

GENERAL TERMS AND CONDITIONS

Dressel + Höfner Automotive GmbH
Liebigstraße 9, 96465 Neustadt bei Coburg, Germany
Last revised: 2022-01-31



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I. APPLICABILITY

1. The General Terms and Conditions stipulated below form part of the contract concluded by and between Dressel+Höfner Automotive GmbH (hereinafter referred to as the 'Supplier') and its contractual partner (hereinafter referred to as the 'Purchaser'), regardless of whether said contract is a purchase agreement, a contract for work and materials, a contract for work and labour or a service contract. All of the Supplier's deliveries, services and quotes are provided solely on the basis of these General Terms and Conditions. They shall also apply to any and all future deliveries, services or quotes provided by the Supplier to the Purchaser, even if their applicability is not reiterated by a separate agreement.
2. Within the scope of these General Terms and Conditions, purchasers are exclusively merchants, legal entities under public law and special assets under public law. A merchant is any natural person or legal entity or company with legal capacity that engages in the exercise of their commercial or self-employed professional activity upon concluding the contract (Section 14 of the German Civil Code (Bürgerliches Gesetzbuch [BGB])).
3. Any general terms and conditions of the Purchaser or any third party shall not apply, even if the Supplier does not separately object to their applicability in individual cases. Even if the Supplier refers to a letter containing or referring to the Purchaser's or a third party's general terms and conditions, this shall not constitute an agreement as to the validity of those general terms and conditions.

II. QUOTE AND CONTRACT CONCLUSION

1. All Supplier quotes are subject to change and are non-binding, provided they are not expressly labelled as binding or do not contain a specific acceptance deadline. The Supplier may accept purchase orders or orders within fourteen (14) days.
2. The contract concluded in writing, including these General Terms and Conditions, shall be the sole basis for the legal relationship between the Supplier and the Purchaser. This fully reflects all agreements between the Parties regarding the subject of the contract. Verbal commitments made by the Supplier prior to the conclusion of this contract are not legally binding and verbal agreements between the Parties shall be superseded by the written contract unless it is expressly stated in each case that such verbal agreements continue to be binding.
3. Amendments and addenda to the agreements made, including these General Terms and Conditions, must be made in writing in order to be valid. With the exception of managing directors and authorised representatives as defined in Sections 48 to 53 of the German Commercial Code (Handelsgesetzbuch [HGB]), the Supplier's employees are not entitled to make any verbal agreements deviating from the contract, including these General Terms and Conditions.

4. If the Purchaser wishes to make amendments or addenda to the delivery or service owed by the Supplier after concluding the contract, these must be agreed in writing in the case of mutual agreement, including the resulting changes to remuneration and delivery or performance times.
5. Information provided by the Supplier regarding the delivery or service object (e.g. weights, dimensions, practical value, load capacity, tolerances and technical data) or depictions of the same (e.g. drawings and illustrations) shall be deemed only approximate unless the usability of the object for the contractually intended purpose requires precise conformity. Such information or depictions do not represent guaranteed quality characteristics, but merely represent descriptions or identification of the delivery or service. Customary deviations and deviations undertaken on the basis of statutory provisions or which represent technical improvements are permitted, as is the replacement of components with equivalent parts, provided such deviations do not impair the object's usability for the contractually intended purpose.
6. If and insofar as the contractual relationship involves the delivery of vehicles, the manufacturer of the base vehicle reserves the right to make design or shape changes, deviations in tint and changes to the scope of delivery during the delivery period, provided the changes or deviations are reasonable for the Purchaser, taking into account the interests of the Supplier. If and insofar as the Supplier or the manufacturer of the base vehicle uses symbols or numbers to label the order or the delivery item ordered, no rights may be derived from this alone.
7. The Supplier shall retain ownership or copyright to any and all quotes and cost estimates it submits, as well as to drawings, illustrations, calculations, brochures, catalogues, models, tools and other documents and aids provided to the Purchaser. Without the express consent of the Supplier, the Purchaser may not make these objects themselves nor their contents accessible to third parties, disclose them, use them itself or have them used or reproduced by third parties. At the Supplier's request, it must return said items in full to the Supplier and destroy any copies that may have been made if no longer required by the Purchaser in the ordinary course of business or if negotiations do not lead to the conclusion of a contract.

III. PERFORMANCE AND PERFORMANCE TIME

1. Deadlines and dates for deliveries or services promised by the Supplier are always non-binding unless a binding deadline or date has been expressly promised or agreed. Where dispatch has been agreed, delivery deadlines and delivery dates shall refer to the date and time of handover to the forwarding agent, carrier or other third party commissioned to carry out the transport.
2. The Supplier shall not commence with the provision of its deliveries or services until an agreed deposit has been received.

