exemplary or punitive damages. Without limiting the foregoing, the parties further agree that, with respect to a claim arising out of or in connection with the termination of this agreement or any purchase order, Seller's damages, if any, shall be limited to the damages set forth in Section 20 (Termination Claims).

34. Miscellaneous

- a. **Non-Assignment.** This Order is issued to the Seller in reliance upon Seller's personal performance of the duties imposed. Seller agrees not to, in whole or in part, assign this Order or delegate the performance of its duties without the written consent of Buyer. Any such assignment or delegation without the previous written consent of Buyer, at the option of Buyer, shall effect a cancellation of this Order. Any consent by Buyer to an assignment shall not be deemed to waive Buyer's right to recoupment from Seller and/or its assigns for any claim arising out of this Order. Assignment shall not relieve Seller from its obligations of confidentiality under these Terms. Buyer shall have the right to assign any benefit or obligation under this Order to any third party upon notice to Seller. Buyer hereby agrees to the assignment of this Order by Buyer, if required by Buyer's agreement with any other party.
- b. **Flow-Down.** Buyer agrees to comply with all of the terms and conditions of any agreement, contract, terms and conditions, or otherwise, that Buyer has entered into relating to the Order where Seller is a subcontractor to Buyer, and Buyer's contract with Buyer's customer requires Seller to comply with the terms and conditions of said agreement.
- c. **Employment Status.** The temporary assignment of employees of one party to the facilities operated by the other party will not affect the status or change the employment relationship of the assigned employees.
- d. **No waiver.** A waiver by Buyer of any right or remedy shall not affect any rights or remedies subsequently arising under the same or similar clauses. The failure of the Buyer to insist upon the performance of any term or condition of this Order, or to exercise any right hereunder shall not be construed as a waiver of the future performance of any such term or condition or the exercise in the future of any such right.
- e. **Severability.** If any term(s) of the Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term(s) shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of the Order shall remain in full force and effect.
- f. **Notices.** All notices, claims and other communications to Buyer required or permitted under the Order shall be made in writing and sent by certified or registered mail, return receipt requested and proper postage prepaid to the following address and shall be effective only upon receipt by an officer of Buyer authorized to accept such notice. Seller's failure to provide any notice, claim or other communication to Buyer in the manner and within the time periods specified in the Order shall constitute a waiver by Seller of any and all rights and remedies that otherwise would have been available to Seller upon funds transfer, Order transmission, production Releases, making such notice, claim or other communication.
- g. **Electronic Communications; Electronic Signatures.** Seller shall comply with any method of electronic communication specified by Buyer, including requirements for electronic signature, and communication.

35. Choice of Law; Jurisdiction

The construction, interpretation and performance of this Order and all transactions thereunder shall be governed by the law of the State of Michigan, without regard to principles of conflicts of law. The United Nations Convention on the International Sale of Goods is expressly excluded. Seller consents to the exclusive jurisdiction of the appropriate state court in Wayne County, Michigan or, if original jurisdiction can be established, in the U.S. District Court for the Eastern District of Michigan, Southern Division, for any legal or equitable action or proceeding arising out of, or in connection with, each Order. Seller specifically waives any and all objections to venue in such courts.

36. Entire Agreement

The Order, together with these Terms and the attachments, manuals, guidelines, requirements, exhibits and supplements specifically referenced in the Order constitutes the entire agreement between Seller and Buyer with respect to the matters contained in the Order and supersede all prior oral or written representations or agreements. Buyer may modify the Terms from time to time. Seller's continued performance after the effective date of such modification will constitute Seller's acceptance of such modified Terms. Except as provided in this Section or as otherwise provided in these Terms, the Order may only be modified by a Signed Writing.

37. Relationship of Parties

Seller and Buyer are independent contracting parties and nothing in this Order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other party. There are no third party beneficiaries to an Order.