

GENERAL TERMS AND CONDITIONS FOR WORK PERFORMANCES



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1. Scope of application, subject matter of the contract
 - 1.1 The following General Terms and Conditions ("**GTC**") shall apply to all works requested by the customer ("**Customer**") and provided by redi Group GmbH, Elisabeth-Selbert-Straße 15, 40764 Langenfeld ("**Contractor**"). They shall also apply to all future business transactions between the Customer and the Contractor in the version valid at the time the contract is concluded, even if their applicability is not expressly agreed again.
 - 1.2 Subject matter of this contract shall be the provision of work performances by the Contractor in the field of quality management. Details on the specifically owed work performance are set out in the contract to be individually concluded between the parties on the works to be provided ("**Individual Contract**").
 - 1.3 Any terms and conditions of the Customer that are in conflict with or differ from these GTC shall not become subject matter of the contract, even if the Contractor does not expressly object to them.
 - 1.4 The parties agree that the place of performance shall be determined by the Customer. The Customer shall reimburse the Contractor for travel expenses according to item 6.
 - 1.5 This contract shall be a contract for work and labor. In addition to the regulations of this contract, Sections 631 et seq. *BGB* [German Civil Code] shall apply.
2. Order placement, conclusion of contract

Unless agreed otherwise, all of the Contractor's offers shall be binding. Confirmation of an offer by the Customer shall be deemed a placement of a binding order for the provision of the offered works to the Contractor, i.e. the Individual Contract is concluded.
3. Contractor's obligations
 - 3.1 The Contractor undertakes to render all performances with due care and according to the state of the art recognized at the time the contract is concluded. The services shall be remunerated according to item 5. Unless agreed otherwise, the Contractor shall be free to choose the performance period and the means to be used for providing the support services.
 - 3.2 If the Contractor realizes that the specifications according to the Individual Contract or the Customer's instructions are faulty, it shall inform the Customer about this and about the identified consequences. The Customer shall then decide on the desired type of performance. Any extension of the Contractor's (performance) obligations shall require a written agreement according to items 10 and 18.1.
4. Performance organization
 - 4.1 The Contractor shall generally perform the works using its own personnel; however, it may commission third parties (e.g. subcontractors) with the performance, where required.
 - 4.2 If the Contractor uses its own personnel to carry out its tasks, the following shall be complied with:
 - 4.2.1 Unless expressly agreed otherwise, the Contractor shall be responsible for organizing the work to be carried out by the Contractor, particularly for selecting and allocating tasks to its own personnel.
 - 4.2.2 Only the Contractor shall be entitled to give instructions to its personnel. The Contractor shall inform the Customer about the operational organization and other operational conditions where required and upon request.
 - 4.2.3 The parties shall ensure that the Contractor's personnel is not integrated into the Customer's operation. If work is carried out in the Customer's premises, the following shall apply in particular:
 - (a) The Customer shall not give the personnel any instructions with regard to execution (manner of execution);
 - (b) The Customer shall not include the personnel in the holiday, sickness or substitute lists;
 - (c) The Customer shall not issue any individual certificate or job description to the personnel;
 - (d) The Customer shall neither admonish nor issue a written warning to the personnel;
 - (e) The Customer shall neither include the personnel in a general phone list nor assign the personnel its own e-mail address that is not specifically marked as "external";
 - (f) The Customer shall not invite the personnel to attend general meetings. The personnel may only be involved by the Customer in exceptional cases, with regard to specific topics and in an advisory capacity.
 - (g) The Customer shall not grant any special or additional benefits that are obtained by employees of the Customer (discounted food from the cafeteria, company medical officer, travel department, etc.);
 - (h) The Customer may at most provide a temporary badge specifically marked as "external".
 - 4.2.4 If works are carried out in the Customer's business premises, it shall be obliged to create the necessary conditions for performance by the Contractor. Specific provisions may be agreed upon in the Individual Contract. The Contractor shall monitor the compliance with all occupational health and safety requirements for its employees. For this purpose, the Customer shall grant the Contractor a right to access the premises.

