

General Terms and Conditions for
(i) the Manufacture, Delivery and Installation of Investment
Goods
and
(ii) the Purchase of Non-Production Materials and Services
between KAUTEX and Contractor (both as defined below)
(each, a "Party" or, collectively, the "Parties")

for Plants in the UK

I. Applicability and Scope

- 1.1 These general terms and conditions ("**GTCs**") govern all orders placed by each of Kautex Textron (UK) Limited, Kautex Unipart Limited and Kautex Textron CVS Limited ("**KAUTEX**") with a contractor or supplier (hereinafter referred to as "**Contractor**") (and each contract concluded between KAUTEX and a Contractor in accordance with the provisions of clause 2 of these GTCs), for:
- (i) the manufacture, delivery and installation of machines, equipment, tools etc. for the production of automotive components ("**Investment Goods**"); and
 - (ii) the purchase of movable assets for non-production purposes ("**Deliverables**") and the provision of related services as well as other work performances or services.
- 1.2 The manufacture, delivery and installation of Investment Goods as well as all other services mentioned above are hereinafter referred to as "**Services**".
- 1.3 These GTCs shall not apply to the purchase of production materials for the supply of serial parts to KAUTEX's customers which are governed by the "Standard Terms and Conditions of Purchase for the Automotive Technology" of Kautex.
- 1.4 Unless expressly agreed otherwise by KAUTEX in writing, these GTCs apply to each contract between KAUTEX and Contractor (concluded in accordance with the provisions of clause 2 of these GTCs) to the exclusion of any other terms that Contractor seeks to impose or incorporate (whether in offers, sales documentation or otherwise and

with or without KAUTEX's knowledge), or which are implied by trade, custom, practice or course of dealing. Contractor acknowledges and agrees that these GTC will also apply in all cases in which KAUTEX has accepted Contractor's deliveries without objecting to terms and conditions of Contractor that deviate from these GTC (whether or not KAUTEX is aware such terms). All references or notices by Contractor concerning the application of its standard terms and conditions (*e.g.*, in offers) or other deviating terms are hereby expressly excluded. These GTC will also apply to all future transactions of KAUTEX with Contractor.

- 1.4 In addition to these GTC, any other agreements between the Parties, *e.g.*, framework agreements etc., will apply.
- 1.5 Besides, for the manufacture, delivery and installation of Investment Goods, the **appendix for Investment Goods (Ariba Appendix)**, including its applicable documents, each in the version sent to Contractor upon conclusion of the contract, shall apply.
- 1.6 Provisions included under **Part II.** (General Part) are **applicable to Investment Goods as well as to Deliverables and Services.** Provisions under **Part III.** (Investment Goods) only apply to **Investment Goods** and the related Services.

II. General Part

2. Conclusion of Contract, Contractual Components

- 2.1 If KAUTEX (i) submits any inquiry to Contractor regarding requested Deliverables, Investment Goods and/or its Services and the conditions of its respective delivery or performance or (ii) KAUTEX submits requests for quotations KAUTEX will not be legally bound in any way by any of them.

2.2 Conclusion of Contract for Investment Goods:

- 2.2.1 An order issued by KAUTEX shall constitute an offer to conclude a contract with Contractor in relation to the manufacture, delivery and installation (if necessary) of the Investment Goods, (as further described in such order) in accordance with these GTCs.

Contractor's duty to manufacture, deliver and install (if necessary) Investment Goods shall therefore be created upon:

- (i) Contractor's receipt of KAUTEX's written order, and
- (ii) Contractor issuing written acceptance of the order in the form of an order confirmation

which has to be received by KAUTEX within three (3) weeks after the receipt of the order ("**Acceptance Window**").

After the Acceptance Window has passed, KAUTEX's offer will (unless expressly agreed otherwise by KAUTEX in writing) expire and KAUTEX shall not be bound by Contractor's purported acceptance. An order confirmation which is received after the expiry of the Acceptance Window or which deviates from the order will be regarded as a new offer and must be accepted by KAUTEX in writing, in order to be valid and binding. In no way does KAUTEX's silence constitute an acceptance of an order confirmation that deviates from KAUTEX's order.

2.2.2 The following documents shall together comprise the contract (formed in accordance with clause 2.2.1):

- (i) the order, together with the order confirmation,
- (ii) the particular specification sheet for the Investment Goods (which shall be attached to the order),
- (iii) the working drawings,
- (iv) the general specification sheets, named in the order, as in effect at the time of the conclusion of the contract. KAUTEX will provide these documents to the Contractor at any time upon its request,
- (v) these GTCs,
- (vi) the version of the Ariba Appendix (including any documents referred to in it) sent to Contractor upon formation of the contract; and
- (vii) the technical part of Contractor's offer.

If there is any inconsistency between the documents referred to above, the above listed order of precedence shall apply.

2.3 Conclusion of Contract for Deliverables and other Services

KAUTEX's written orders shall constitute KAUTEX's acceptance of a prior binding offer from Contractor. Accordingly, the contract governing Contractor's provision of Deliverables and related Services shall be created upon the issue of KAUTEX's written order to Contractor.