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In this respect, the Purchaser is obligated to make advance payments.

3. The Supplier is entitled to have the deliveries or services it owes performed, in whole or in part, by affiliated companies or by other third parties.
4. The Supplier may, without prejudice to its rights arising from default on the part of the Purchaser, demand an extension of delivery and performance deadlines or a postponement of delivery and performance dates by the period in which the Purchaser fails to meet its contractual obligations towards the Supplier.
5. The Supplier shall not be liable for impossibility of delivery or performance, or for delays in delivery or performance, if these are the result of force majeure or other events that are not foreseeable at such time as the contract is concluded (e.g. operational disruptions of any kind, difficulties in procuring materials or energy, transport delays, strikes, lawful lock-outs, shortage of labour, energy or raw materials, difficulties in procuring the necessary official permits, in particular export permits from the German Federal Office of Economics and Export Control, due to official measures or the receipt of incorrect or late delivery from upstream suppliers or failure by upstream suppliers to deliver), provided this is not attributable to the Supplier. If and insofar as such events make it considerably more difficult or impossible for the Supplier to deliver or perform and the hindrance is not merely temporary, the Supplier is entitled to withdraw from the contract. In the event of temporary hindrances, the delivery or service deadlines shall be extended or the delivery or service dates postponed by the period of the hindrance, plus a reasonable lead time. Where the Purchaser cannot reasonably be expected to accept the delivery or service in view of the delay, it may withdraw from the contract by virtue of an immediate declaration of such in writing to the Supplier.
6. The Supplier is only entitled to make partial deliveries or render partial services if said partial delivery or partial service may be used by the Purchaser within the scope of the contractual purpose, the delivery or service of the remaining products ordered is ensured and the Purchaser does not incur any significant additional expenditure or additional costs as a result (unless the Supplier declares itself willing to bear these costs).
7. The Supplier shall be entitled to make outstanding deliveries or render outstanding services only in exchange for advance payment or provision of a deposit if, upon conclusion of the contract, the Supplier becomes aware of circumstances which are likely to substantially reduce the Purchaser's creditworthiness, placing the Purchaser's payment of the Supplier's outstanding claims arising from the contractual relationship in question (including from other individual orders to which the same framework agreement applies) in jeopardy.
8. The Supplier shall notify the Purchaser of its readiness to deliver or render services by means of written notification or by sending an invoice with a corresponding note.

9. Claims for damages in lieu of performance are excluded in the event of slight negligence on the part of the Supplier.
10. If, while the Supplier is in default, delivery coincidentally becomes impossible, the Supplier shall be liable, subject to the limitations of liability agreed above. The Supplier shall not be liable if the damage would have occurred even if the delivery had been made on time.
11. The limitations and exclusions of liability in this Section shall not apply to damages resulting from a grossly negligent or intentional breach of obligations by the Supplier, its legal representatives or its vicarious agents, as well as in cases of injury to life, limb or health.

IV. PLACE OF PERFORMANCE, SHIPPING, PACKAGING, ACCEPTANCE, TRANSFER OF RISK

1. Unless otherwise specified, the place of performance for all obligations arising from the contractual relationship is the site of Dressel+Höfner Automotive in Neustadt b. Coburg, Germany. Deliveries by the Supplier are ex works from Dressel+Höfner Automotive (ex works from Neustadt b. Coburg pursuant to Incoterms 2020). If the Supplier is also responsible for installation, the place of performance is the place where the installation is to be carried out.
2. In the event of any agreed shipping, the method of shipping and packaging shall be at the Supplier's discretion.
3. In the event of any agreed shipment, the Supplier shall only insure the goods in question against theft, breakage, transport, fire and water damage or other insurable risks at the express request of the Purchaser and at the Purchaser's expense.
4. The Purchaser shall undertake to take receipt of and, if necessary, accept and pay for the Supplier's delivery or service within fourteen (14) days as of receipt of the Supplier's notification of its readiness to deliver or render performance.
5. If the Purchaser is more than fourteen (14) days in arrears with the receipt and, if necessary, the acceptance of the Supplier's delivery or service as of receipt of the Supplier's notification of its readiness to deliver or perform, the Supplier is entitled to exercise its legal rights after setting a grace period of fourteen (14) days. There is no need to set a grace period if the Purchaser seriously and definitely refuses to receive and, if necessary, to accept the Purchaser's delivery or service.
6. If no acceptance is to take place, the risk shall transfer to the Purchaser at the latest when a delivery item is handed over (whereby this shall be determined on the basis of the start of the loading process) to the forwarding agent, carrier or other third party designated to carry out the shipment. This shall also apply if partial deliveries are made or partial services are rendered, or if the Supplier has undertaken other services (e.g. dispatch or installation). If dispatch or handover is delayed due to circumstances attributable to the Purchaser, the risk shall transfer to the Purchaser from the day on which a delivery item is ready for dispatch and the Supplier has notified the Purchaser thereof.