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5. Remuneration

- 5.1 Unless agreed otherwise, remuneration shall be due for payment within fourteen [14] days after the invoice date, unless the Customer has not received the invoice within five [5] days after the invoice date. In the latter case, remuneration shall be paid within ten [10] days after the invoice was received. All invoice amounts shall be payable without any deduction of cash discount.
- 5.2 The statutory value added tax is not included in the remuneration and shall be paid by the Customer in addition.
- 5.3 If the parties have agreed upon expense-related remuneration as remuneration according to the Individual Contract, the following items 5.3.1 to 5.3.4 shall apply in addition.
 - 5.3.1 Hourly rates or daily rates shall cover the mere work performances and the work equipment expressly to be provided by the Contractor according to the Individual Contract. Other work equipment shall be provided by the Customer.
 - 5.3.2 If an order amounts to less than the number of hours per day agreed in the Individual Contract, the full daily rate shall be charged.
 - 5.3.3 Shift interruptions shall be charged in full amount according to the number of hours per day agreed in the Individual Contract.
 - 5.3.4 Unless agreed otherwise, the Contractor shall bill the remuneration according to the time worked retroactively on a weekly basis.
- 5.4 If the parties have agreed upon unit prices as remuneration according to the Individual Contract, the following items 5.4.1 to 5.4.3 shall apply in addition.
 - 5.4.1 The unit prices shall cover the mere work performances and the work equipment expressly to be provided by the Contractor according to the Individual Contract. Other work equipment shall be provided by the Customer.
 - 5.4.2 If unit prices are offered, the periods as from the interruption and/or downtimes up to the number of hours per day agreed in the Individual Contract shall be charged in full amount at the hourly rate agreed in the Individual Contract.
 - 5.4.3 The Contractor shall bill the remuneration according to the units provided on a weekly basis.
- 5.5 If the parties agreed on a total remuneration in the Individual Contract, the following items 5.5.1 and 5.5.2 shall apply in addition.
 - 5.5.1 An advance payment of 20% of the total remuneration shall be due for payment when the order is placed. The remaining amount shall be paid in monthly installments according to the term set out in the Individual Contract; whereby the last installment shall be due for payment without deduction after the work was accepted, unless the parties have entered into a different payment agreement (e.g. according to milestones or per unit).

- 5.5.2 The Contractor may make the start of work dependent on the receipt of the advance payment.

6. Reimbursement of expenses

- 6.1 In addition to the remuneration according to item 5, the Customer shall reimburse the Contractor for the reasonable and proved expenses for travels, accommodations, telephone and postage that arise in the fulfillment of its tasks as defined in this contract.
- 6.2 The Contractor shall bill any expenses incurred by it on a weekly basis. Evidence shall be submitted upon request.

7. Term and termination

- 7.1 The contract shall end upon the expiry of the term set out in the Individual Contract, unless the parties exercise a renewal option according to the Individual Contract, or have agreed otherwise. The Customer's right to terminate as defined in Section 648 sentence 1 *BGB* shall be excluded, unless the contract has a term of more than one (1) month.
- 7.2 The right to terminate for cause for compelling reason shall remain unaffected.
- 7.3 If there is a right to terminate according to Section 648 sentence 1 *BGB* as set out in item 7.1, and if the Customer exercises such right, the Contractor may retain the consideration received and demand the full remuneration for work already performed, but not yet paid, and the pro-rated remuneration for work performed in part.
- 7.4 Any termination shall be made in writing.

8. Customer's duties to cooperate

- 8.1 The Customer shall provide the Contractor with the goods to be inspected, sorted or repaired in due time. If other works in the field of quality management are performed, all information or work equipment required for providing the work shall be provided in due time.
- 8.2 The items 5.3.1 and 5.4.1 shall apply to work equipment.
- 8.3 The Customer shall be obliged to back up its data stock at least once a day in a machine-readable form.
- 8.4 The Customer shall be obliged to support and enable the supplementary performance by the Contractor according to item 11.6, where required and reasonable.
- 8.5 Moreover, the Customer shall be obliged to cooperate if this is included in the duties governed in these GTC and in the Individual Contract, particularly in the specifications, or if cooperation is required for performing the work.
- 8.6 All information the Contractor needs from the Customer for the planning and performance shall be provided by the Customer in due time even without a separate request.
- 8.7 The Customer shall actively participate in the investigation and elimination of any disruptions.

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9. Acceptance

- 9.1 The contractual work shall be accepted without any separate declaration by implication when the Customer or a third party appointed in individual cases receives the work, unless agreed otherwise by the parties.
- 9.2 If the work is not as contractually agreed and if the Customer therefore rightfully refuses acceptance or if acceptance is made under the written reservation of removal of stated defects, the Contractor shall be obliged to remove the defects.

10. Changes in performance

- 10.1 The Customer may request the modification of the content and scope of the works. This shall particularly also apply to parts that had already been inspected and delivered.
- 10.2 The Contractor shall determine the time delays and additional expenses caused by the desired modifications, and the parties shall agree on a corresponding contract adjustment. If the parties cannot reach an agreement, the contract shall continue to apply without changes.
- 10.3 All changes to the work shall be stipulated in a written additional agreement according to item 18.1 of this contract before execution is started; the additional remuneration and any changes to the time schedule shall be set out in such additional agreement.