- 2.4 A binding contractual obligation on KAUTEX shall only arise through written orders. However, no signature by KAUTEX shall be required. For the avoidance of doubt, an order shall be considered to have been made in writing if, at a minimum, it has been e-mailed or transferred via electronic data transfer and/or electronic ordering systems (*e.g.*, Ariba).
- 2.5 KAUTEX shall not be legally bound by orders made orally or by phone (including Instant Messaging or SMS). Any oral understandings/agreements must be confirmed by KAUTEX in writing from the KAUTEX ERP systems. Likewise, any changes, amendments as well as side agreements must be made in writing in order to be legally binding.

3. General Obligations of Contractor during Performance of Services

- 3.1 Contractor shall ensure that employees and/or sub-contractors employed by it (“**Contractor Personnel**”) comply with the internal regulations of KAUTEX if and to the extent they are on site or at the premises of KAUTEX (*e.g.*, the Contractor Safety Global Policy, the Guideline on Third-party Company Coordination or other similar documents); the internal regulations will be provided to Contractor upon request by Contractor.
- 3.2 KAUTEX is entitled to demand the removal of any of such Contractor's Personnel if there is reasonable doubt regarding the latter's professional qualification, experience and/or professional integrity. In this case, Contractor shall promptly remove the Contractor's Personnel concerned and replace this person by another employee/sub-contractor, provided this is required for the performance of the contract by Contractor.
- 3.3 In particular, to ensure the performance and quality of the Services under a contract, Contractor shall maintain a quality management system which is certified by ISO 9001:2015. Upon Contractor's request, an alternative quality management system may be agreed between the Parties, which must be at least equivalent to the system certified by ISO 9001:2015. Upon KAUTEX's request, the Contractor will verify compliance with these requirements. Contractor will only appoint sub-contractors who maintain a similar quality management system.

4. Delivery-/Performance Dates and Periods

- 4.1 Contractor must comply with any timeframes for delivery of the Investment Goods and/or other Deliverables and/or any timeframes for performance of the Services, set out in an order. In relation to the Investment Goods, Contractor must achieve final acceptance of the Investment Goods (in accordance with the procedure outlined in clause 21) by no later than the agreed date for final acceptance (as set out in an order).
- 4.2 The agreed dates for the manufacture, delivery and installation of the Investment Goods shall be considered to have been complied with if the Investment Goods are available for final acceptance by KAUTEX, or by a third party appointed by KAUTEX, at the agreed time. In addition, Contractor shall deliver to KAUTEX prior thereto the written documentation (*e.g.*, schematic diagrams, instruction manuals and installation instructions) related to the Investment Goods.
- 4.3 The agreed dates for delivery or performance for Deliverables and other Services shall be considered to have been complied with if the Deliverables arrive at the Delivery Address and the Services have been fully performed at the Delivery Address (in accordance with clauses 6.1 and 6.2, as applicable) at the agreed time.
- 4.4 In the event that any of the agreed timescales for performance in respect of the Investment Goods, Deliverables or Services are not met, KAUTEX is entitled to terminate the contract/order by written notice upon the expiration of a reasonable grace period.
- 4.5 KAUTEX is under no obligation to accept early deliveries, deliveries that exceed the amounts specified in the order or partial deliveries, unless these have been agreed by the Parties. Contractor shall bear the risk of loss of any Deliverables that have been delivered prior to the delivery date. KAUTEX is entitled to return deliveries that exceed the amounts specified in the order at Contractor's expense; Contractor must bear all packaging, processing, and transport costs. KAUTEX is entitled to store all Deliverables delivered prior to the delivery dates set out in an order/contract and/or deliveries that exceed the amounts specified in the order at the risk and cost of Contractor until the delivery date and time specified in the order/contract.

If KAUTEX accepts early deliveries or deliveries that exceed the amounts specified in the order on this basis, KAUTEX nevertheless need not make payment for the relevant order at an earlier date than if the deliveries had been made on the scheduled delivery

date. The same applies – as far as applicable – to early performance of Services by Contractor.

- 4.6 Should Contractor anticipate that it will be unable to meet any agreed delivery/performance date, it must inform KAUTEX of such delay in writing without undue delay, stating the reason for the delay and its expected duration.

5. Force Majeure

- 5.1 Neither Party shall be liable to the other for any delay or failure in performing its obligations under a contract due to events that are unforeseeable and unavoidable and outside of the reasonable control of a Party and for which the affected Party bears no responsibility such as, labor disputes, strikes or lock-outs (but excluding any labor disputes, strikes or lockouts relating to the affected Party's own workforce), war, unrest, terrorist attacks or natural disasters.
- 5.2 If the end of such disruption is not foreseeable or if the disruption or its impact continues for more than two (2) consecutive months, each Party shall have the right to terminate without notice the affected contract (or its as yet unperformed parts).

6. Delivery, Packaging, Transfer of Risk

- 6.1 Arrangements for the delivery of Investment Goods and/or Deliverables (including the rules governing the transfer of risk) shall be governed by the commercial clauses specified in the order (including the applicable Incoterms 2010, where specified) and delivery shall take place at the place of receipt or collection (“**Delivery Address**”). If the Parties do not agree on any terms of delivery, for the avoidance of doubt delivery shall be made DAP (Incoterms 2010) to the stated Delivery Address.

