

General Terms for Work Contracts of AVL Deutschland GmbH

1. SCOPE; ACCEPTANCE; OTHER TERMS AND CONDITIONS

- 1.1 These General Terms of Trade (GTT) for work contracts apply to all contracts made between us, the AVL Deutschland GmbH (referred to below as AVL) and the opposite party (referred to below as the "Contractor").
- 1.2 Terms and conditions of the Contractor that conflict with or deviate from these GTT shall not become part of the contract, even if AVL does not expressly object to their inclusion. If the Contractor does not agree with this, they must promptly notify AVL of this circumstance in writing.

The standard notice of the Contractor's general terms and conditions is hereby expressly rejected.

2. PERFORMANCE OF THE CONTRACTOR

- 2.1 At the start of performance, the Contractor shall designate to AVL an authorized contact person for receiving statements, through whom all communication within the framework of the existing contractual relationship shall take place. The designation of a new contact person requires written form.
- 2.2 In case of work on AVL's premises, the Contractor is obligated to strictly comply with the applicable "Safety Regulations for External Companies / Temporary Workers," the "Safety Regulations for the Use of Hazardous Substances and/or Poisons," and AVL's fire protection regulations. The Contractor shall inquire about such regulations from AVL before commencing their services. The Contractor commits to fully inform their employees and any third parties engaged by them who are present on AVL premises about these regulations and to monitor compliance. Before starting work on AVL premises, the Contractor shall provide the AVL project management with a protocol signed by each employee and any third party engaged by them, who will be working on AVL premises, confirming instruction in the aforementioned safety regulations. This protocol must include the full name of the respective person and their vehicle registration number. If additional employees or third parties are deployed on AVL premises during the execution of the contracted services, their data, along with proof of their instruction, must also be submitted without being requested. If these safety regulations are not yet known to the Contractor, they must request them from AVL. Serious violations of the safety regulations (e.g., against the photography ban) entitle AVL to immediately impose a ban on the person violating the safety regulations.
- 2.3 Section 2.2 applies accordingly to the safety regulations of an AVL customer if the Contractor is working on the premises of an AVL customer on behalf of AVL. The Contractor shall inquire about such regulations from AVL before commencing their services on the premises of an AVL customer on behalf of AVL.
- 2.4 The use of subcontractors by the is only permitted with prior written consent from AVL.

3. SUBJECT MATTER OF THE CONTRACT

- 3.1 Orders from AVL are based on an offer from the Contractor that includes all essential details for the provision of services/delivery, specifically the following:
 - The exact scope of services,
 - The fixed price, which covers all material and labor costs as well as all travel expenses and other incidental costs of the Contractor.
- 3.2 The contract does not enter force until accepted by AVL in writing ("single contract").

4. CHANGES TO PERFORMANCE AND EXTRA WORK

- 4.1 AVL may request changes to the contractual services at any time. The Contractor may object to the change request within three working days of receipt of the change request, provided that their operation is not set up to implement the change request, which must be demonstrated and proven by the Contractor. The Contractor shall submit a new written offer for the modified service, taking into account any additional or reduced costs resulting from the change. Additional services may only be provided after

the conclusion of a written supplementary agreement to the individual contract; otherwise, they will not be compensated.

- 4.2 The new offer from the Contractor must be based on the original calculation principles agreed upon between the parties. The Contractor must demonstrate this with a verifiable calculation.

5. PROVISION OF WORK

- 5.1 The Contractor guarantees to perform their services based on state-of-the-art project management (according to the standards of the European automotive industry), particularly with regard to schedule, cost, and quality tracking, throughout the entire project duration.
- 5.2 To coordinate and monitor the work, regular meetings between AVL and the Contractor will be scheduled. During these meetings, project progress will be reviewed, and corrective actions will be initiated if necessary. The regular meetings will take place via telephone/Skype conferences and in-person meetings at AVL, the Contractor, or the AVL customer's premises.
- 5.3 Reporting shall be carried out in accordance with AVL's specifications. AVL will provide the Contractor with the appropriate monitoring sheets.
- 5.4 All documentation must be prepared in the language(s) defined in the individual contract.
- 5.5 In the event of improper performance by the Contractor, AVL reserves the right to take appropriate measures to ensure the fulfillment of the contracted services (e.g., by engaging additional capacities) at the Contractor's expense.
- 5.6 If the Contractor utilizes AVL equipment for their performance, they must pay a usage fee, which should be indicated as a price reduction in the offer.

