cellcentric GmbH & Co. KG

Special Terms

Version 1.3, June 2021

cellcentric Special Terms 2021

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I. Preamble

A. Definition

The cellcentric Special Terms, hereinafter referred to as “cST”, are provisions regulating the flow of information and smooth operation of processes between cellcentric GmbH & Co. KG, Kirchheim/Teck, or between one of its affiliated companies (§15 of the German Stock Corporation Act (AktG)), hereinafter referred to as “cellcentric”, and its suppliers (hereinafter referred to as “Partner”).

cellcentric produces products, systems and aggregates (hereinafter referred to as "Products") that are used in the stationary environment or in the vehicle environment. Parts (also CB parts), material or software from suppliers are hereinafter referred to as "parts".

The cST shall become part of the contract in addition to the cellcentric terms and conditions of purchase and shall be mentioned separately in the purchase contract in addition to the other agreements.

B. Publication

The latest version of the cST shall be published centrally on the Supplier Portal of cellcentric (cf. Appendix IT systems and applicable documents) before the start of the final negotiations. In case of serious legal or operational changes/innovations, it may be necessary to change individual cSTs. The Partners will be informed accordingly by cellcentric. Internal duplication is permitted and required for individual departments within the supplier companies.

C. Communication

Communication between cellcentric and the Partner will take place in German or English unless otherwise agreed. The Partner is obliged to protect data/information and access to cellcentric' systems in accordance with the current best practice in technology standards.

If systems for data transmission are provided by cellcentric (cf. Appendix IT systems and applicable documents), the Partner is obligated to use them. If the Partner does not use the provided IT systems, cellcentric may charge the Partner for the associated additional expenses.

D. Validity of the German Version

The cST are published in both German and English. In the event of discrepancies, only the German version is binding.

II. Purchasing

A. Tools for Series Production Parts and Spare Parts Delivery

1. General

Tools under the terms of this MBST are original, forming and separating tools (except forging tools) in accordance with the definitions of DIN 8580/8582/8588. No other production equipment is to be regarded as tools.

All regulations of this cST are applied accordingly to tools at the premises of sub-suppliers or other third parties. The Partner is obligated to ensure that its sub-suppliers or third parties, at whose premises the tools are located, behave in accordance with this cST and grant cellcentric the rights formulated in this cST. This particularly applies to the identification of the tools as the property of cellcentric. Regardless of ownership, the Partner must treat all tools and other production equipment with the degree of care necessary to ensure appropriate supply to cellcentric.

In terms of tools, a distinction must be made between tools, which are or become the property of cellcentric (cellcentric-owned tools) and tools, which are not or do not become the property of cellcentric (non-cellcentric-owned tools).

cellcentric is entitled to check adherence to this cST at the Partner's premises during its applicable hours of work and following prior coordination. The Partner will support cellcentric accordingly and will, in particular, keep the documents pertaining to the tools ready for inspection.

2. cellcentric-owned tools

The following provisions regulate the rights and obligations of the Partner and cellcentric regarding the Partner's use of tools, which are the property of cellcentric.

2.1 Transfer of tools

The Partner is authorised and obligated to use the tools within the scope of the supply contract concluded with cellcentric concerning the part to be manufactured with the tools.

The Partner is not allowed to use cellcentric-owned tools in any other way, especially the production of parts for the supply of third parties, the transfer of tools to third parties or the granting or enabling of tool use by third parties without cellcentric's prior written consent.

2.2 Servicing and tool maintenance

The Partner is responsible for ensuring the defect-free functional capability of the tools during their use in the contractual undertaking to supply cellcentric. The Partner must ensure constant, defect-free functional readiness of the tools for the purpose of defect-free delivery to cellcentric through continuous maintenance and repairs at its own expense. The maintenance and repairs shall, in particular, encompass all expenditures required to preserve the operating condition and the alleviation of all defects and damage, as well as those arising from modifications and deterioration attributable to the use of the tools (if a yield volume has been agreed, this applies only to the agreed yield volume). In return, cellcentric makes the tools available to the Partner free of charge.

2.3 Tool changes

In the event that modifications to the tools are required due to changes in cellcentric's technical specifications, the Partner must first provide cellcentric with a written offer for modification of the tools with the least possible expenditure.

The Partner may only carry out the tool change after cellcentric has commissioned the Partner in writing. Any expenditure in excess of the specifications shall not be remunerated by cellcentric.

2.4 Identification and stock taking

The Partner shall clearly and permanently identify cellcentric-owned tools as cellcentric property. During the year-end stock-take, the Partner shall transfer the necessary information on the tools in its possession to cellcentric. Changes of tool usage sites require prior written approval by cellcentric. "In writing" or "written form" in the sense of this cST also includes - unless otherwise agreed - transmission by fax, email and via an electronic system.

If the property of cellcentric is endangered by enforcement measures, especially by seizure, confiscation or insolvency proceedings, the Partner has to inform cellcentric immediately. In any case, the enforcement agency must be informed of cellcentric's right of ownership without undue delay. At the same time, the Partner will forward copies of the enforcement documents to cellcentric.

2.5 Liability

The Partner bears liability for all tool defects, damages, changes or deterioration to or of the tool (if an output quantity has been agreed, the liability shall apply to the agreed yield volume).

The Partner is not held liable if these tool defects, damage, changes or deterioration are attributable to force majeure.

The Partner shall ensure that no personal injury or property damage is caused by the tools and shall indemnify cellcentric from and against such damage claims.

2.6 Duty of return

At the end of delivery, the Partner shall return the tools to cellcentric in the condition existing after proper fulfilment of the Partner's duties arising from this cST. All liens and rights of retention of the Partner in respect of the tools are excluded.

3. Non-cellcentric-owned tools

Insofar as cellcentric is not the owner of the tools, cellcentric shall obtain ownership of the tools and subsequent tools by way of security in order to ensure delivery.

cellcentric may demand the surrender of tools only in the event of a delivery interruption. In this case, cellcentric is additionally entitled to reimburse the percentage of the tools' unamortized cost to the Partner. In this case, cellcentric obtains unlimited ownership of the tools upon reimbursement of the costs.

The Partner's entitlement to scrap tools which it uses or has used to manufacture parts for cellcentric requires prior written approval by cellcentric. If cellcentric does not approve scrapping, mutual regulation of the costs must be agreed.

4. Handling of jigs, fixtures and gauges

In terms of jigs (always including test equipment), fixtures and gauges, cellcentric shall obtain ownership by way of security of all jigs, fixtures and gauges as well as all subsequent jigs, fixtures and gauges in order to secure delivery. cellcentric shall only be entitled to demand the return of the jigs, fixtures and gauges in the event of an interruption of the delivery. In this case, cellcentric is additionally entitled to reimburse the percentage of the jig, fixture and gauge costs which has not yet been amortized to the Partner. Upon reimbursement of the costs, cellcentric obtains ownership of the jigs, fixtures and gauges.

B. Supply of Spare Parts for cellcentric Products

1. Definition of spare parts

Spare parts are required to meet replacement needs when parts of the product are replaced. This also include parts delivered in a condition deviating from the series in respect to labelling or packaging. Such deviations are specially noted.

For products, the particular spare parts are mutually specified by cellcentric and the Partner.

2. Parallel sales

If cellcentric develops the product itself or cellcentric has paid the Partner for development, or the product is manufactured on tools which are the property of cellcentric, the Partner is obligated to supply spare parts only to cellcentric. cellcentric shall charge the Partner for damages amounting to 10% of the cellcentric gross list price per part in each case of culpable violation. In the event of a violation of the obligation arising from sentence 1 of this section 2, the Partner is additionally obligated to notify cellcentric about the quantity of the parts delivered in parallel and the commercial customers. To check the quantity, a suitable measurement device shall be attached to the tool. cellcentric is entitled to have the notification checked by a certified accountant appointed by cellcentric at Partner's cost.

The same applies if the Partner delivers parts labelled with a cellcentric brand or the cellcentric part number to third parties. If the brand is used unlawfully and the Partner is at fault, an additional penalty of 5% of the cellcentric gross list price shall be paid per part.

In order to avoid damaging the image of the cellcentric brands, the Partner is furthermore not permitted to sell parts in parallel on which the cellcentric brand has visibly been rubbed out, scratched off or otherwise removed by an external influence. Furthermore, the covering of cellcentric brands or part numbers with stickers or paint is not permitted.

The above contractual obligations shall not affect possible other statutory rights and claims of cellcentric. This shall apply in particular with regard to statutory claims based on the infringement of intellectual property rights.

3. Brands

The Partner is obligated to label the spare part in accordance with the labelling regulations. As a general rule, a cellcentric trademark must be affixed to all parts. The marking of parts shall be carried out in accordance with the cellcentric requirements valid at the time of awarding

with regard to goods marking and identification features. This includes all visible labels (stamped, shaped, lasered, etc.) as well as all affixed adhesive labels. A manufacturer's trademark may be affixed if desired, whereby the manufacturer's trademark may not be larger than the cellcentric trademark. Further other manufacturer‘s information, in particular the part number of the manufacturer, is not permitted. Questions must be clarified with the After-Sales Product Management, any possible deviations of the labelling (e.g. for reason of technical necessities) require cellcentric's prior written approval.

4. Supply period and purchase right

The Partner undertakes to supply cellcentric with spare parts for the product for a period of at least 15 years after the discontinuation of series production. Delivery shall be made at the request of cellcentric.

Parts-specific production equipment of the series or part may only be scrapped after cellcentric's written consent regardless of ownership status.