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7. If acceptance is to take place, the risk shall transfer to the Purchaser upon acceptance. In any case, the delivery or service shall be deemed to have been accepted if the delivery or service and, where the Supplier is also responsible for installation, the installation has been completed, the Supplier has notified the Purchaser of this in respect of notional acceptance pursuant to Section IV Paragraph 7 of these Terms and Conditions and has requested that the Purchaser accept the delivery or service, fourteen (14) business days (Mon-Fri) have passed since the delivery or installation, or the Purchaser has begun using the delivery item or service (e.g. the unit delivered is in operation) and, where this is the case, seven (7) business days have passed since delivery or installation and the Purchaser has failed to accept the item within this period for reasons other than defects notified to the Supplier that make the use of the delivery item or service impossible or significantly interfere with any such use.
8. Storage costs incurred after risk is transferred shall be borne by the Purchaser. Where the Supplier stores the items, the storage costs shall amount to 0.10% of the net invoice amount of the delivery items to be stored per full week. The Purchaser is expressly permitted to prove that no damage whatsoever has occurred or that the damage is considerably lower than the lump sum. The Supplier is permitted to assert and prove higher damages.

V. REMUNERATION, DEPOSITS, PAYMENTS

1. Unless otherwise agreed, information on remuneration is provided in EUR ex works Neustadt b. Coburg (under Incoterms 2020), plus packaging and the legally applicable value-added tax as of the date on which payment is due, and, for export deliveries, plus customs duties, fees and other public charges.
2. Payments may be made by irrevocable credit to an account held by the Supplier.
3. Unless otherwise agreed, deposits are payable immediately upon conclusion of the contract.
4. If the Purchaser is more than fourteen (14) days in arrears with payment of a deposit or remuneration, the Supplier is entitled to exercise its legal rights after setting a grace period of fourteen (14) days. There is no need to set a grace period if the Purchaser seriously and definitively refuses to pay the deposit or remuneration.
5. The Purchaser is only entitled to rights of set-off or retention if and insofar as its claim has been legally established or is undisputed. Defects in the delivery or service shall not affect counterclaims by the Purchaser.

VI. RETENTION OF TITLE

1. The retention of title agreed below serves to secure the receivables to which the Supplier is entitled under the contract. Retention of title also serves to secure all current and future claims asserted by

- the Supplier against the Purchaser arising from the supply relationship between the Parties (including outstanding balances from a current account relationship limited to this supply relationship).
2. The goods delivered by the Supplier to the Purchaser shall remain the property of the Supplier until such time as all secured claims have been paid in full. The goods, as well as the goods included in the retention of title to take their place in accordance with this clause, are hereinafter referred to as 'Retained Goods'.
3. The Purchaser shall store the Retained Goods for the Supplier and shall do so free of charge. The Supplier is entitled to possess a licence certificate part II (vehicle registration document) for the duration of the retention of title.
4. The Purchaser is entitled to process and sell the Retained Goods in the ordinary course of business up to the point of instigation of recovery as defined by Section VI Paragraph 9 below. Pledging and transfer of security are not permitted.
5. the Purchaser hereby transfers its future ownership or, in the case of the situation mentioned above, co-ownership of the newly created item to the Supplier by way of security. If the Retained Goods are combined or inseparably mixed with other items to form a uniform item, and if one of the other items is to be regarded as the main item, the Supplier shall transfer proportional co-ownership (proportionate as per Sentence 1 of this Paragraph) of the uniform item to the Purchaser if and insofar as the main item belongs to the Supplier.
6. In the event of resale of the Retained Goods, the Purchaser hereby assigns to the Supplier, by way of security, the resulting receivable against the buyer or, in the case of co-ownership of the Retained Good by the Supplier, in the amount proportionate to the Supplier's share of ownership. The same shall apply to other claims that take the place of the Retained Goods or otherwise arise with respect to the Retained Goods, e.g. insurance claims or claims arising from unlawful acts in the event of loss or destruction. The Supplier hereby revocably authorises the Purchaser to collect the claims assigned to the Supplier on its behalf. The Supplier may only revoke said authorisation to collect in case of instigation of recovery.
7. If third parties access the Retained Goods, in particular by way of seizure, the Purchaser shall immediately inform them of the Supplier's ownership and notify the Supplier thereof to enable the Supplier to enforce its ownership rights. If and insofar as the third party is unable to reimburse the Supplier for the judicial and extrajudicial costs relating to the matter, the Purchaser shall be liable to the Supplier.
8. The Supplier shall release the Retained Goods as well as the goods or claims to take their place on request and at its discretion, provided their value exceeds the amount of the secured claims by more than ten per cent (10%).
9. If the Supplier withdraws from the contract in the event of breach of contract by the Purchaser, especially in case of payment default, the Supplier is entitled to regain possession of the delivery item.