The risk of accidental loss or accidental deterioration of the Investment Goods shall at all times only pass upon final acceptance (see clause 21).

- 6.2 Services shall be performed at the address specified in the order (“**Delivery Address**”).
- 6.3 All Deliverables must be properly packed, labeled, handled and shipped in compliance with the standard of care customary to the industry.

With respect to Investment Goods, KAUTEX may determine the type of packaging and delivery. If KAUTEX does not determine the type of packaging and delivery, Contractor shall choose an appropriate type of packaging and delivery for the Investment Goods.

In the event of a breach of this clause 6.3, all costs incurred including but not limited to the replacement of the damaged Investment Goods or Deliverables, additional freights, disposal and similar costs, shall be borne by Contractor. At KAUTEX's request Contractor shall take back all packaging free of charge.

6.4 On the day the relevant Deliverable and/or Investment Goods are dispatched, Contractor shall send a written notification of dispatch containing the contractual/order number and the precise description of the Deliverable or Investment Goods to KAUTEX. Contractor shall attach a delivery note in duplicate which contains the contractual/order number and the Contractor number to the shipment. Otherwise, KAUTEX shall be entitled to refuse to take delivery of the relevant Deliverable and/or Investment Goods, at Contractor's costs.

7. Prices, Terms of Payment, Security in case of Kautex's Advance Payment

7.1 The binding prices and payment terms are set out in the relevant order. The prices are fixed prices and constitute the total price for manufacturing and delivering Deliverables and performing Services; for Investment Goods, the price covers in particular the costs of manufacture, Pre-Installation Tests (as defined below), delivery, installation, start-up and final acceptance of the Investment Goods as described in these GTCs (including the provision of all related documentation as described in clause 17). Furthermore, the price for Deliverables and/or Investment Goods includes delivery to the Delivery Address as well as packaging, freight, insurance and similar costs, unless the Parties agree on different arrangements in the order. VAT in the statutory amount is not included in the price. VAT shall be charged separately, shall be shown separately on the invoice and shall be paid by KAUTEX against receipt from Contractor of a valid VAT invoice in respect thereof.

7.2 Contractor's invoices shall be submitted in the currency, referred to in the order; KAUTEX shall pay in accordance with this requirement.

7.3 KAUTEX will pay all undisputed invoiced amounts by bank transfer within 45 calendar days, provided no other payment terms have been agreed between the Parties in writing. Any evaluated receipt settlement process to balance accounts payable (debiting/crediting method) must be agreed to separately between the Parties in writing in order to apply. These payment periods shall start on the later of the date of receipt of a valid invoice or the complete delivery of the Deliverables to KAUTEX, or following proper performance of the Services at the Delivery Address, or following final acceptance of the Investment Goods or the partial performance (if permitted), which is

relevant to the respective invoicing and submission of the agreed documents. If the payment date falls on a weekend or public holiday, payment will be made by the next working day. Any fees incurred for international payment transactions will be borne by Contractor. If KAUTEX fails to make payment by the due date for payment, then Contractor shall be entitled to charge interest on any overdue amounts at the rate of 2% per annum above the Bank of England base rate from time to time in force from the date on which such amount fell due until payment, whether before or after judgment.

- 7.4 Upon the full payment of the purchase price, title to the Deliverables and/or the Investment Goods (as applicable) shall pass to KAUTEX.
- 7.5 Contractor shall not assign any claim under the delivery relationship with KAUTEX or have them collected by third parties without the written consent of KAUTEX.
- 7.6 Contractor shall not be permitted to set-off any amounts it owes to KAUTEX against amounts owed to it by KAUTEX. KAUTEX may at any time, without limiting its other rights or remedies, set off any liability of Contractor to KAUTEX against any liability of KAUTEX to Contractor under or in relation to the contract, howsoever arising and whether such liability is present or future, liquidated or unliquidated.
- 7.7 Contractor shall provide as security for advance payments made by KAUTEX, a directly enforceable guarantee issued by a European major bank acceptable to KAUTEX. Prior to the provision of such a bank guarantee, KAUTEX shall not be obliged to make any advance payments. The costs for the issuance of the bank guarantee shall be borne by Contractor.

8. Notice of Defect upon Delivery of Deliverables

Upon receipt in accordance with clause 6, KAUTEX will inspect the Deliverables delivered by Contractor for any defects or any discrepancies in terms of the quality agreed between the Parties in the relevant contract to the extent and as soon as reasonably appropriate in accordance with proper business practice. KAUTEX will notify Contractor of any obvious defects detected during this inspection without undue delay after delivery, but in any event within two (2) weeks of delivery. Hidden defects shall be notified without undue delay after their detection. This clause 8 does not apply to Investment Goods; with regard to Investment Goods an acceptance procedure will take place (including an acceptance protocol with any detected defects) in accordance with clause 21.

9. Warranties

9.1 Contractor represents, warrants and undertakes that the Deliverables and the Investment Goods (as applicable) shall:

- (i) comply with the agreed specifications, especially with their description and any applicable specification;
- (ii) where they are manufactured products, be free from any defects in design, material and workmanship and remain so for 36 months after delivery (concerning any Deliverables) or after final acceptance (concerning any Investment Goods) (as the case may be);
- (iii) be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and fit for any purpose held out by Contractor or made known to Contractor by KAUTEX expressly or by implication, and in this respect KAUTEX relies on the Contractor's skill and judgment; and
- (iv) comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the relevant Deliverables and Investment Goods and with the latest state-of-the-art of science and technology and all applicable statutory provisions (as may be amended from time to time), in particular with all safety regulations including all applicable EU Directives (as may be amended from time to time).