6. REMUNERATION AND PAYMENT

- 6.1 Payment will only be made after the complete performance of services, unless otherwise agreed in the individual contract. With the payment of the agreed remuneration(s), all services/deliveries provided by the Contractor, including the transferred rights, are settled. There is no entitlement to further remuneration beyond this.
- 6.2 Discounts granted by the Contractor within the framework of the individual contract also apply to additional services related to this individual contract.
- 6.3 The agreed prices cover everything necessary for the complete and proper execution of the Contractor's services.
- 6.4 Payment shall be made, unless otherwise agreed in writing, after contractual performance and receipt of the proper and verifiable invoice within 60 calendar days net.

7. CONTRACTUAL FINE AND PARTICULAR RISKS

- 7.1 A detailed project schedule for the individual services/deliveries of the respective project is part of the respective individual contract.
- 7.2 For culpable exceeding of the interim deadlines agreed as contract deadlines, the Contractor shall pay a contractual penalty of 0.15% of the net invoice amount justified by the services provided up to the affected contract deadline for each working day of delay, but no more than 5% of the net invoice amount justified by the services provided up to the affected contract deadline.
- 7.4 For culpable exceeding of the overall completion deadline, the Contractor shall pay a contractual penalty of 0.15% of the net total invoice amount for each working day of delay, but no more than 5% of the net total invoice amount.
- 7.5 If the Contractor meets the agreed overall completion deadline despite exceeding the interim deadlines agreed as contract deadlines, any contractual penalties already incurred for exceeding interim deadlines shall be waived.
- 7.6 The penalty provisions also apply to contract deadlines that have been

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newly agreed upon or are extended contract deadlines, without the need for a separate agreement.

- 7.7 The agreed penalty amount is limited to a total of 5% of the net total invoice amount
- 7.8 A forfeited penalty can be claimed by AVL up until the final payment.
- 7.9 The assertion of claims for damages in addition to the penalty remains unaffected. However, a forfeited penalty will be offset against any claims for damages by the client
- 7.10 The contractor is expressly informed that AVL has agreed with its customer on penalties regarding contract deadlines that exceed the penalties agreed upon here. AVL will promptly inform the Contractor if a delay by the Contractor threatens to exceed a deadline subject to penalties between AVL and its customer

In light of this, there is a significant risk of damage for AVL. AVL therefore expressly reserves the right to claim any damage incurred, which is wholly or partially attributable to the Contractor, against the Contractor according to the degree of fault.

The Contractor expressly reserves the right to prove that no damage or a lesser damage has been incurred by AVL's customer and/or AVL itself.

8. ACCEPTANCE AND TRANSFER OF RISK

- 8.1 The Contractor can only request acceptance of their performance once it is ready for acceptance. The acceptance criteria (including acceptance test and written acceptance protocol) will be defined in the respective individual contract.
- 8.2 The acceptance of the Contractor's overall performance will be formal. This also applies to the acceptance of defect rectifications.
- 8.3 Partial acceptances are excluded. Reviews and inspections of interim results as well as the approval of partial payments do not constitute acceptance.
- 8.4 Payments from AVL to the Contractor do not constitute acceptance of the Contractor's performance
- 8.5 The Contractor bears the risk for their contractual performance until the formal acceptance of the performance by AVL.

9. GUARANTEE

- 9.1 The Contractor guarantees the defect-free and completeness of their performance/delivery, including the associated product documentation and delivery papers. In particular, they guarantee that the knowledge, work results, processes, and documents provided within the scope of their assignment are correct, usable, complete, in accordance with specifications, and documented.
- 9.2 The guarantee runs for 36 months from the date of acceptance.

10. INSURANCE

The Contractor is obliged to maintain adequate insurance coverage for a reasonable period after the termination of the contract (at least ten years) to cover all risks arising from the contractual relationship (such as, in particular, operational and product liability, extended product liability including removal and installation costs, as well as inspection, sorting, and vehicle recall costs) with a sum insured of at least EUR 5,000,000.00 per claim with worldwide coverage (including the USA/Canada). Proof of this insurance coverage must be provided unsolicited within ten days after the conclusion of the individual contract. The Contractor will inform AVL in writing of any change of their insurer after the termination of the contract without being asked.