5. Pricing

For spare parts delivered during the series delivery period, the series price current during the series lifetime generally applies.

In the case of parts for systems/assemblies, the price of the spare part is determined by break-down, deducting assembly cost from the price.

In the case of parts for systems and/or assemblies or spare component parts for series assemblies, the price of the spare part is determined by breakdown or cost orientation during the series lifetime. The price for series components determined thus is also the applicable spare part price. This price constitutes the maximum price for the spare component part, apart from any necessary packaging expenses or not-incurring assembly costs. The price of spare component parts is even then agreed on this basis if the component was not created as a separate part number before series start-up.

6. Documentation of spare parts

The cost of preparing spare parts documentation (including single-part drawings) and maintenance of all modification statuses, forms part of the price of the overall delivery.

The scope of the documentation (drawings, 3D data records, parts list etc.) and the deadline for its completion will be agreed between cellcentric (spare parts) and the Partner.

C. Start-up Costs and Additional Material Costs

1. General principles

cellcentric distinguishes between plannable start-up costs (cf. section 2) and non-plannable start-up costs (additional material costs, cf. section 3).

At the request of the Partner, cellcentric states the necessary project information on the project-specific start-up process (non-binding, estimated requirements from the point in time when parts are produced using series production tools up to the achievement of full capacity, etc.) already in the tender documents under commercial contents and deadlines to the Partner as the basis.

2. Plannable start-up costs

Between the point in time when parts are produced using series production tools and full capacity, higher costs may arise in the Partner's production process than after the achievement of full capacity. These costs can be calculated at an early stage and as part of the tender on the basis of the specified start-up unit numbers and deadlines (plannable start-up costs).

These plannable start-up costs can be, among others:

Production: Set-up and idle capacity costs, assembly and testing expenses, rejects, supplements for smaller quantities, parts labelling - E-status and Q-status.

Logistics: Transportation, storage, container, handling and repackaging costs as well as special
orders with a process deviating from that of the delivery call-off.

Sampling: Deliveries for design stage workshops, process acceptance tests, production process and product approval procedure

The samples to be supplied by the Partner for the production process and product approval procedure (PPF) in accordance with cST III E form part of the plannable start-up costs and must therefore be supplied free of charge. The defined number of initial samples or a special agreement with the buyer serves the Partner as the calculation basis.

Sample parts to be supplied following a design change must be taken into consideration in the change tender.

As a rule, the plannable start-up costs listed above are covered by the series price.

If there are justifiable individual cases in which the plannable start-up costs are not covered by the series production price, the Partner shall specify any such additional costs in detail at the time it submits its tender. Start-up costs specified once the order has been placed cannot be considered. Plannable start-up costs up to product gate “start of production” (SOP) are only paid to the Partner if this is approved by cellcentric.

The Partner will ensure that deliveries as of the point in time when parts are produced using series production tools (cf. “extract of the programm masterplan for suppliers (PMP)”) are manufactured with the series tool(s) and sample inspection with the result part green/process yellow according to the production process - and product approval planning is completed (design stage in accordance with cellcentric documentation system).

3. Non-plannable start-up costs – additional material costs (MMK)

If further changes arising from design changes or from significant changes to cellcentric's non-binding requirement estimates are necessary for deliveries as of the point in time when parts are produced using series production tools and if the Partner is not responsible for this, these start-up costs, which are not plannable when the tender is submitted, may be separately remunerated by cellcentric within an appropriate framework.

To this end, the Partner names and justifies the non-plannable scopes.

Additional material costs can, among other things, be caused by:

- Additional staff costs incurred by the Partner
- Reworking costs
- Special carriage costs
- Scrapping costs

MMKs are only paid to the Partner up to full capacity subject to approval by cellcentric.

4. Series production price

The series price becomes valid for Partner's deliveries latest as of the point in time when parts are produced using series production tools. This applies regardless of the purpose and place

of delivery. With the series prices (total prices) valid at this point in time, all costs (e.g. set-up, measurement, packaging, shipping, handling) are covered up to and including delivery to the places of delivery defined by cellcentric. Any incurring plannable start-up costs must be considered in the series price.

The corresponding deadlines can be found in the document “Excerpt from the Process Master Plan for Suppliers”.

5. Allocation of OTP (One Time Programmable) and/or flash parts

5.1 as series solution: Calculation into the series price

If, within the framework of target price definition and assignment, a OTP and/or Flash-solution is agreed as the series solution, the Partner must calculate it into the series price.

5.2 OTP and/or flash-parts used as an intermediate solution: Plannable start-up costs

If within the assignment an OTP and/or Flash-solution as an intermediate solution is agreed, the Partner must report the price variance until the point in time when parts are produced using series production tools as plannable start-up costs.

5.3 OTP and/or flash-parts used as an intermediate solution: Non-plannable start-up costs

If within the assignment an OTP and/or Flash-solution as an intermediate solution is agreed, the Partner must report the price variance until the point in time when parts are produced using series production tools until the provision of parts for PPR1 or PT1 as non-plannable start-up costs, that means as additional material costs (MMK).

These must be treated like the aforementioned additional material costs (MMK) requiring approval.

III. Quality

A. Basic Requirements

1. Selection and application of the QM system

In order to ensure flawless and constant product quality, the Partner shall establish a quality management, henceforth referred to as “QM”.

The QM system must be set up in accordance with the currently valid version of IATF 16949 (including any successor regulations of IATF 16949). Exceptions must be approved in writing by the responsible cellcentric quality department.

Verification must be supplied in the form of certification via an IATF (International Automotive Task Force) recognized certification agency. It is necessary to comply with the regulations of IATF 16949 in case of an absence of a certification according to IATF 16949 and the application of these regulations requires a separate approval by cellcentric.

The Partner will set up its QM system in such a way that its suppliers and their sub-suppliers will also be required to comply with the requirements of this cST.

2. Legal and regulatory requirements

The Partner is obliged to meet all legal or regulatory requirements and to take the necessary measures for acquiring and maintaining the necessary product-related and/or location-related certifications in good time (e.g. application of auditing of production sites and/or technical tests of parts). The aforementioned requirements are dependent on the market or the markets, for which the deliveries are destined.

The Partner must ensure independently and on his own responsibility, that the related documents (certificates, type approvals etc.) are up to date and valid. The Partner must transfer these documents to cellcentric on time via the system "Certificates" provided by cellcentric (cf. Appendix IT systems and applicable documents) without the need of a request by cellcentric.

The Partner must ensure delivery of parts, which meet all legal or regulatory requirements, over the whole life cycle, i.e. even after the end-of-production (EoP) of the fuel cell system during the period of spare parts supply - until revoked (incl. recertification).

Upon becoming aware of any change of the production process and/or of the company name and/or of the address of a production site, also with regard to sub-suppliers, that may have any effect on the validity of the certifications (e.g. relocating production facilities, tools or entire production sites, a change of address, decommissioning of production sites, end-of-life inventories at suppliers or name changes), the Partner must immediately notify cellcentric of said change.

3. Requirements for suppliers of software

3.1 Information security management

Suppliers of software as a product or part of a product have to comply with the requirements according to DIN EN ISO/IEC 27001, SAE J 3061, ISO/SAE DIS 21434 as well as the applicable legal requirements in the respective valid version. The detailed requirements are specified by cellcentric.

In individual cases, a cybersecurity management system (CSMS) and/or a software update management system (SUMS) may also be required. Upon cellcentric's request, the Partner has to prove the result protocol of the respective management system. cellcentric reserves the right to audit the development process as well as the management system of the Partner.

The requirements from the other cST remain unaffected.

3.2 ISO/IEC 330xx / Automotive Spice

The maturity level evaluation of the software development process must be verified by the Partner through an assessment in accordance with ISO/IEC 330xx or Automotive SPICE®. At the request of cellcentric, the Partner must provide a results protocol of the assessment according to Automotive SPICE® in the current version in accordance with ISO/IEC 330xx.

The Partner must verify at least one continuous process evaluation with Level 1 in all processes of the VDA scope in a comparable project along with a result protocol, according to Automotive SPICE® during the tendering phase, without being requested. The underlying assessment must not be older than 12 months.

The Partner must verify a continuous process evaluation with Level 1 in all processes of the VDA scope by means of Automotive SPICE® Assessment according to ISO/IEC 330xx in the specified project, at the latest 9 months after awarding.

The Partner must verify a continuous process evaluation with Level 2 in all processes of the VDA scope by means of Automotive SPICE® Assessment according to ISO/IEC 330xx in the specified project, at the latest 18 months after awarding.

Prerequisite for the participation in a tendering procedure for subsequent projects is to verify a continuous process evaluation with Level 3 in all processes of the VDA scope by means of Automotive SPICE® Assessment according to ISO/IEC 330xx. With regard to services the Partner must verify a continuous SPICE Level 3 to ensure the supply from the Start of Production (SoP).

The execution and scope of the assessment and qualification of the assessors must meet the requirements of the ISO/IEC 330xx and the VDA Blue Gold Volume (Blau-Gold-Band) Automotive SPICE® guideline in the current version.

ISO/IEC 330xx compliant audits can be conducted by independent assessors of the Partner with valid intacs certification or by an external company recognized by cellcentric. Assessment results shall be recognized by cellcentric only if they have been carried out and documented in accordance with the cellcentric Assessment Guideline Automotive SPICE®. cellcentric has the right to carry out an assessment itself according to ISO/IEC 330xx or Automotive SPICE®.