9.2 In relation to the Services, Contractor represents, warrants and undertakes:

- (i) to use Contractor Personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that Contractor's obligations are fulfilled in accordance with the contract; and
- (ii) to ensure that the Services will conform with all descriptions and specifications set out in any applicable specification.

9.3 For ordered Deliverables and Investment Goods, the following shall apply: without prejudice to KAUTEX's other rights and remedies under the contract or otherwise available at law (and whether or not KAUTEX has accepted the Deliverables), in the event that the Deliverables and/or any Investment Goods do not comply with the requirements of clause 9.1, KAUTEX shall be entitled:

- (i) to terminate the relevant contract on notice to Contractor;

- (ii) to reject the Deliverables / Investment Goods and send the Deliverables / Investment Goods back to Contractor (in whole or in part) at Contractor's risk and expense;
- (iii) to require Contractor to repair or replace the defective Deliverables / Investment Goods, or to provide a full refund of the price of the rejected Deliverables / Investment Goods (if paid);
- (iv) to refuse to accept any subsequent delivery of the Deliverables / Investment Goods which Contractor attempts to make;
- (v) to recover from Contractor any costs incurred by KAUTEX in obtaining substitute goods from a third party; and
- (vi) to claim damages for any other costs, loss or expenses incurred by KAUTEX which are in any way attributable to Contractor's failure to carry out its obligations under the contract.

9.4 Where clause 9.3 applies, and in other urgent circumstances, in particular for the purpose of preventing imminent danger or avoiding more extensive damages, and if it is not possible to inform Contractor of the defect and/or allow a period to remedy the defect, KAUTEX may remedy the defect itself or have the defect remedied by a third party, and Contractor agrees to bear any costs and expenses associated with such remedy (whether under clause 9.3 (v) or otherwise).

9.5 For Services, the following shall apply: without prejudice to KAUTEX's other rights and remedies under the contract or otherwise available at law, in the event that the Services do not comply with the requirements of clause 9.2 (ii), KAUTEX shall be entitled:

- (i) to terminate the contract with immediate effect by giving written notice to the Contractor;
- (ii) to refuse to accept any subsequent performance of the Services which Contractor attempts to make;
- (iii) to recover from Contractor any costs incurred by KAUTEX in obtaining substitute services from a third party;
- (iv) where KAUTEX has paid in advance for Services that have not been provided by Contractor, to have such sums refunded by Contractor; or

- (v) to claim damages for any additional costs, loss or expenses incurred by the Customer which are in any way attributable to the Contractor's failure to meet such dates.

10. Product Liability, Liability

- 10.1 Contractor will indemnify KAUTEX against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other reasonable professional costs and expenses) suffered or incurred by KAUTEX arising out of or in connection with: (i) any and all claims made against KAUTEX by a third party arising out of, or in connection with, the supply of the Deliverables, Services and/or Investment Goods and their related Services, to the extent that such claim arises out of the breach, negligent performance or failure in performance of the contract by Contractor; and (ii) any claim made against KAUTEX by a third party for death, personal injury or damage to property arising out of, or in connection with, defective Deliverables, Services and/or Investment Goods and their related Services, to the extent that the defect is attributable to the acts or omissions of Contractor.
- 10.2 In the event that Contractor performs services/works/installation services ("Works") at a KAUTEX site, Contractor must during these Works take all required precautionary measures to prevent personal injury and property damage. Contractor must indemnify KAUTEX against all liabilities, costs, expenses, damages and losses caused by Contractor (including any Contractor Personnel) during its works at the business site. Contractor shall ensure that its sub-contractors are subject to the same obligations.

11. Confidentiality

Unless the Parties have not agreed on a separate confidentiality agreement, the following shall apply:

- 11.1 The Parties will treat all confidential information they have directly or indirectly received from the other Party as confidential. Orders and all of the commercial and technical details related to them must also be treated as confidential information. In particular, all illustrations, drawings, samples and similar items must be kept secret. Confidential information may only be reproduced or disclosed within the scope of business requirements. Such information may only be disclosed to third parties upon prior written consent.

- 11.2 The above obligations do not apply to confidential information which the receiving Party can prove:
- (i) was already in the public domain at the time of its disclosure or came into the public domain thereafter through no fault of the receiving Party;
 - (ii) was already in its possession at the time of disclosure;
 - (iii) was provided to it by a third party which did not require the receiving Party to maintain confidentiality and to not use the confidential information, provided that such third party did not directly or indirectly receive it from the other Party; or
 - (iv) must be disclosed to the authorities under statutory or regulatory obligations.
- 11.3 Contractor agrees to oblige any sub-contractors to comply with the obligations set out under this Clause 11. Contractor must not use the confidential information disclosed to it by KAUTEX for any use other than as strictly necessary to perform its obligations under the contract.
- 11.4 The duty of confidentiality shall survive the termination of the applicable contract for a period of five (5) years. Contractor agrees to return all received confidential information to KAUTEX upon the termination of the contract, provided it is in tangible form or has been stored on electronic storage media. The fulfillment of these duties under the two last sentences must be confirmed in writing to KAUTEX by Contractor upon KAUTEX's request.
- 11.5 Each Party acknowledges that damages alone would not be an adequate remedy in the event of a breach by the other Party of the provisions of this clause 11. Accordingly, it is agreed that either Party will be entitled, without proof of special damages, to seek an injunction or other interim remedy for any threatened or actual breach of this clause 11, without prejudice to any other right and remedy which that Party may have.