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VII. PROPERTY RIGHTS

1. In accordance with the provisions of Section VII here, the Supplier warrants that the delivery item is not subject to any industrial property rights or copyrights held by third parties in countries in the European Union, North America or other countries in which it provides its services. Each Party shall notify the respective other Party immediately in writing if claims are asserted against it for the infringement of any such rights.
2. In the event that the delivery item infringes upon an industrial property right or copyright held by a third party, the Supplier shall, at its own discretion and expense, either modify or replace the delivery item such that the rights of third parties are no longer infringed upon, but the delivery item continues to fulfil the contractually agreed functions, or it shall procure the right of use for the Purchaser by concluding a licence agreement. If the Supplier does not succeed in doing so within a reasonable period of time, the Purchaser is entitled to withdraw from the contract or to an appropriate reduction in the purchase price.
3. In the event that rights are infringed upon by products made by other manufacturers but supplied by the Supplier, the Supplier shall, at its discretion, either assert its claims against the manufacturers and sub-suppliers for the account of the Purchaser or assign them to the Purchaser. In these cases, claims against the Supplier shall only exist in accordance with the provisions of Section VII here if the legal enforcement of the aforementioned claims against the manufacturers and sub-suppliers was unsuccessful or is futile, for example due to insolvency.

VIII. CONFIDENTIALITY

1. The Parties shall undertake to maintain trade secrecy with respect to any and all commercial and technical details which are not in the public domain and which become known to them through the business relationship.
2. Drawings, illustrations, calculations, descriptions, documentation, reports, charts, diagrams, pictures, films, data, data storage media, models, matrices, templates, samples, tools and other manufacturing equipment may not be disclosed or otherwise made available to unauthorised third parties. The reproduction of such items is only permitted within the scope of operational requirements and copyright regulations.
3. Where applicable, the Purchaser's customers shall be subject to the same obligations.
4. The Parties may only advertise their business relationship upon obtaining prior written consent.
5. The provisions of any confidentiality agreement concluded between the Parties, if separately concluded, shall remain unaffected by the aforementioned provisions.

IX. LIABILITY FOR DEFECTS IN THE DELIVERY OF AN ITEM, INCLUDING A MOBILE ITEM TO BE MANUFACTURED OR PRODUCED, AND IN THE PROVISION OF WORKS

1. In the case of delivery of an item, including a movable item to be manufactured or produced, claims for material defects shall expire one (1) year after delivery; in the case of provision of works, one (1) year after acceptance of the same. Any delivery of used items agreed with the Purchaser in individual cases shall be made to the exclusion of any warranty for material defects.
2. The reduction in the limitation period in Section IX Paragraph 1 Sentence 1 as well as the exclusion of any warranty for material defects in Section IX Paragraph 1 Sentence 2 shall not apply to damages resulting from a grossly negligent or intentional breach of obligations by the Supplier, its legal representatives or its vicarious agents, as well as in cases of injury to life, limb or health.
3. The items delivered by the Supplier and the works performed by the Supplier must be carefully inspected by the Purchaser or a third party designated by the Purchaser immediately upon delivery or performance.
4. The items delivered and the works performed shall be deemed to have been accepted if the Supplier has not received a written complaint regarding obvious defects or other defects apparent during an immediate, careful inspection within seven (7) business days as of delivery of the items or performance of the works, or otherwise within seven (7) working days as of discovery of the defect or any earlier point in time at which the defect was apparent to the Purchaser during normal use of the items or use of the works performed without closer inspection.
5. The full burden of proof for any and all requirements for asserting a claim, in particular for the defect itself, for the date on which the defect was detected and for the timeliness of the notification of defects, lies with the Purchaser.
6. Section 377 HGB shall remain unaffected.
7. At the Supplier's discretion, supplementary performance shall be rendered at the site of Dressel+Höfner in Neustadt b. Coburg, Germany, or a professional workshop that may be commissioned by the Supplier. At the Supplier's request, the delivery item subject to complaint shall be returned carriage paid to the Supplier. If the complaint is justified, the Supplier shall reimburse the costs equivalent to those of the most favourable shipping route. This shall not apply if costs increase because the delivery item is located somewhere other than the place of intended use.
8. In the case of defects in the delivery item, the Supplier shall initially render supplementary performance, either by remedying the defect or by delivering a defect-free item at its discretion.
9. In the event of defects in components supplied by other manufacturers which the Supplier is unable to rectify due to the factual circumstances or reasons relating to licensing law, the Supplier shall, at its discretion, either assert its warranty claims against the