In the event of significant deviations from these requirements, the assessment will not be recognized by cellcentric. In this case, a reassessment shall be carried out by an independent third party who did not take part in the original, invalid assessment. The costs of this reassessment must be borne by the Partner. cellcentric has the right to carry out such a reassessment itself according to ISO/IEC 330xx or Automotive SPICE®. On request, cellcentric must be informed by the Partner of measuring variables (the so-called metrics) in the software development process (e.g. number of errors per lines of code, error distribution over development phases, efficiency measurement in various phases of software development, test coverage such as C1 or equivalent measuring variables). The Partner must define these metrics analogous to the current MIS RA Guidelines and the VDA metrics and coordinate them with cellcentric.

4. Auditing

cellcentric is entitled to audit and evaluate the Partner's QM system and quality assurance measures or to have these audited and evaluated by a third party commissioned by cellcentric. This can take place as part of a review (e.g. process audits according to VDA Vol. 6.3) after prior notification. As part of its deliveries, the Partner must also enable the auditing of its

suppliers and their sub-suppliers by cellcentric or a third party commissioned by cellcentric. The Partner consents to assist cellcentric in identifying weaknesses in the sub-supplier structure. Optimisation of identified weak points is the responsibility of the Partner. cellcentric can stipulate quality assurance measures.

5. Scientific and technical state-of-the-art

According to the requirements of the Product Liability Act, the Partner shall ensure that its deliveries and services correspond to the scientific and technical state-of-the-art.

6. Documentation and retention periods

The documentation and retention periods are based on VDA Vol. 1.

B. Quality Planning

1. Dealing with customer requirements

The Partner must record, understand, check and implement the customer requirements.

As part of the tender submission, the Partner must submit a producibility analysis in which deficiencies and risks as well as potential for improvement are identified.

Changes must be evaluated by the Partner in terms of content and monetary value and may only be implemented after they have been approved in writing by the customer.

2. Zero-defect target

The Partner undertakes to deliver only parts that comply with the respective valid specification (zero-defect target). The Partner proves the faultless product realisation. The Partner documents its quality assurance measures with proof of quality assurance.

The Partner informs cellcentric immediately as soon as violations of the zero-defect obligation are foreseeable.

The customer may specify verification methods to ensure the quality of the products.

3. Preventive series preparation

The Partner carries out process planning (work plans, inspection plans, operating resources, tools, machines etc.), actively supports preventive series preparation by means of a

cooperation model specified by cellcentric, e.g. according to the VDA standard "maturity level assurance" (VDA-RGA) and provides the necessary resources for this purpose.

4. Failure Mode and Effects Analysis (FMEA)

The Partner shall create and maintain a Design and Process FMEA for the component which is to be developed and/or supplied in a timely manner using a suitable software. The procedure thereby must comply with the AIAG/VDA FMEA manual for Design FMEA, Process FMEA, FMEA amendment to the Monitoring & System Response . The Partner is solely responsible for his FMEA scope.

The interfaces of the FMEA shall be coordinated with the responsible cellcentric department prior to the creation of the FMEA. If necessary, the assessment of the error severity level of the defect consequences (Meaning “B”) must be agreed upon between the Partner and the cellcentric department. If the Partner evaluates a defect with defect severity level 9 or 10 in his FMEA, he must inform his customer immediately.

If the part to be developed and/or delivered contains software scopes, the system architecture and structure shall preferably be presented in a function-oriented manner. The structure can be derived from a function analysis that describes the interactions between a system's functions and sub-functions. The key software functions shall be analysed analogous to hardware functions and must be taken into account the system architecture and structure.

The documentation of the method and the evidence of the execution of the FMEA incl. documents shall be provided to cellcentric for inspection upon request.

All documents associated with this procedure must be stored by the Partner in accordance with VDA Volume 1.

5. Requalification

The Partner is obliged to check annually whether its deliveries meet cellcentric's specifications (including dimensions, material, reliability, legal specifications, environmental and production control plan) (requalification). The Partner evaluates, documents and archives the results. These must be made available to cellcentric on request. Any deviation from this section must be agreed in writing between the Partner and cellcentric.

The Partner is obligated to confirm the performance and the result of the requalification of safety and certification-relevant features to the customer in writing.

C. Special Features and Safety Management

1. Principles

Quality, safety and environmental protection are cellcentric's core values and form the basis for all business practices, including the cooperation between cellcentric and our Partners.

The Partner's contribution to safety lies in the development of innovative solutions, the implementation of safety features and the production of fully compliant products. cellcentric's safety management programme focuses on the Partner's management systems and the safety quality of the products.

Safety management applies to a part, function or feature when non-conformity may result in a hazard to life and health in relation to the product.

If, in the case of a product defect, it is not possible to exclude risk to life or health during use of the product, the Partner must do everything within its power to exclude the possibility of defective deliveries.

Parts with safety-relevant features are also referred to as safety-relevant parts or safety-relevant products.

The Partner must comply with the VDI Guideline 2862 for the safety-relevant fastening systems.

2. Determination of the special features

If the Partner is (jointly) responsible for the development of the supplied products and/or services, the Partner must assess the special features (e.g. relevant to safety, certification, function and process) of said products and/or services supplied and note the results of such assessments on all technical documentation, drawings and other documentary material. The Partner is additionally obligated to use cellcentric designations in its technical documents, drawings and other documentation, which are made available to cellcentric. This designation must be continued in an adequate manner in all further documentation.

Machine and process capability is examined and evaluated on the basis of VDA Volume 4, Quality Assurance in the Process Landscape.

3. Stability of the manufacturing processes

The Partner must ensure and document production process stability over the entire production period by means of suitable process regulation. If capabilities are not met, a 100% test of the product and process features must be carried out.

If a product feature cannot be demonstrated with process capability figures, e.g. for specific processes (e.g. welding, heat treatment, casting), proof must be provided by way of secondary features and/or a 100% test must be employed.

In such cases cellcentric can demand that the Partner apply other suitable methods of providing evidence for process security specific to components in series production.

In deviation from the industrial standard, the following requirements apply to the measurable safety and certification-relevant features specified in the specification documents (e.g. drawings, CAD data records):

- Process performance index/machine performance index Ppk/Pmk ≥ 2.0
- Stable processes - process capability Cpk ≥ 1.67

For products with safety-relevant characteristics the following applies: The capability of the process must be determined and documented statistically on an ongoing basis. In addition, a Ppk analysis must be carried out every 6 months.

No deviations are permitted with regard to safety-relevant features!

4. Labelling

cellcentric specifications for the designation are:

DS or SR: Documentation of relevance to safety

Safety-relevant components or systems are those the defectiveness or failure of which may lead to an imminent danger to the life and health of road users, maintenance personnel, operators, passers-by or other third parties.

DZ or CR: Documentation of relevance to certification

Components or systems whose data, verifications or construction permits are used in certificates or country-specific registration documents or which are checked on type approval are certification-relevant.

The labelling of parts must ensure identification, traceability and failure analysis. The Partner is obliged to implement the measures to be derived from the designation in current production and to store the related verification.

5. Shop floor measures for safety-relevant products

- Identification of operations that have a direct or indirect influence on a safety feature
- Clear signs or placards defining the characteristic and possible consequences of non-compliance
- Proof of training status and authorisations for all operators working at workplaces with relevance to safety
- Rework of EE components is not permitted (except with cellcentric's approval for remanufacturing)

6. Traceability

It must be possible to trace the history of the part back to the raw material supplier. This includes, for example, rework, special features, test documents, process parameters, machine settings, maintenance information on machines, test equipment, measuring equipment and the qualifications of employees.

For the purpose of traceability, the Partner, at the request of cellcentric, shall identify the components with a unique serial number and/or a QR code, the structure of which will be defined by cellcentric.

D. Requirements for Production

1. Identification of parts

The marking of parts in the development phase (first prototypes up to sampling) is based on the specifications of the developer responsible for the component.

The marking of parts delivered in the course of the PPA process up to the last production test (PRO 3) is based on the specifications of this cST (cf. Chapter III E 3).

The marking of parts from the last production test (PRO 3) onwards is based on the corresponding cellcentric specification (cf. Appendix IT systems and applicable documents).

2. Product-accompanying tests and test process suitability

The Partner carries out product-accompanying tests on the basis of VDA Vol. 4, with which he evaluates the machine and process capability. If the process capability is not met, the Partner carries out a 100% check of the affected characteristics and informs the customer of this immediately.

The measurement systems and processes used must be adequately and comprehensively assessed. Influencing factors such as the calibration uncertainty of the standards and their traceability to national and international standards as well as the long-term measurement stability of the measurement process must be taken into account. The partner leads on the basis of the VDA vol. 5 Test process suitability an evaluation of the measurement systems used as well as measurement and test processes.

3. Supply of parts over the entire product life cycle

The Partner must ensure delivery of parts, which meet all legal and regulatory requirements, over the whole life cycle, i.e. even after the end-of-production (EoP) of the final product during the period of spare parts supply - until revoked (incl. recertification).

4. Relocation of production in the start-up phase

No production relocation is allowed during the start-up phase (first 6 months from SoP).

5. Quality assurance certificates

The Partner documents the faultlessness of the product realisation by means of quality assurance certificates. These are to be presented to cellcentric upon request.

The retention periods shall be based on VDA Volume 1.

E. PPA Process

1. Preamble

The Partner shall carry out a PPA Process for series delivery release. Unless otherwise specified in the following, the requirements made on this process are based on the current issue of VDA Volume 2. In individual cases, another procedure can be agreed upon for the PPA Process with the corresponding cellcentric contact person.