12. Final provisions

- 12.1 Contractor must not assign, transfer or novate all or part of its rights or obligations (as applicable) under the applicable contract without the prior written consent of KAUTEX. Contractor must not employ third parties (*e.g.*, sub-contractors) for the fulfillment of all or a part of the order or contract without the prior written consent of KAUTEX. Any consent to sub-contracting given by KAUTEX under this clause 12.1 shall in no way limit Contractor's obligations under the contract and Contractor shall be liable for the acts

or omissions of its sub-contractor as though they were the acts or omissions of Contractor.

- 12.2 No variation of any contract formed in accordance with clause 2 (including, for the avoidance of doubt, any documents forming part of the applicable contract) shall be effective unless made in writing and signed by or on behalf of each of the Parties or by their duly authorized representatives.
- 12.3 Should a provision of these GTCs prove to be invalid, illegal or unenforceable, such provision shall be deemed to be modified or restricted to the extent necessary to make such provision a valid, legal and enforceable provision. If such modification or restriction is not possible, the invalidity of one or several provisions shall not affect the validity of the remaining provisions of these GTCs or the validity of the contract.
- 12.4 A person who is not a Party to this contract may not enforce any of its provisions under the Contracts (Rights of Third Parties) Act 1998. The rights of the Parties to terminate, rescind or agree any variations, waiver or settlement under this contract are not subject to the consent of any person that is not a Party to this contract.
- 12.5 A waiver of any right or remedy is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. A delay or failure to exercise, or the single or partial exercise of, any right or remedy shall not: (i) waive that or any other right or remedy; or (ii) prevent or restrict the further exercise of that or any other right or remedy.
- 12.6 Nothing in this contract shall be deemed to constitute a partnership, or create a relationship of principal and agent for any purpose between the Parties.

13. Governing Law, Jurisdiction, Place of Performance

- 13.1 Each Party agrees that the courts of London, England shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with these GTCs and/or any contract or their subject matter or formation. KAUTEX is entitled to sue Contractor before any other court or to claim otherwise against Contractor.
- 13.2 These GTCs and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by the laws of England and Wales, excluding the United Nations Convention on the International Sale of Goods (CISG).

- 13.3 Place of performance for all duties under a contract is KAUTEX's site to which the Deliverables shall be delivered or where the Services shall be rendered as referred to in the order.

III. Investment Goods

The provisions set out below apply exclusively to Investment Goods and their related Services:

14. Changes and Amendments to the Contract

- 14.1 KAUTEX may at any time until final acceptance in accordance with clause 21, taking into account Contractor's interests, require changes and/or amendments to the ordered Investment Goods or Services. Immediately upon receipt of KAUTEX's request for changes and/or amendments, Contractor shall submit an offer in writing for the resulting costs (both possible increases and possible decreases) as well as information on changes in deadlines, and effects on function and quality to the Investment Goods or Services resulting from the changes. Contractor will ensure that any costs for the changes/amendments requested by KAUTEX are as low as possible.
- 14.2 Contractor will implement the requested changes and/or amendments as soon as the Parties have reached an agreement on any increase or decrease in costs, changes in deadlines and effects of the changes and/or amendments on function and quality.
- 14.3 If in Contractor's opinion, changes or amendments to the order are required for the successful performance of the contract, Contractor shall propose such changes to KAUTEX in writing, and in doing so shall make available to KAUTEX information on the reasons for such changes/amendments, the effects on price, delivery dates, etc. KAUTEX shall examine these change and/or amendment proposals without delay. KAUTEX shall not unreasonably refuse changes and/or amendments which are required for the successful performance of the contract. Contractor must not perform any changes and/or amendments until it has received KAUTEX's written approval.
- 14.4 Contractor must never perform any changes and/or amendments until it has received KAUTEX's prior written approval. The Parties will agree on an amendment in writing in each case.