11. Claims based on defects

- 11.1 The Contractor shall not accept any guarantee of quality, durability or other guarantee for the works to be provided by it, unless it has expressly declared such a guarantee in writing in individual cases.
- 11.2 If several individual contracts are concluded, and if one of the works is defective, the Customer shall not be entitled to assume, without any further specific evidence, that the other works are also be defective. To this extent, the Contractor shall not be obliged to carry out any supplementary performance activities with regard to such individual contracts where a defect has not occurred. Moreover, the Contractor shall not be obliged to pay any related costs of third parties if the Contractor has not had the opportunity for supplementary performance if an actual defect had been identified.
- 11.3 Unless agreed otherwise in this item 11, the Customer's claims based on defects shall be in accordance with the statutory provisions for the contract for work and labor. In particular, the Customer shall not be entitled to any claims with regard to defects it had been aware of at the time of acceptance. Any deviation from this shall be valid only if it has reserved its claims based on such defects in writing at the time of acceptance.
- 11.4 Claims based on defects shall also be excluded (i) if there are only insignificant deviations from the agreed quality; (ii) if the usability is only insignificantly impaired; (iii) in case of ordinary wear and tear; and (iv) in the event of damage that occurs after the transfer of risk due to faulty or negligent handling, excessive

strain, use of unsuitable operating material or other impacts caused by the Customer or third parties that are not intended by the contract.

- 11.5 The warranty period shall be 12 months from acceptance. This shall not apply if the Contractor is liable without limitation according to the following item 12.
- 11.6 The following shall apply to supplementary performance by the Contractor:
- 11.6.1 Unless something else results from the type of defect or the other circumstances, the supplementary performance shall be deemed failed no earlier than after the second unsuccessful attempt by the Contractor.
- 11.6.2 Only if (i) the Contractor seriously and finally refuses supplementary performance; (ii) the supplementary performance fails; or (iii) a reasonable period for supplementary performance set by the Customer is not complied with shall the Customer be entitled to reduce the purchase price accordingly. Subject to the provisions of item 12, the Customer may also claim further damages.
- 11.6.3 Supplementary performance by the Contractor shall not constitute acknowledgement.
- 11.6.4 Expenses required for supplementary performance, particularly transport, labor and/or material costs that arise because the object has been brought to a location other than the place of acceptance, shall not be borne by the Contractor, unless such transfer complies with its intended use that is obvious to the Contractor.
- 11.7 The Customer's right of self-help and right of withdrawal shall be excluded.
- 11.8 redi-Group aims to achieve high process stability and thus to guarantee the delivery of 100% tested and correct parts. In this regard, the occupational physiological limits of the employees and the statistically proved and realistic possibilities of the slip-through of incorrect parts shall be taken into account. The performance of redi-Group shall be deemed defect-free if the slip-through of incorrect parts amounts to 0.3% (following VDA Volume 16) or less.
- For long-term projects or unit price calculation, ppm agreements for the slip-through shall be defined in writing before the job starts. If no ppm agreements are made in writing, the general regulation above shall apply. The Customer shall be obliged to send any complaints in writing to redi-Group without delay.
- ## 12. Liability
- 12.1 The Contractor shall be liable without limitation for damages arising from injury to life, body or health that are based on intentional or negligent breach of duty by the Contractor. The Contractor shall also be liable for other losses that are based on intentional or grossly negligent breach of duty by the Contractor.
- 12.2 The Contractor shall only accept limited liability for the foreseeable damage typical for this type of contract if damage occurs on the basis of a simple negligent breach of such duties that are essential for the reason-