11. RIGHTS TO THE RESULTS OF WORK/PROTECTED RIGHTS

- 11.1 Work results within the meaning of these provisions consist of all findings obtained during the execution of the individual contract, including all inventions, regardless of their patentability and regardless of whether they are recorded, stored, or embodied in records, descriptions, experimental setups, models, devices, or systems (hereinafter referred to as 'work results'). All resulting work results, whether patentable or not, must be

documented by the contracting party where they arise.

- 11.2 All work results developed by the Contractor immediately become the exclusive and unrestricted property of AVL upon their creation and must be promptly disclosed and made accessible to AVL. This also applies to inventions or shares of inventions made by the Contractor. The Contractor assigns all rights to such inventions or shares of inventions to AVL without restriction. If AVL waives the rights to inventions or shares of inventions, in whole or in part, the Contractor is not entitled to assert rights to such inventions or shares of inventions (e.g., personal use, patent application, granting licenses to third parties, etc.). Inventions or shares of inventions are compensated with the agreed remuneration according to clause 6 of these General Terms and Conditions
- 11.3 With regard to the copyrights accruing to the Contractor in connection with the contract for work, the Contractor grants AVL an unlimited, free right of use for the duration
- 11.4 The Contractor undertakes to provide a delivery or service free from third-party intellectual property rights. The Contractor is liable for ensuring that the execution of the contract and the use of the contractual object do not infringe on third-party intellectual property rights. The Contractor indemnifies AVL against justified claims by third parties due to intellectual property rights infringements

12. DURATION OF CONTRACT AND NOTICE OF TERMINATION

- 12.1 The duration is agreed in the single contract.
- 12.2 Each individual contract can be terminated without notice for good cause if the other party breaches a material contractual obligation and fails to remedy this breach within a reasonable period despite a written warning
- 12.3 AVL can terminate an individual contract without notice if
 - (i) The Contractor is in default with its work/deliveries for more than three months due to an unforeseeable event over which it has no control
 - (ii) Contractor's ownership relationships change in such a way that major interests of AVL are affected. This is particularly the case if a competitor of AVL acquires shares in the Contractor
 - (iii) The customer of AVL or AVL itself rescinds the end customer contract on which the single contract is based.
- 12.4 Notice must be served in writing (not by fax or e-Mail) with proof of delivery.
- 12.5 In case AVL ends the contract prematurely, the Contractor shall receive remuneration for all the costs it has incurred and can demonstrate up to the date of termination under the single contract which has been terminated. The Contractor has no claim whatsoever against AVL beyond this.

13. INCLUSION OF AVL'S GENERAL TERMS OF PURCHASE

As a supplement to these CONTRACT, items 2, 3, 4.2, 4.4, 5, 7.8 and 8 to 13 of General Terms of Purchase of AVL Deutschland GmbH apply, which can be called up at <https://srm.avl.com> and also on the [AVL Deutschland GmbH | AVL](#) website („Terms and Conditions of Purchase “). At the Contractor's written request, AVL shall send these General Terms of Purchase to the Contractor.

14. INCLUSION OF AVL'S GENERAL TERMS OF PURCHASE

- 14.1 Changes and supplements to these provisions require the written form. The same applies to the waiver of this clause of written form itself.
- 14.2 Should one or more provisions in these terms of purchase and/or any other contracts concluded between the parties be or become unworkable, or if it transpires that they contain a loophole, this shall not affect the validity of the remaining provisions.

In such a case, the unworkable provisions shall be replaced or the loophole closed by reasonable, admissible regulations which the

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parties would have wished or which they would have chosen in the sense and purpose of the provisions, if they had considered the unworkability or the loophole in the first place.

- 14.3 The place of fulfilment for work and deliveries is the place stated in the single contract where performance is to be provided. The place of fulfilment for payments is the business headquarters of AVL.
- 14.4 The exclusive place of jurisdiction for all disputes arising from or in connection with the contractual relationship is Wiesbaden. However, we are entitled to instigate action at the headquarters of the supplier.
- 14.5 The parties agree that German law shall prevail exclusively over all legal affairs under this contractual relationship, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and other international reference norms.