15. Further Duties of Contractor

- 15.1 KAUTEX's documents, drawings and plans must be examined by Contractor with regard to their completeness and correctness prior to commencing production or processing of the Investment Goods. If Contractor considers them to be incomplete, inaccurate or defective, Contractor must promptly (but in any event prior to commencing the production or processing of the relevant Investment Goods) inform KAUTEX thereof in writing; in order to prevent delays in performing the contract, any missing documents, drawings or plans must be requested in writing without undue delay. Furthermore, if Contractor has any concerns about the implementation of this contract, Contractor shall inform KAUTEX without undue delay indicating the reasons for its concerns. Any warranty claims of KAUTEX (upon the final acceptance of the Investment Goods) and other claims against Contractor shall remain unaffected.
- 15.2 Before the start of manufacture, all production documentation such as, e.g. drawings, must be submitted to KAUTEX for approval. KAUTEX's warranty claims (upon the final acceptance of the Investment Goods) and other claims against Contractor shall remain unaffected by such approval.
- 15.3 Any and all material to be provided by KAUTEX shall be notified to KAUTEX in a timely manner and in such an amount that a proper performance of the contract within the agreed time is ensured.
- 15.4 Within the scope of its Services and without receiving any additional remuneration, Contractor shall take any and all measures which are required to achieve the purpose of the contract even if these measures are not expressly mentioned in the contractual documents. In particular, all parts which are required for the correct functioning of the Investment Goods are part of the Services to be rendered by Contractor even if Contractor and KAUTEX did not list in detail the respective parts in the contractual documents.
- 15.5 If the operation of the Investment Goods is subject to the holding of a permit or any other licenses or consents, Contractor shall procure such permit, licenses or consents on behalf of KAUTEX at its own cost.

16. Manufacturing Control

- 16.1 Upon reasonable prior notice and during normal business hours, KAUTEX is entitled to inspect Contractor's production site in order to inspect the progress of the manufacturing process of the Investment Goods and all documents necessary for this purpose.

Contractor shall procure that its sub-contractors also grant the same right of inspection to KAUTEX.

- 16.2 Notwithstanding clause 16.1, Contractor shall be entitled to deny KAUTEX access to documents that must be kept confidential by Contractor due to agreements with third parties.
- 16.3 An inspection pursuant to clause 16.1 shall neither be regarded as acceptance of the Investment Goods or the related Services or parts thereof by KAUTEX nor shall it relieve Contractor of its obligation to fulfill any express or implied condition under the contract.

17. Documentation

- 17.1 Unless otherwise provided for in the contract, Contractor shall submit to KAUTEX the following documentation relating to the Investment Goods, by no later than at the time of final acceptance pursuant to clause 21:
- (i) all technical documentation (*e.g.*, schematic diagrams, interface plans, technical datasheets etc.);
 - (ii) instruction manuals and installation instructions;
 - (iii) drawings;
 - (iv) maintenance and repair instructions;
 - (v) conformity declarations; and
 - (vi) list of spare parts.
- 17.2 The documentation must be prepared in English; it shall be submitted to KAUTEX in electronic and hard copy.
- 17.3 Any drawings, concepts or any other information and documents of KAUTEX (“**Documents**”), handed over by KAUTEX to Contractor shall remain the property of KAUTEX. Contractor shall have possession of such Documents in the capacity of a borrower and shall keep them separate and segregated from any other property of other parties and shall mark them as KAUTEX property. Contractor shall bear the risk for the Documents for as long as they are in the possession or under the control of Contractor. They shall not be removed from Contractor’s premises without the written instructions of KAUTEX, save for the purpose of fulfilling the terms of the contract. Contractor must

notify to KAUTEX any damage or interferences to such Documents without undue delay.

18. Pre-installation Tests at Contractor's Premises

- 18.1 Prior to delivery and installation of the Investment Goods, Contractor shall conduct preliminary tests of the Investment Goods to test their compliance with the agreed specifications for the Investment Goods (as identified in the order) ("**Pre-Installation Tests**"). Such Pre-Installation Tests shall take place at the premises of Contractor. For this purpose, the Investment Goods shall be set up by Contractor in full operational readiness and functional efficiency. Such tests shall be carried out by Contractor's staff at the Contractor's cost and expense.
- 18.2 Contractor shall inform KAUTEX in writing about the scheduled date for the Pre-Installation Tests approximately four (4) weeks in advance and shall agree on a date with KAUTEX and in any event, such Pre-Installation Tests shall take place in sufficient time to allow for final acceptance to be achieved in accordance with clause 21 prior to the agreed date for final acceptance as agreed between the Parties in an order.
- 18.3 Contractor shall make available free of charge the staff required for the Pre-Installation Tests as well as the tools, devices, measuring and testing equipment and auxiliary means required in this context. Contractor shall bear the costs for the procurement and subsequent disposal of any materials, auxiliary supplies and energy required for the Pre-Installation Tests.
- 18.4 KAUTEX is always entitled to attend the Pre-Installation Tests of the Investment Goods.
- 18.5 The Parties shall prepare a written preliminary acceptance protocol which records whether or to what extent the Pre-Installation Tests were successful and/or which defects of the Investment Goods were detected. Any recognized or detected defects shall immediately be remedied by Contractor at its own costs prior to any further Pre-Installation Tests are carried out.
- 18.6 Following a successful Pre-Installation Tests Contractor shall remove the Investment Goods, and pack them in accordance with clause 6 and deliver them to KAUTEX.

19. Installation at the Premises of KAUTEX

- 19.1 With regard to the installation of the Investment Goods the Contractor shall undertake the following:

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- (i) unloading of the complete Investment Goods at the Delivery Address;
- (ii) transportation of the complete Investment Goods at the Delivery Address to the place of installation;
- (iii) installation of the complete Investment Goods;
- (iv) full mechanical and electrical installation of the Investment Goods;
- (v) finishing of the Investment Goods;
- (vi) full start-up and test run until final acceptance of the Investment Goods;
- (vii) procurement and provision of all necessary scaffoldings, machines, tools and auxiliary free place of installation;
- (viii) disposal of all wastes resulting from installation;
- (ix) protection of the installation working areas against incidents such as accidents, damages, theft, etc.;
- (x) clean-up of the place of installation.