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- able and correct contract execution and on the fulfillment of which the Customer relies and may rely (cardinal obligations).
- 12.3 Subject to the following item 12.4, other claims for damages shall be excluded.
- 12.4 Limitations of liability and exclusions of liability according to this item 12 and item 11.4 shall not affect the Contractor's liability based on the malicious concealment of a defect as well as the assumption of a guarantee for the quality of an object.
- 12.5 This item 12 shall apply to any claim asserted against the Contractor by the Customer irrespective of the legal ground, particularly to liability based on contractual liability and tort.
- 12.6 To the extent that the liability of the Contractor is limited or excluded according to this item 12, such limitations or exclusions shall also apply to the personal liability of the Contractor's employees, legal representatives and vicarious agents.
- ## 13. Force majeure
- 13.1 None of the contractual parties shall be responsible for the non-fulfillment of its contractual duties if such non-fulfillment is based on circumstances beyond the respective party's reasonable control (force majeure). Force majeure shall particularly include: (a) fire, (b) natural disasters such as flood, storm, etc., (c) general shortage of raw materials or non-procurable machines or materials, (d) decisions by the legislator or governments, embargos, (e) strike, lock-out or other labor disputes (concerning both own and external employees), (f) seizure.
- 13.2 This regulation shall apply to all contractual obligations; however, force majeure cannot be stated as a reason for delay in payment.
- 13.3 If performance is prevented according to item 13.1 over a period of more than two months, both contractual parties shall be entitled to terminate the contract in writing. Other legal consequences, particularly withdrawal, shall be excluded.
- ## 14. Lien
- 14.1 Based on its receivables resulting from this framework contract in connection with the relevant Individual Contract, the Contractor shall be entitled to a contractual lien on the items it gained possession of based on the contract.
- 14.2 The contractual lien may also be claimed based on receivables from works carried out earlier in the business relationship, spare part supplies and other services.
- ## 15. Enticement of employees
- 15.1 If the Customer entices employees of the Contractor away to hire them itself, the Contractor shall be entitled to charge an intermediary commission as follows:
- 15.1.1 If an employee is enticed away within the first 3 months of the contract, 15% of the annual gross earnings of the employee in question plus VAT;
- 15.1.2 If an employee is enticed away in the period between the 4th and 6th month of the contract, 12% of the annual gross earnings of the employee in question plus VAT;
- 15.1.3 If an employee is enticed away in the period between the 7th to 9th month of the contract, 9% of the annual gross earnings of the employee in question plus VAT; and
- 15.1.4 If an employee is enticed away from the 10th month of the contract, 5% of the annual gross earnings of the employee in question plus VAT.
- 15.2 If the Customer hires an employee of the Contractor, it shall be assumed that this is a case as defined in item 15.1.
- ## 16. Confidentiality obligation
- 16.1 The parties undertake to keep strictly confidential all information and/or knowledge that needs to be kept confidential regarding business and operational internal information about the other party and/or its business partners of any kind that are not intended for the general public and that are made accessible or are otherwise disclosed to the parties in connection with this contract, and not to disclose such information or knowledge to third parties during the term of the contract and three years after its termination.
- 16.2 This obligation shall not apply if the receiving party proves that this information (i) has been known to it prior to its cooperation with the other party; (ii) has been disclosed by authorized third parties for non-confidential use; or (iii) has become known without violating this item 16.
- 16.3 For every culpable violation of this confidentiality obligation, the Contractor shall be entitled to claim a contractual penalty in the amount of €1,000.00 (in words: one thousand Euros). Any further claims for damages of the Contractor shall remain unaffected.
- ## 17. Offsetting, right of retention, assignment
- 17.1 Any rights of retention or rights to refuse performance of the Customer shall be excluded. This shall not apply to claims that are undisputed, established as final and absolute or ready for decision.
- 17.2 The Customer's right to offset against claims of the Contractor shall be excluded. This shall not apply if the Customer offsets against a claim that is undisputed, established as final and absolute or ready for decision.
- 17.3 Any transfer of rights and obligations arising from this contract or of the contract itself to third parties shall be subject to the other contractual party's prior written consent. However, the Contractor may transfer rights and obligations arising from this contract as well as the contract itself without the Customer's consent to an affiliated enterprise according to Sections 15 et seq. AktG [Stock Corporation Act]. Section 354a HGB [German Commercial Code] shall remain unaffected.
- ## 18. Final provisions
- 18.1 Collateral agreements to this contract have not been made. Supplements and/or modifications to these

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GTC, including supplements and/or modifications to this item 18.1, shall be made in writing.

- 18.2 The Contractor shall be entitled to modify the applicable GTC. Such modifications shall be announced to the Customer in writing in advance (including the period for objection) and take effect, unless the Customer objects to them within two (2) weeks after it has received the prior announcement.
- 18.3 Exclusive place of jurisdiction for all disputes arising between the parties from and in connection with the contract shall be the Contractor's registered office, or at the Contractor's discretion, the Customer's registered office.
- 18.4 Should any provision of these GTC be or become invalid in whole or in part or not include a necessary regulation, this shall not affect the validity of the remaining provisions. The parties shall immediately replace any invalid provision with a valid provision the content of which comes closest to the content of the invalid provision, to the extent legally permitted, and which corresponds to the parties' economic interest in the invalid provision as closely as possible.
- 18.5 German law excluding its conflict of laws provisions shall apply exclusively to the contractual parties.