For the execution of the PPA process, cellcentric provides the Partner with a "PPF system" (cf. annex IT systems and applicable documents). The Partner shall store all information and documents required for the PPA procedure in the system and shall receive the final test report exclusively via the system. This test report contains a legally binding statement on the series delivery release. Without series delivery release, the supplier may not make deliveries for series production even in the case of a delivery call-off. In such a case, the Partner shall immediately inform the logistics and quality contact persons responsible for the component.

2. Scope of Application

In addition to the scope specified in VDA Volume 2, the PPA Process shall also be carried out for software and standard parts unless otherwise agreed (the respective applicable version of VDA material specification 235-204 shall be taken into consideration for high-strength fasteners for the automotive industry).

If delivery conditions are described through several part numbers, the corresponding processes and generated and/or amended product features of the delivery condition shall be described in sampling in addition to the component features.

3. Identification of Parts

Starting with the initial sampling as part of the PPA process, the samples shall be identified with a white sticker specifying the quality status according to the part quality history (Qxx) at least until completion of the final cellcentric production test/ try out.

Parts that have not been sampled shall be identified specifying the state of development (Exx) according to the part quality history.

Parts for advanced tests (staged sampling), which have not yet been produced completely under series conditions, shall be submitted as “Other samples” in consultation with the respective cellcentric contact person for the PPA Process. No series delivery release shall be

issued for “Other samples”. Unless otherwise agreed, a red sticker specifying the state of development (Exx) shall be used for this.

Separate labelling of parts for sampling and parts for production tests can be demanded by the respective cellcentric contact person for the PPA Process.

Sample parts must be clearly numbered and assignable to the test results.

4. Notification obligation and triggers

All modifications in the production process and product must be notified by the Partner to the respective cellcentric contact person for the PPA Process. Unless otherwise agreed, the Partner must proceed according to the following table.

Trigger	cellcentric specialist department for the PPA Process	cellcentric operative procurement	cellcentric logistics
New parts	D		
Product modification* (approved by Development)	D	A	
Production relocation	D	A	A
Production process modification**	D		A
Test process modification	A		
Production stoppage for more than 12 months	D		
Use of new, modified or replacement tools (not applicable to metal cutting tools)	D	A	
Change in 2nd-tier suppliers (cellcentric 2nd-tier). In the case of parts with special characteristics (DS, DZ), the above obligation exists up to the supplier responsible for the characteristic.	D	A	
Change in 2nd-tier supplier locations (cellcentric 2nd-tier) for deliveries with DS/DZ features.	D	A	
Change in 2nd-tier supplier locations (cellcentric 2nd-tier).	A	A	
Modifications in the Partner's purchased parts/primary material/stock	D		
No unconditional series delivery release	D		
Failed requalification	D		

Table 1: PPA process trigger

* Also includes modifications of material

** Also includes modifications to the logistical value chain

D = Execution of the PPA process by the Partner

A = Obligation of disclosure in written form by the Partner to the cellcentric specialist department. Implementation and scope of the PPA process is decided by the cellcentric specialist department.

5. Substances subject to declaration and substance bans

Within the scope of sampling of new parts and in the case of modification sampling for automotive applications, the Partner is obliged to enter material data sheets in the International Material Data System (IMDS). The ID no. for the IMDS data record must be indicated in the cover sheet of the PPF report. The Partner shall comply with the regulations of this cST, in particular with regard to the confirmation of and compliance with substance bans.

For non-automotive applications, the REACH and RoHS requirements must be complied with and verified as part of the sampling process.

6. Deadlines for the notification obligation for planned changes

If a PPA Process trigger caused by the Partner arises, the Partner shall provide notification of this trigger at least six months prior to planned implementation. In justified, exceptional cases, deviating regulations will be agreed with the cellcentric department responsible for series delivery release.

7. Relocation

Relocation shall not be permitted in the start-up phase. Notification of relocation shall be issued six months in advance and shall require approval from cellcentric.

8. Sampling planning

cellcentric shall specify a sampling date to the Partner. The number of sample parts must be agreed upon with the respective cellcentric contact person for the PPA Process and the sample parts must be delivered free of charge.

The following themes are defined as part of the sampling planning before the PPA Process:

- the documents specific to the scope of sampling (see also Table 2)
- possible part bundles and

- the required number of samples

The Partner shall coordinate the method and format of the sampling document transfer with the respective cellcentric contact person for the PPA Process.

9. Dealing with deviations

In the event of deviations, the Partner must obtain written approval (deviation approval) from the responsible cellcentric contact person for the PPA Process in advance and submit this for sampling. The corrected status must be presented within the scope of subsequent sampling.

If the Partner subsequently detects deviations, the Partner must inform cellcentric immediately (self-announcement).

10. Capability studies

Product and process characteristics for which capability studies shall be performed shall be coordinated with cellcentric. Until process capability has been verified, the characteristics shall be tested 100% by the Partner.

11. Performance test for new launches

Performance tests are to be carried out by the Partner for new launches, among other things, and the respective cellcentric contact person for the PPA process shall be notified within good time so that participation by cellcentric is possible.

For selected scopes, a number of parts which at least corresponds to the yield of one cellcentric shift under full capacity production conditions shall be produced in coordination with cellcentric in the final performance test. These parts shall be produced under cellcentric full capacity production conditions.

The Partner must possibly carry out an analogous performance test with his sub-suppliers, taking into account the risk classification, in cooperation with cellcentric and provide corresponding evidence.

12. Verifications for the PPA Process

As part of the sampling planning, the required verifications are agreed upon as per table 2 and table 3 (software), unless otherwise agreed in writing between the department responsible for the series delivery release and the Partner. The verifications denoted with “V” shall be submitted generally, the ones denoted with “A” must be agreed upon individually.

No.	Verifications if applicable for process and product	required
1	Cover sheet for the PPA report*	V
2	Self-assessment of product, process and, if applicable, software (cf. Appendix IT systems and applicable documents)	V
3	Technical Specifications	A
4	Approved design modifications	A
5	Design and development approvals	A
6	The ID no. of the accepted IMDS material data sheet on the current design engineering status	V
7	Design FMEA	A
8	Process flow chart	A
9	Process FMEA	A
10	Production control plan (PCP)	A
11	Material, geometry, dimension (for BoM cf. Appendix IT systems and applicable documents)	A
12	Function	A
13	Haptics	A
14	Acoustics	A
15	Odour	A
16	Surface requirement	A
17	Technical cleanliness	A
18	Reliability	A
19	Resistance to electrostatic discharge (ESD)	A
20	Electrical safety / high voltage safety	A
21	Electromagnetic compatibility (EMC)	A
22	Protection of special features as per technical specifications and agreed features (e.g. Poka Yoke, 100% testing, process capabilities...)	A
23	Number of samples and reference samples	A
24	Achievement of serial cycle time	A
25	Tools list (with unit nos./number of nests and statement on tool quality)	A
26	Compliance with legal requirements	V
27	Overview of the Partner's supplier and in-house parts with part and process release status	A
28	Inspection and Test Equipment List	A
29	Verification of test equipment capability	A
30	Part quality history (cf. Appendix IT systems and applicable documents)	V
31	Suitability of the used charge carriers incl. their storage	A
32	Requalification agreement	A

Table 2: Verifications for the PPA Process

For software, unless otherwise agreed, the following verifications must be submitted in addition to those listed above or agreed with the contact person responsible for the PPA process.

No.	Verifications regarding software	required
34	Software application release (Software Test Report cf. Appendix IT systems and applicable documents)	V

35	Determination of the context (“Scope”) of the software product to be delivered	V
36	Reference to contractually determined quality requirements (e.g. Coding guidelines, code metrics, test coverage)	V
37	Documentation of technical SW specifications (functional and non-functional)	A
38	Verification of the implementation of the requirements from 36 and 37, especially the special features (e.g. safety)	A
39	Documentation about FOSS (Free-and-open-source-software)	V
40	List of known errors	V
41	Documentation of the development tools applied during the entire project duration	A
42	Documentation of the testing tools applied during the entire project duration	A
43	Documentation of the version management (baseline, configurations, change history)	A
44	Verification of a process assessment (e.g. VDA Automotive Spice)	A

Table 3: Verification in the PPA process for software

* Submission of the document in case of samplings, which do not take place via an IT system (i.e. documentation only in paper form).
V = Submission to cellcentric
A = Requirement is individually coordinated between Partner and cellcentric within the scope of sampling planning.

If necessary, cellcentric can provide additional templates for evidence.

13. Transparency of procurement structure

The Partner shall document the procurement structure of its suppliers and provide the documentation to the cellcentric contact person responsible for the PPA Process.

14. Specifications for directed parts

Is the responsibility for sampling and approval of parts purchased by the Partner with cellcentric (directed parts), the Partner shall list these separately along with the following information in the overview of the purchased parts releases:

- Part number
- Supplier with the cellcentric supplier number
- DGL (Drawing Geometry Level; German: ZGS)
- Q status
- Approval Status
- Number of the release test report

15. Retention Periods

The retention periods shall be based on VDA Volume 1.

16. Approval Status

The Partner shall be informed of series delivery releases in the form of a test report.

17. Cost of the PPA process in case of non-compliance

If the agreed sampling per part status is not successful, the Partner shall bear all additional costs incurred by cellcentric which are directly related to the sampling process if the Partner is responsible for the negative result.