These Services are rendered at Contractor's risk and cost.

- 19.2 Prior to the commencement of installation, Contractor shall inspect the foundations and connections as well as all other factors which are important for a full and proper installation of the Investment Goods.
- 19.3 Contractor shall ensure that its employees and/or commissioned sub-contractors comply with KAUTEX's instructions in order to maintain order and safety at KAUTEX's premises.
- 19.4 Any installation activities shall be carried out by Contractor in compliance with all applicable statutory provisions (as may be amended from time to time) as well as the current applicable safety policies and guidelines of KAUTEX.
- 19.5 KAUTEX shall make available to Contractor for the installation of the Investment Goods, at the Contractor's request:
- (i) electricity;
 - (ii) water and compressed air,

if operationally available.

If and to the extent additional cables and connections are required for installation of the Investment Goods, Contractor shall install them at its risk and costs, maintain them and remove them after completion of the installation.

20. Start-Up

20.1 Following successful Pre-Installation Tests, delivery and installation of the Investment Goods at the Delivery Address, the start-up and a test run of the Investment Goods shall take place under series production conditions. Start-up shall take place in cooperation with Contractor's employees and KAUTEX's employees.

20.2 During the start-up and the test run Contractor shall instruct and/or train KAUTEX's operating and maintenance personnel with respect to the use, application, handling and maintenance of the Investment Goods. All costs incurred for start-up, test run and instruction/training shall be borne by Contractor.

20.3 Immediately upon successful start-up (which shall include a test run) Contractor shall submit to KAUTEX all documentation required for the final acceptance of the Investment Goods.

21. Final Acceptance

21.1 Following the successful start-up, instruction/training of the KAUTEX employees and the test run of the Investment Goods (in accordance with clause 20), the Parties shall conduct Final Acceptance Tests in order to determine whether the Investment Goods comply with their agreed specifications and any other acceptance criteria agreed between the Parties (as identified in the order) (together, "**Acceptance Criteria**"). Final Acceptance Tests shall take place in the presence of a KAUTEX employee and of a Contractor employee simultaneously attending Final Acceptance Tests.

21.2 If any Investment Goods fail to pass Final Acceptance Tests, KAUTEX shall provide a written notice to Contractor to this effect, giving details of the non-conformity. The Contractor shall remedy the non-conformity and shall notify KAUTEX when the Investment Goods are ready for further testing.

21.3 If KAUTEX is not satisfied that the Investment Goods comply with their Acceptance Criteria:

- (a) by date for final acceptance (as set out in an order) (or, if no such deadline is specified, the date which is sixty (60) days after the start of the initial Final Acceptance Tests under this clause 21); or
- (b) after two (2) or more attempts by Contractor at modifying the Investment Goods so that these are in compliance with their Acceptance Criteria,

then KAUTEX may, by written notice to the Contractor, elect at its option:
- (c) to fix (without prejudice to its other rights and remedies) a new date for carrying out further Acceptance Tests on the Investment Goods on the same terms and conditions (except that all reasonable costs which KAUTEX may incur as a result of carrying out such tests shall be reimbursed by Contractor). If the Investment Goods fails such further acceptance tests, KAUTEX shall be entitled to proceed under clause 21.3(d) or clause 21.3(e); or
- (d) to accept the Investment Goods subject to a reduction in the price paid by KAUTEX for the Investment Goods under the relevant contract, such reduction to be an amount that is reasonable, taking into account the circumstances; or
- (e) to reject the Investment Goods as not being in conformity with the contract, in which event KAUTEX shall be entitled to terminate the contract in whole or in part (without prejudice to the KAUTEX's other rights and remedies) and receive from Contractor a refund of all sums already paid to Contractor under the applicable contract.

21.4 Final acceptance of the Investment Goods shall be deemed to have occurred upon the signing by KAUTEX of a final acceptance protocol which contains all data concerning the time and place of Final Acceptance Tests, any detected defects/non-conformities (where KAUTEX is accepting the Investment Goods pursuant to clause 21.3 (d)) and any other remarks.

21.5 The Parties acknowledge that there shall be no acceptance concerning only single parts/components of the Investment Goods.

21.6 Upon final acceptance the risk for the respective Investment Good shall pass to KAUTEX and the warranty period starts.

22. Spare Parts

Contractor warrants the supply of original spare parts for a period of ten (10) years from the date of acceptance of the Investment Goods.

23. Insurance

23.1 Without prejudice to the provisions in clauses 10, Contractor shall maintain at all times from the effective date of the contract, the following insurance with a respectable insurance company to cover potential liabilities which Contractor may have to KAUTEX under the Contract:

- (i) public liability insurance in respect of loss or damage to tangible property; and
- (ii) product liability and professional indemnity insurance.

23.2 Contractor shall not intentionally, recklessly or negligently do anything which would invalidate or otherwise void any insurance policy maintained pursuant to this clause 23.