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manufacturers and sub-suppliers for the account of the Purchaser or assign them to the Purchaser. In these cases, warranty claims against the Supplier for such defects shall, subject to the other conditions and pursuant to these Terms and Conditions, only exist if the legal enforcement of the aforementioned claims against the manufacturers and sub-suppliers was unsuccessful or is futile, for example due to insolvency. Expiry of the Purchaser's relevant warranty claims against the Supplier shall be suspended for the duration of the legal dispute.

10. If the Purchaser receives inadequate operating or assembly instructions, the Supplier shall merely undertake to supply adequate operating or assembly instructions and only if the error in the operating or assembly instructions prevents the proper operation of the delivery item.
11. Parts replaced as part of supplementary performance shall become the property of the Supplier.
12. The warranty shall not apply if the Purchaser modifies the delivery item or has it modified by third parties without the Supplier's consent, thereby making it impossible or unreasonably difficult to rectify of the defect. In any case, the Purchaser shall bear the additional costs of remedying the defect arising from the modification.
13. If the Supplier is required to pay for damage caused by slight negligence pursuant to the statutory provisions, the Supplier's liability shall be limited as follows:
 - a) The Supplier shall only be liable in the event of a breach of material contractual obligations, such as those which the contract is about to impose upon the Purchaser with respect to its content and purpose or such obligations that must be fulfilled for the proper execution of the contract and on whose compliance the Purchaser regularly relies and may regularly rely. Such liability is limited to the typical damage foreseeable at such time as the contract is concluded.
 - b) The personal liability of the Supplier's legal representatives, vicarious agents and employees is excluded for damage caused by them through slight negligence.
 - c) Section IX Paragraph 2 shall apply mutatis mutandis to the aforementioned limitation of liability and the aforementioned exclusion of liability.
14. Any fault on the part of the Supplier notwithstanding, any liability of the Supplier in the event of fraudulent concealment of a defect, resulting from a warranty or a procurement risk, and any liability under the German Product Liability Act (Produkthaftungsgesetz [ProdHG]) shall remain unaffected.

X. LIABILITY FOR OTHER DAMAGES

1. Other claims asserted by the Purchaser not regulated in Section IX shall expire within the regular limitation period.
2. Liability for delays in delivery is conclusively stipulated in Section III.

3. The provisions in Section IX Paragraphs 13 and 14 shall apply mutatis mutandis to other claims for damages asserted against the Supplier.

XI. APPLICABLE LAW/JURISDICTION

1. The Parties hereby agree that the contract concluded and all their relationships in connection therewith shall be governed by German law to the exclusion of the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980. The Parties hereby agree that the contract language is German.
2. If the Purchaser is a merchant, the Supplier's registered office shall be the exclusive place of jurisdiction for any and all present and future claims arising from the business relationship, including claims resulting from bills of exchange and cheques. The same jurisdiction shall apply if the Purchaser is a merchant and has no general place of jurisdiction in the Federal Republic of Germany, moves its address or habitual place of residence out of Germany after concluding the contract or if its address or habitual place of residence is unknown at such time as legal action is initiated. However, the Supplier is further entitled, at its discretion, to initiate legal action with the competent courts pursuant to the general statutory provisions.

XII. SEVERABILITY CLAUSE

Should one or more provisions of these General Terms and Conditions or of the contract contain loopholes, those legally effective provisions shall be deemed agreed to fill these loopholes, which the contracting parties would have agreed in accordance with the economic objectives of the contract and the purpose of these General Terms and Conditions, if they had known about the loophole.

End of Terms and Conditions

Dressel + Höfner Automotive GmbH 2022-01-31