F. Inspection by the customer

Under consideration of the inspections carried out at the Partner's premises in accordance with this cST, the inspection carried out at cellcentric is restricted to the comparison of delivery note data with the goods labels, checking the number of load units and inspecting external transportation damage which is clearly visible on the packaging.

Further inspection obligations of cellcentric do not exist.

cellcentric is entitled to participate in inspections, appraisals, reviews or tests carried out by the Partner and its suppliers and their sub-suppliers; to have these observed by third parties authorised by cellcentric or, following prior coordination, to conduct such inspections itself on the premises of the Partner and its suppliers and their sub-suppliers or to have these carried out by authorised third parties.

cellcentric has the right to inspect all development documents (software incl. source code for the purpose of analysis, e.g. ascertainment of metrics) and documentation which accompanies production, relating to cellcentric.

G. Handling of Defective Deliveries

1. Principles

It is in the interest of both cellcentric and the Partner to identify and address defective products as soon as possible. The Partner shall take all necessary measures to respond to defective products reaching a cellcentric location (production site, warehouse, etc.). Every effort will be made to investigate and document non-conformities and notify the Partner immediately.

All costs (sorting, handling, shipping, rework and inspection report) associated with the remedy of a defect are the responsibility of the Partner. These costs may include any incidental costs incurred by cellcentric as a result of a defect, such as the cost of disassembly, reassembly, re-inspection and logistical support.

2. Handling of defective deliveries prior to dispatch from the production plant (0km complaint)

2.1 Defective parts

The Partner is expected to respond immediately to any defects and ensure that all works received are protected within 24 hours. The Partner is obligated to notify cellcentric immediately if it is suspected that defective products have been delivered to a cellcentric location.

Depending on the type of defect and material status, delivered products may be sorted or reworked. Partner approval will be sought before any rework is carried out unless production support requires immediate action. The Partner should be prepared to take one or more of the following actions, as appropriate, after defective material is identified at a cellcentric site:

- Accelerated replacement of defective material
- Provision of resources for the required sorting or rework
- Provision of resources for the required sorting or rework by third party providers.
- Provision of instructions and acceptance criteria required to support inspection, sorting or rework
- Product specific measurement

Third parties selected by the Partner must be approved by cellcentric before commencing sorting or rework at a cellcentric plant.

If defective parts are not used by cellcentric, they will be "returned to the Partner" or "scrapped at cellcentric" as directed by the Partner.

cellcentric uses the 8 Disciplines (8D) process as a problem solving process for quality issues. Each time a defect has been documented, the cause of the problem must be investigated and reported in an 8D. Partners should communicate their corrective actions to cellcentric as soon as possible and no later than the due date as per chapter 2.2.

cellcentric provides the Partner with an online portal for documenting the 8D reports, in which the Partner must enter his feedback and report it back to cellcentric (cf. Appendix IT systems and applicable documents).

2.2 Deadlines in the 8D procedure

The Partner undertakes to implement measures immediately after becoming aware of a complaint in order to prevent the delivery to the customer or the installation of non-conforming parts or material.

The following deadlines are standard values and can be adapted by cellcentric in specific cases.

The emergency measures must be implemented within 48 hours (D3).

Within 7 calendar days after becoming aware of the complaint, the cause analysis must be completed (D4). This includes both the cause for the occurrence of the defect and the cause for its non-detection.

After another 7 calendar days, the necessary long-term measures must be defined (D5). The long-term measures should be implemented and their effectiveness confirmed no later than 28 calendar days after the complaint has been noted (D6 and D7).

If the Partner is unable to meet these deadlines, a written statement indicating the reasons must be sent to the responsible contact person at cellcentric.

In addition to correcting the documented problem, the Partner must apply the gained knowledge to all similar products or processes.

3. Handling of defective deliveries after leaving the manufacturing plant (field failure)

3.1 Scope of application

These provisions shall apply to the settlement of claims of cellcentric against Partners due to the delivery of defective production material or defective spare parts, as far as these defects have been detected after the end products in which the products of cellcentric have been installed have left the respective manufacturing plant or the spare parts have been installed or sold to the final customer.

If products are not installed in vehicles (stationary systems), these provisions apply from the delivery of the products to the customer and for spare parts from the time of sale to the customer or installation, whichever occurs first.

The terms and conditions of purchase agreed between cellcentric and the Partner shall remain unaffected in principle, whereby the following regulations shall have priority.

3.2 Ascertaining Defects

When the products are installed in vehicles, the defects are ascertained in the respective sales organisation of cellcentric's customers. The damaged parts are provisionally identified as "defective" by the customer.

In the case of stationary systems, the defect determination is carried out by cellcentric. The damaged parts are provisionally identified as "defective" by cellcentric.

3.3 Definition of standard recourse

The settlement regulations for standard recourse apply to defective deliveries if these have not led to a recall, series damage, or damage to other components.

3.4 Parts families

The “parts family” tool is used to determine the acceptance rate. A parts family consists of parts with the same function and properties.

As a rule, parts families are formed specific to divisions by arrangement between cellcentric and the Partner. If damaged parts with new item numbers are presented during the year or new spare parts numbers arise within the warranty system, new families are agreed during the

year by arrangement between cellcentric and the Partner or existing parts families are augmented.

In particular, the following parts are pooled in a parts family:

- Parts that can be substituted interchangeably in a workshop repair,
- series production part and spare part (e.g. new, improved successor parts that replace an older version),
- different country variants if there are no serious technical deviations or
- across model series for similar and technically comparable components

3.5 Warranty Random Sample

To reduce the cost of returning and analysing parts, the inspection to determine defects and the associated cost allocation to Partners are performed using a random sample of removed damaged parts for which defects have arisen within the applicable period of limitation for warranty claims (referred to herein below as a “Warranty Random Sample”). These damaged parts are made available to the Partner by cellcentric for analysis and serve as a basis for the determination of the acceptance rate.

Unless otherwise agreed upon, the warranty random sample as a rule comprises 10-30% of the damaged parts of a parts family within a settlement period.

3.6 Goods subject to inspection

At the instruction of cellcentric or on request by the Partner, specifically targeted damaged parts that do not form part of the Warranty Random Sample - e.g. from certain countries, produced in specific periods of time, or subject to certain fault symptoms - can be returned and forwarded to the Partner for analysis. These damaged parts are goods that are subject to inspection and have no influence on the acceptance rate.

3.7 Representative sample

Once fifty (50) damaged parts of a parts family originating from the Reference Market within one settlement period have been submitted for inspection, it is to be assumed that this random sample is representative. cellcentric may filter out the warranty parts for the corresponding settlement period. cellcentric shall notify the Partner about this. The acceptance rate shall be agreed on this basis. Should the Partner not object to this procedure, or should the Partner fail to provide objective grounds for such objection within fourteen (14) days, the procedure shall

be deemed as having been confirmed by the Partner. cellcentric is to indicate this consequence to the Partner in its notice. Should the Partner object to the procedure in writing within fourteen (14) days of the written notice, citing objective grounds for such objection, shipping shall recommence. In order to identify new damage patterns or potential long-term defects, the Partner shall continue to be under obligation, also in the event the shipping of parts is discontinued, to analyse individual parts that cellcentric has made available to it as goods subject to inspection.

3.8 Performance of Damage Analysis and Determination of Acceptance Rate (AQ)

The guideline by the Verband der Automobilindustrie e.V. (VDA) applies to damaged part analysis: "Shared quality management in the delivery chain - Marketing and customer care - Damaged part analysis field" and the respective and the applicable cellcentric specification "Damage Part Analysis" (cf. Appendix IT Systems and applicable documents).

In the analysis of damaged parts by Partner, the Partner shall confirm receipt of parts using the IT systems provided by cellcentric for processing the analysis (cf. Annex IT systems and applicable documents) within five calendar days of receipt and shall send cellcentric a status response with its initial test findings and measures that can be implemented immediately, and shall do so within twelve (12) calendar days of receiving the parts. The Partner shall notify cellcentric of its conclusive findings (cf. VDA volume “Damaged part analysis field” Section “Test status and test strategy in damaged part analysis”) no later than twenty-four (24) calendar days after it has received the parts. The result of the inspection must include statements on the causes of the failure and implementable measures serving the final and conclusive remedy of the defect, in the form of an 8D Report compliant with the VDA guideline.

In the case of “priority parts”/“Prioritäts-Teile”, the Partner is to provide feedback to cellcentric within five (5) calendar days of receiving the parts, with its initial test findings and measures that can be implemented immediately. Furthermore, a reduced period of twelve (12) calendar days shall apply for the notice regarding the conclusive inspection result. Priority parts are marked accordingly in the notification to the Partner and are e.g. start-up parts (vehicle, component, system), parts from immobility cases, or safety-relevant parts.

If the Partner does not meet the deadlines for its conclusive findings, the parts concerned will be considered accepted; cellcentric shall notify the Partner of this consequence.

Parts rejected by the Partner shall remain the property of cellcentric. Should these parts have been marked in the IT inspection system (cf. appendix IT systems and applicable documents)

as "relevant for return", the Partner must return them to cellcentric within 12 calendar days (with the date of receipt by cellcentric governing the timeliness of the return) after conclusive findings have been notified in delivery condition (in appropriate condition if subjected to destructive testing agreed with cellcentric). Where rejected parts are not marked as “relevant for returns”, the parts are to be held by the Partner in a quarantine store for eleven (11) weeks after conclusive findings have been notified and are to be made available to cellcentric at the latter's request. Following expiry of this period, the Partner is to scrap the parts. Should the Partner fail to comply with these obligations to return and store the parts, the corresponding parts shall be deemed accepted; cellcentric shall notify the Partner of this consequence.