23.3 If requested by KAUTEX at any time to do so, Contractor will produce a certificate from its insurance brokers that the insurance is in force and that the current premiums have been paid. In the event that at the time of request Contractor is unable to produce such a certificate, Contractor shall inform KAUTEX and shall have a period of ten (10) business days to take the necessary steps to acquire and produce such certificate to KAUTEX. If Contractor does not do so within that period, KAUTEX may elect upon five (5) business days' notice to Contractor to pay such policy on behalf of Contractor, upon which Contractor shall promptly reimburse KAUTEX any and all premiums that have been paid and any other related costs in arranging and maintaining such insurance.

24. Intellectual Property Rights

24.1 Contractor represents, warrants and undertakes that the purchase, ownership, offering, use, processing or resale of the Investment Goods by KAUTEX will not infringe any: (i) patents, inventions, designs, copyright and related rights, database rights, trade marks and related goodwill, trade names (whether registered or unregistered), and rights to apply for registration; (ii) proprietary rights in domain names; (iii) know-how and confidential information; (iv) applications, extensions and renewals in relation to any of these rights; and (v) all other rights of a similar nature or having an equivalent effect anywhere in the world ("Intellectual Property Rights") of any person in Contractor's country of origin and in the United Kingdom the member states of the European Union (at the time of entering into the contract), the United States of America, Canada, Puerto Rico, China and India, Japan.

- 24.2 Contractor will indemnify and keep indemnified KAUTEX against any loss, damage, liability, charge, expense, outgoing or cost (including all legal and other professional costs on a full indemnity basis) of any nature or kind suffered or incurred in connection with any claim or allegation that the purchase, ownership, offering, use, processing or resale of the Investment Goods infringes the Intellectual Property Rights of any third party.
- 24.3 Clauses 24.1 and 24.2 shall not apply to the extent that the Investment Goods are produced in accordance with drawings, models or other detailed information supplied by KAUTEX and Contractor is neither aware nor should it have been aware that Intellectual Property Rights of third parties are being infringed thereby.
- 24.4 If a claim is made against KAUTEX or its Affiliates by a third party that KAUTEX's purchase, ownership, offering, use, processing or resale of the Investment Goods will infringe such third party's Intellectual Property Rights (an "IPR Claim"), the following procedures apply:
- (i) KAUTEX must give Contractor prompt written notice of the IPR Claim; and
 - (ii) KAUTEX must provide Contractor with such assistance as it reasonably requests in conducting the defense of the IPR Claim (at Contractor's expense).
- 24.5 Failure by KAUTEX to comply with the procedures in clause 24.4 does not relieve Contractor of any obligation to indemnify KAUTEX and its Affiliates under this agreement in respect of any IPR Claim, but will represent a separate breach of this agreement.
- 24.6 If KAUTEX elects to have Contractor take control of court or similar proceedings relating to the IPR claim, Contractor must:
- (i) conduct the defense of any proceedings relating to the IPR Claim diligently using competent counsel and in such a way as not to bring the reputation of KAUTEX or its Affiliates into disrepute;
 - (ii) consult with KAUTEX and keep KAUTEX informed of all material matters;
 - (iii) obtain KAUTEX's prior approval before any settlement is made in respect of the IPR Claim; and
 - (iv) comply at all times with any reasonable directions given by KAUTEX.

25. Termination

- 25.1 Without affecting any other right or remedy available to it, KAUTEX may terminate a contract on giving not less than 1 months' written notice to Contractor.
- 25.2 Each Party has the right to terminate a contract for good cause without notice. Good cause shall include, but is not limited to, the following cases where the other Party:
- (i) becomes unable to pay its debts (within the meaning of section 123 of the Insolvency Act 1986), admits its inability to pay debts or becomes insolvent;
 - (ii) has a petition presented, an order made or a resolution passed for against it for its liquidation (otherwise than for the purposes of a solvent amalgamation or reconstruction), administration, bankruptcy or dissolution;
 - (iii) has an administrative or other receiver, manager, trustee, liquidator, administrator or similar person or officer appointed to it and/or over all or any part of its assets;
 - (iv) enters into or proposes any composition or arrangement concerning its debts with its creditors (or any class of its creditors) generally;
 - (v) suffers any equivalent event or circumstance stated in (i) to (iv), inclusive, in any applicable jurisdiction;
 - (vi) is in breach of material contractual duties; in the event of a breach which can be remedied, however, not until the Party not being at fault has demanded in writing that the other Party remedies the breach, warned it of the threatened termination for cause and given it a reasonable period of grace of at least four (4) weeks which has expired to no effect;
 - (vii) is subject to a Change of Control to a competitor of the terminating Party (and "Change of Control" means either (1) the majority of shares carrying a right to vote in an entity are acquired by a person who is not a majority shareholder as at the date of the relevant contract; or (2) there is a change in the ownership of the legal power to direct, or determine the direction of, the general management and policies of that entity).
- 25.3 In case of a cancellation or other termination of the contract, Contractor must return all documents, drawings and information provided by KAUTEX.
- 25.4 Any provision of this contract that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this contract shall remain in full force and effect.

25.5 Termination or expiry of this contract shall not affect any rights, remedies, obligations or liabilities of the Parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination or expiry.