Parts accepted by the Partner are exempt from any duty to return or store them.

The deadlines set out in this section may be modified by the parties' mutual consent if such modification is justified. In case the Partner wants to extend deadlines, the Partner shall ask the responsible cellcentric inspection station in writing and shall document the current status of the analysis result and the reasons and the target date in the IT inspection system (cf. appendix IT systems and applicable documents).

3.9 Determination of the acceptance rate

cellcentric and the Partner calculate the acceptance rate on the basis of the results of the damaged part analysis. All acceptance rates usually relate to a specific parts family and a defined incidence period. The acceptance rates identified shall be applied to global damage claims. The acceptance rate is calculated as the number of damaged parts accepted by the Partner out of all damaged parts submitted as “warranty goods”. The cellcentric inspection station reserves the right to audit the damaged part analysis process with the Partner at any time after providing suitable notice in line with the VDA standard “Damaged part analysis field - Audit standard.” This audit also assesses the implementation of all sections of the corresponding cellcentric specifications "Damaged Part Analysis" (cf. Appendix IT Systems and applicable documents).

A score of less than 90% according to the VDA “Damaged part analysis field - Audit standard” and/or a score of less than 80% based on the NTF process indicates that the Partner's analysis of damaged parts is unviable or only partially viable. This means that the actual acceptance rate must be greater than shown by the Partner‘s results. To establish a realistic acceptance rate, cellcentric can negotiate an audit surcharge (AZ) on the acceptance rate with the Partner based on its score.

$$AQ[\%] = \frac{\begin{array}{l}(\text{Total of accepted damaged parts}) + \\ (\text{Total of damaged parts not analysed on time}) + \\ (\text{Total of parts not returned on time})\end{array}}{(\text{Number of damaged parts analysed})} \times 100 + AZ[\%]$$

AQ[%] can be a maximum of 100%.

3.10 Product and Process Changes or Production Relocations

In the event of product changes, process changes, or production relocations not advised by the Partner in line with cST or not confirmed by cellcentric, the acceptance rate shall be 100%, unless the Partner proves that there is no causal connection with the defect. In the case of assemblies or multi-part deliveries, this shall include the parts procured by the Partner from Sub-contractors or Sub-suppliers.

3.11 Cost Settlements in Damage Part Analysis

The costs incurred in connection with the damaged part analysis shall be borne by the Partner and cellcentric each respectively. Transportation and logistics costs incurred shall be paid by the respective recipient. If the Partner demands additional returns of parts other than the Warranty Random Sample, the Partner shall bear the transportation and logistics costs incurred.

3.12 No Trouble Found (NTF) Process

If no defects or causes of failure can be determined after the analysis, cellcentric and the Partner agree to carry out an NTF process in accordance with the VDA volume "Damaged part analysis field" and the cellcentric specification "Damaged part analysis" (cf. Appendix IT Systems and applicable documents). The NTF process serves to find the cause of a problem not identified in a damaged part analysis. By arrangement with the Partner, this shall enter into effect if it has not been possible to trace a customer complaint by way of performing a damaged part analysis by the Partner (“OK as per finding”/“i.O. gemäß Befundung”).

3.13 Calculation of Warranty Costs and Costs of Recourse

The Partner shall reimburse cellcentric the following costs per claim in the event of standard recourse if these are due to defective performance (warranty costs):

- cellcentric purchase price of the spare part in the year of occurrence (the year in which the damage occurs);
- 40 % of the purchase price of the spare part in the year it was incurred ("handling costs") as compensation for the expenses in central spare parts operations, for the transportation costs of spare parts from receipt of goods at cellcentric to the place of rectification of defects, for parts procurement and storage as well as other additional costs; the Partner may provide evidence that these costs have not been incurred or were incurred at significantly less than 40% of the purchase price of the relevant spare part; as well as
- all labour costs (removal and installation costs including diagnosis and analysis costs) as the average wage cost in line with the actual wage costs incurred in service workshops worldwide in connection with the defect

Warranty costs = cellcentric Purchase Price & Handling costs & Labor costs

The recovery volume is calculated by multiplying the acceptance rate (AQ) by the sum of warranty costs worldwide.

Recovery volume = AQ × warranty costs of the Partner worldwide

3.14 Settlement of Warranty Costs and Costs of Recourse

The warranty costs are determined for each calendar year (“year incurred”, this being the year in which the damage occurred). The Partner usually receives an annual debit memo from cellcentric for the recovery volume recorded in the past calendar year in cellcentric systems worldwide and the claims assigned to the Partner.

3.15 Definition of special recourse

Special recourse shall be given for defective deliveries if these have led to a recall, series damage, or damage to other components.

A recall within the meaning of these regulations occurs if, on account of a defective product and the resulting violation of statutory or official regulations, particularly safety or environmental regulations, actions to remedy the defects in vehicles (“field measure”) are

ordered by the responsible authorities or performed voluntarily by cellcentric in compliance with provisions. Furthermore, all field measures performed on account of a defective product are considered recalls if they serve to defend against risk to life and limb.

Damage to other components occurs if, as a result of defective delivery or performance by the Partner, components other than the defective one are damaged or if other parts have to be exchanged or replaced in the course of repairs to the defective part delivered.

A series damage is any material defect which has a defect rate of more than 3% in relation to delivery items of the same type in a production month (calendar month) of the products. In the event of a defect rate of less than 3%, it will be coordinated with the Partner whether this damage will also be treated as series damage.

Individual agreements will be concluded with the Partner regarding the reimbursement of expenses and damages in case of defect claims of cellcentric in special recourse. The regulations of the standard recourse for the reimbursement of expenses and damages shall not apply; until the conclusion of the agreement and unless otherwise regulated therein, the regulations of the standard recourse shall remain unaffected; the regulations in section product, process changes and production relocations shall apply accordingly for special recourse.

3.16 Claims despite acceptance

The acceptance or approval of submitted samples by cellcentric and compliance with the test specifications shall not affect the claims of cellcentric.

3.17 Third-party supplies and services

The Partner shall generally manufacture the parts itself. In case the Partner procures deliveries and/or services for the manufacturing of the parts from third parties (“Sub-contractors”) or in case the Partner procures the parts from third parties (“Sub-suppliers”), the Partner shall continuously monitor that these deliveries and/or services are free from defects. In case cellcentric raises claims against the Partner due to defective parts and should these claims be subject to a fault [Verschulden] of the Partner, the Partner shall also be liable for faults [Verschulden] of Sub-contractors and Sub-suppliers to the same extent as own faults [Verschulden].

3.18 Arbitration opinion

If the Partner and cellcentric (together "Parties") are in dispute, whether the Partner's deliveries or services are free of defects, the Parties will, on request of one Party, agree within three months on an arbitration expert who will be jointly mandated by both Parties. If the Parties fail to agree on an arbitration expert and to mandate him within the above mentioned time limit, cellcentric is entitled to make a request to the President of the Chamber of Commerce and Industry, Stuttgart Region, that he may appoint an arbitration expert.

After appointment of the arbitration expert, cellcentric and the Partner shall jointly mandate the arbitration expert. If the Parties fail to jointly mandate the arbitration expert within three months after appointment of the arbitration expert, cellcentric as well as the Partner are entitled to unilaterally mandate the arbitration expert.

In his examination, the arbitration expert examines and decides on the matter in dispute with binding effect for both Parties. The arbitration expert shall hear both Parties to an appropriate extent. The arbitration expert shall - except as otherwise mutually provided by the Parties - answer the question, whether the Partner's deliveries or services are free of defects. The Partner will provide to the arbitration expert all information necessary for the examination.

cellcentric is entitled to withdraw the request to the President of the Chamber of Commerce and Industry, Stuttgart Region, if the arbitration expert fails to submit his examination within appropriate time. By such a withdrawal, the proceedings of the arbitration expert are terminated. Should the arbitrator fail to provide the expert opinion within a reasonable period of time, cellcentric shall also be entitled to terminate the agreement with the arbitrator, irrespective of whether the arbitrator was appointed jointly or by one side alone.

The Parties will equally share the costs of the arbitration expertise. § 317 to § 319 of the German Civil Code (Bürgerliches Gesetzbuch, BGB) shall apply.

H. Performance Evaluation and Escalation Model

cellcentric continuously measures the Partner's performance by means of KPIs and the findings are made available to the Partner.

A cooperation/escalation model is used in response to serious, repeated or long-standing quality and logistics problems of the Partner.

Depending on the respective classification, additional measures are stipulated by cellcentric. If cellcentric supports the Partner by means of the above measures, the Partner reimburses cellcentric for the costs that occur and that are generated by said support.

IV. Logistics

A. Delivery Call-off

1. General section

1.1 The delivery call-off

The binding quantities to be delivered by the Partner and the delivery dates are set out in the individual cellcentric delivery call-offs. The delivery call-off is created by cellcentric for each object number and sent to the Partner via "delivery call-off system" (cf. appendix IT systems and applicable documents). The transmission is carried out by cellcentric in a valid standard format. The formats available for selection conform to generally applicable standards and may contain minor deviations owing to cellcentric's internal organizational processes. Should a certain standard format be necessary due to procedural deliverables, the same must be specified and utilized by cellcentric.

cellcentric can send the delivery call-offs directly to the Partner's production plants upon any such request by the Partner; in such cases, the Partner shoulders the responsibility of proper fulfilment of the delivery call-offs.

The released quantity in the delivery call-offs is assigned to exact delivery days over a shortterm period (up to 4 months). The delivery days are defined as arrival dates (goods receiving section at cellcentric) and must be adhered to by the Partner.

The respective delivery must always be made on the basis of the last transmission, i.e. on the basis of the latest delivery call-off.

1.2 Purchase commitment

In the event of a full or partial cancellation of delivery call-off quantities by cellcentric, the purchase commitment specifies periods for which cellcentric is obligated to accept parts or feed stock. cellcentric is obligated to accept parts and feed stock as follows:

cellcentric's purchase commitment results from each delivery call-off per object number from the fields “Production release” and “Material release”. The period of production release regulates the released quantity, for which cellcentric is obligated to accept parts produced. The material release period governs the released quantity for which cellcentric is obligated to accept feed stock.

The period of production release or material release always begins on the date the delivery call- off is created and applies with daily progression for the stated period as long as no new delivery call-off is issued.

The production and material release periods at cellcentric are "7 + 7" weeks: The production release and the material release each refer to a period of seven weeks.

There may be different regulations in case of special range of parts.

There is no purchase commitment for quantities outside the production and material release period.

1.3 Communication with cellcentric regarding the delivery call-off

The released quantities and delivery dates specified by cellcentric in the delivery call-offs must be adhered to by the Partner. Confirmation of the delivery call-offs by the Partner is not necessary.

If delivery quantities and/or delivery dates cannot be fulfilled or complied with by the Partner, the Partner is obligated to communicate precise delivery quantities and delivery dates with arrival times (time) via a "delivery call-off system" (cf. appendix IT systems and applicable documents).

The Partner will immediately contact and coordinate with the responsible material scheduler at cellcentric.

In addition, the Partner undertakes to enter his capacity specifications via a "delivery capacity system" (cf. annex IT systems). The technically possible output quantity using a normal shift model (normal capacity), the output quantity using a maximum shift model (maximum capacity) and the current delivery capacity of the respective object numbers or part families must be entered for a specific period of time.

Changes to capacity specifications are to be mapped promptly, plausibly and completely by the Partner.

The Partner must ensure the production capacities of its suppliers. To secure the feed stock demand, the Partner shall inform its suppliers of the necessary requirements.

B. General Packaging Regulation and Handling of Containers

1. General regulations

cellcentric uses reusable packaging known as pool or special load carriers for the delivery of supplier parts. Information on container management processes is exchanged between cellcentric and its Partners exclusively via a "container Management System" (cf. appendix IT Systems and applicable documents). The claim process in case of logistic failure of the Partner takes place via a "LOG complaints system" (cf. appendix IT systems and applicable documents).

2. Handling of containers

The Partner will comply with cellcentric's regulations when handling the containers required for the parts delivery (cf. attachment IT systems and applicable documents). If, in addition, specific packaging requirements necessitate deviations from the regulations, a jointly coordinated solution must be agreed between the Partner and cellcentric.

If several plants are affected by the exception, the Partner undertakes coordination for all of the affected recipient plants.

2.1 Member plants in the European container pool of cellcentric

The Partner may only supply those plants affiliated to the cellcentric container pool (the current list can be requested from the responsible dispatcher) with containers made available by cellcentric. In the event that non-affiliated plants or companies are supplied, any resulting loss of containers will be invoiced to the Partner (also see section 2.10).

2.2 Packaging definition

The packaging is defined by the responsible cellcentric packaging planner in coordination with the Partner's packaging planner. The coordinated packaging regulations are provided via the "container system" (cf. appendix IT systems and applicable documents). Deviating packaging may only be used in exceptions and after coordination with the responsible cellcentric packaging planners.

If the Partner fails to adhere to the defined container, cellcentric reserves the right to invoice the Partner for the additional costs which are incurred by the recipient plant (e.g. repackaging costs and administrative expenses, also see section 3.).

2.3 Requirement planning and requirement determination

In the case of pool containers, a supply requirement determination is performed by cellcentric for each container type. The major influencing variables thereby are the current packaging plans, parts requirements filling capacities and the container circulation factors.

In the case of special load carriers, requirement determination is carried out jointly by the Partner and the recipient plant based on the planned production figures, the container filling capacities and the container circulation factors.

The supplier circulation factor forms the basis for the Partner's supply with containers.

By default, the Partner receives a base range of 5 workdays from cellcentric for all container types. For specific delivery types (e.g. JIS, JIT), the base range is reduced. Upon consultation, additional container volumes to the base range can be agreed which, however, should only exceed 10 workdays in justified exceptions. Such additional container volumes can only be provided if containers are available.

The range for pool containers has to be aligned with the central container management at cellcentric. In exceptional cases, cellcentric is entitled to temporarily reduce the additional container volumes granted for pool containers by a maximum of 2 days, but not more than down to the base range of 5 workdays. This reduction takes place after prior coordination with the Partner.

Additional volume requirements for special load carriers as well as plant-specific additional volume requirements for containers (e.g. stock subject to time limit) are to be coordinated with the recipient plant.

The responsible container planner must be informed of changes to the form of delivery and relocations immediately when these become known.

2.4 Procurement of containers built to cellcentric designs

Containers according to cellcentric designs are usually procured by cellcentric or an affiliated company of cellcentric according to § 15 AktG. The containers procured by cellcentric or by an affiliated company of cellcentric according to § 15 AktG are the property of the procuring entity respectively. Containers built to cellcentric designs as well as copies of cellcentric designs may not be procured and/or brought into circulation by the Partner. If such containers are still brought into

circulation, they may be sorted out or - if a clear allocation is possible - returned at the expense of the culpable Partner.

2.5 Procurement of multi-manufacturer designs (e.g. VDA containers, EWPS)

As a rule, VDA containers are procured by cellcentric or an affiliated company of cellcentric according to § 15 AktG. Additional container volumes can be requested from cellcentric's central container management or procured by the Partner himself. All parties involved are responsible for the functional capability of the container pool.

Multi-manufacturer special load carriers are generally procured by the Partner. In this case, the Partner bears the corresponding responsibility (replacement, repairs etc.). The Partner is obliged to identify these containers with an official cellcentric container number and manage them under this number. The cellcentric container number must be requested from the responsible container planner.

2.6 Supplier designs

The Partner may design and procure special load carriers subject to its own responsibility following prior coordination with cellcentric. The Partner is obliged to identify these special load carriers with an official cellcentric container number and manage them under this number. The cellcentric container number must be requested from the responsible container planner. The Partner is the owner and bears corresponding responsibility (repair, provision on schedule and as required).

2.7 Usage charge

containers provided by cellcentric are made available to the Partner at no cost. cellcentric reserves the right to change from a cost-neutral provision to a rental model.

Hereby, a distinction is made between a stock-oriented and a requirement-oriented rental system.

In case of pool containers, invoicing is performed centrally by means of a stock-oriented rental process. The containers of relevance to the rental system as well as their rental prices per calendar day can be viewed via the "Container System" (cf. attachment IT Systems and applicable documents). cellcentric prepares quarterly rental bills and provides the annexes to the rental bills.

In case of special load carriers, invoicing is performed centrally by means of a requirement-oriented rental process. The containers of relevance to the rental system as well as their rental prices per calendar day can be viewed via the "Container System" (cf. attachment IT Systems and applicable documents). cellcentric prepares quarterly rental bills and provides the annexes to the rental bills.

In individual cases, special agreements can be made with the Partner on the use of special load carriers for individual plants.

2.8 Control of supplies

The supply of empties is performed actively by cellcentric or by an empties shipping plant located at an optimized distance, based on account management and requirement planning. If cellcentric is the freight payer for parts deliveries, cellcentric will also assume the freight costs for the delivery of empties. If the Partner is the freight payer for parts deliveries, the costs for the delivery of empties will also be borne by the Partner.

To optimize freight and handling costs, empties are generally delivered in complete containers and transport units.

The Partners shall support steering by constantly checking the stock of empties and booked stocks. In the event of imminent container bottlenecks, cellcentric shall be informed in good time with due regard to the empties provision time. The Partner's obligation to deliver remains in force without limitation even in the event of empties bottlenecks. The time of provision of the containers for the start of series production is determined individually between the Partner and cellcentric.

2.9 Account management

Container accounts are managed centrally. Accounts for cellcentric's containers are managed by cellcentric. The data quality of delivery notes and shipping documents directly influences the needs-driven container supply and, depending on the supply model, may have an influence on the amount of the usage fee.

An extract of the container account management is made available to the Partner at regular intervals. These form the basis for clarification of discrepancies as well as for rental price invoices concerning containers.

The complaint period for objections is 4 weeks from the provision of the account statements. If no complaints are made by the Partner within these 4 weeks, the balances shown are deemed to be accepted by the Partner. cellcentric reserves the right to charge the Partner for expenses incurred in processing unjustified complaints (also cf. section 3).

An inventory of all containers shall be carried out by the Partner on a regular basis (at least once a year, if required also in shorter intervals). Complaints of a large number of documents, which are in majority rejected on a case-by-case review, are deemed unjustified.

cellcentric reserves the right to compare the Partner's container volume requirements with booked stocks. If excess stocks are detected in the process, they can be claimed back from the Partner. If the containers are not returned, cellcentric is entitled to procure replacements and invoice the Partner for the replacement at standard prices.

2.10 Inventory/stock taking

An inventory of all containers shall be carried out by the Partner on a regular basis (at least once a year, if required also in shorter intervals). The Partner must record the counting results in an electronic stock taking list. The Partner is responsible for the correctness of the transferred counting results.

cellcentric reserves the right to validate the transferred stock taking results by means of an on-site audit. The Partner ensures free access to cellcentric containers to authorised inspectors and supports them during the inventory.

If stock discrepancies are detected, cellcentric will procure replacements, which will be invoiced to the Partner unless the Partner is not culpable. If during the clearing process the Partner subsequently corrects its original inventory report and cellcentric has already procured the reported quantity of missing containers, the Partner shall recompense 10% of the reprocurement value.

cellcentric will collect a processing fee for the processing of stock discrepancies.

If the Partner does not fulfil his obligations to report the inventory to cellcentric in due time and quantity despite repeated notices and reminders, a total loss of the containers is to be assumed. cellcentric is entitled to carry out a replacement procurement which will be charged to the Partner at the settlement price.

The charges levied cannot be offset against subsequent inventory reports.

C. Shipment of Goods

1. General

The following provisions apply to the shipment of goods, including the requirements pertaining to the creation of delivery notes and goods labels as well as other documents.

1.1 Declaration of origin of goods (in terms of commercial laws)

The Partner must indicate the non-preferential origin (commercial law) in accordance with Art. 59 et seq. of Regulation (EU) Nr. 952/2447 in the respectively valid version.

1.2 Declaration of the preferential origin of goods

If the Partner's place of business and/or production plant is located in the European Union, in accordance with the valid regulations concerning the preferential origin of goods, the Partner must issue a declaration pursuant to Art. 61 - 66 Implementing Regulation (EU) Nr. 2015/2447 in the respectively valid version (individual or long-term declaration). In this case, the indication of commercial origin must be taken together with the issuing of the (long-term) supplier declaration on the preferential origin. As a general principle, with the order or annually (in the case of an ongoing business relationship)

a) a request for the submission of a (long-term) supplier declaration including a description of the binding procedural approach to be observed, or

b) a corresponding letter with the (long-term) supplier declaration form to be used.

The Partner shall submit the signed (long-term) supplier declaration to cellcentric within a period of four weeks following the receipt of the request/letter, but not later than the time of delivery.

As a general rule, each (long-term) supplier declaration must be signed by hand. The responsible individuals must be identified by name and their position in the Partner company must be disclosed. In the event of electronic preparation, a handwritten signature can be omitted. In such a case, cellcentric must be provided with a written declaration of commitment at the latest when the first (long-term) supplier's declaration is sent (cf. Art. 63 para. 3 DVO

(EU) 2015/2447). The declaration of commitment is to be submitted via the "Declaration of Commitment System" (cf. annex IT Systems and applicable documents).

The Partner is obliged to use only the form sent by cellcentric.

The Partner shall immediately inform cellcentric via the "Commitment Declaration System" (cf. annex IT systems and applicable documents) if the information given in a (long-term) supplier declaration is no longer applicable in the future. The Partner needs to issue a (long-term) supplier declaration even if it is certified herewith that the delivered goods do not have a preferential EU origin within the scope of the respective agreement. It is then presented on the basis of a price breakdown in the form of a "long term supplier declaration for goods without preferential origin status indication" of “parts number”, “parts declaration”, HS position (customs tariff number) and value of non-originating materials used to identify what proportion of the product is non-originating, so that it can be determined to what extent - in compliance with the list rules - the allowable threshold has been exceeded. This procedure allows cellcentric to take into account the preferential EU origin as part of its own calculation process. Accordingly, a (long-term) supplier declaration must be submitted for each delivered product, irrespective of its actual origin.

Likewise, the Partner has to inform cellcentric immediately via the "Commitment Declaration System" (cf. annex IT systems and applicable documents) if he notices that declarations issued in the past regarding the preferential and non-preferential origin of goods (supplier's declaration/long-term supplier's declaration/movement certificate/invoice declaration) have been issued wrongly.

If the Partner's place of business and/or production plant is located in a country with which an EU free trade agreement is in existence, the Partner shall issue documentary proof of preference (movement certificate/declaration of origin on the invoice) for each delivery. The provisions of the respective free trade agreements must be observed.

In the run-up to the conclusion of an agreement on a serial delivery, cellcentric requests a so-called “Tender Supplier Declaration” from potential Partners. He thereby declares, in case of a serial delivery, EU-origin goods with corresponding proof of origin in accordance with Regulation (EU) No. 2015/2447 within the meaning of the preferential agreements concluded by the EU, will be supplied. This declaration serves as a basis for cellcentric to make forecasts of the preferential originating status of the goods manufactured using these materials and, at the same time, provides the basis for awarding the serial delivery order.

For the declaration to be submitted, the “Tender Supplier Declaration” is requested from the Partner in the context of the previous series together with a corresponding letter and a form specification.

The “Tender Supplier Declaration” expressly does not constitute a (long-term) supplier declaration within the meaning of Regulation (EU) No. 2015/2447.

1.3 Notification obligations for goods subject to export control

The Partner is obligated to notify cellcentric if the goods supplied (including software and technology) are recorded in export control lists of goods required under German, EU or US Export Control Law and the national export control law of the goods' country of origin (e.g. Common Military List, Annex I of the EU Dual-Use Regulation 428/2009, US Commerce Control List). If the supplied goods represent “US goods” as defined in US Export Control Law (= items subject to the EAR or subject to the ITAR), the Partner must notify cellcentric accordingly. If the supplied goods contain US portions, the Partner is also obligated to declare the total value (standard purchase price or current market price) of the US portion and the applicable export control classification (ECCN XXXXX or EAR99), if this information is available to the Partner. For the fulfilment of the aforementioned notification obligations, the Partner must report the relevant export list numbers (e.g. item number on the German export control list or Annex I of the EU Dual Use Regulation 428/2009, Export Control Classification Number [ECCN], U.S. Munitions List [USML] etc.) and, where applicable, the value of the corresponding portion of US goods contained in the respective goods item with disclosure of the cellcentric part number (if available) (cf. Appendix IT systems and applicable documents) to cellcentric.

Moreover, the Partner is obligated to inform cellcentric without delay of all changes in connection with data of delivered goods that is relevant for purposes of export control.

1.4 Deliveries in accordance with Incoterms 2020/group F

In case of deliveries “FCA (...specified location)” or other terms of delivery in accordance with Incoterms 2020 and F (FCA, FAS or FOB), the Partner shall only transfer the goods to the freight forwarder commissioned by cellcentric (cf. section 1.17). Intermediate use of a shipping company by the Partner is not permitted. If, contrary to the agreed terms of delivery, the Partner delivers the goods to cellcentric itself, the Partner bears the freight costs and risk up to the takeover by cellcentric.

1.5 Deliveries in accordance with Incoterms 2020/group D (DAT, DAP or DDP)

If the Partner commissions the freight forwarder, the freight forwarder to be commissioned and the vehicle configuration to be used must be coordinated with the transport logistics or incoming goods department of the receiving plant of cellcentric.

1.6 General customs duties

In case of deliveries of goods requiring customs treatment, the delivery note or the invoice shall include all customs relevant information and payments according to the applicable Incoterms 2020 (e.g. place of delivery, freight and insurance costs).

All costs not directly related to the goods shall be itemized separately on the delivery note or the invoice (e.g. costs for construction and training in case of supplies of machines and tools). In the case of deliveries which are not part of a sale of goods transaction, e.g. deliveries made free of charge, leasing or rent of goods, a pro-forma invoice declaring the commercial value of the goods is still required. In the case of deliveries made free of charge the pro-forma invoice shall state the reason why the delivery is made free of charge (e.g. sample deliveries or returning goods etc.).

Unless otherwise agreed, the Partner shall be responsible for the compliant export of the goods from his customs territory, which includes the fulfilment of all applicable obligations imposed on the Partner as exporter (Exporter of Record) by law. Unless otherwise agreed, cellcentric shall be responsible for the compliant import of the goods in the country of destination, which includes the fulfilment of all applicable obligations imposed on cellcentric as importer (Importer of Record) by law. If the Partner assumes responsibility for customs clearance in connection with the import of goods in the country of destination without cellcentric's prior explicit approval in written form, the Partner shall bear all customs duties and other import charges, fees and costs in connection with such import, which incur for cellcentric due to the possible loss of advantageous customs procedures (e.g. customs procedures of commercial relevance, customs warehousing, Customs Free Zones etc.).

The Partner shall provide or make available upon cellcentric's request all documents, certificates or the like, which are necessary for the import of the goods by cellcentric (e.g. preferential and non-preferential origin certificates, conformity certificates etc.).

If the Partner supplies goods from a customs territory, with which the country of destination has concluded a free trade agreement/preferential agreement (FTA), the Partner shall provide

the certificate of origin/preference declaration for such goods required by the relevant FTA to cellcentric, provided the goods meet the applicable Local Content criteria.

Commercial benefits from special customs procedures (e.g. inward processing), which have been implemented by the Partner, shall be transferred to cellcentric via parts price.

1.7 Scheduled goods

Scheduled goods are all timed and/or dated shipments which are scheduled outside the regular shipping runs. In this case the Partner must coordinate the shipment type with transport logistics and the order planning department. This must be recorded in written form.

1.8 Shipping/transport sequence disturbances

Any disturbances in the specified sequence, including disturbances caused by second tier suppliers, must be immediately reported by the Partner both to the freight forwarder and to the responsible cellcentric order planning department, orally or in written form with exact disclosure of the reason and type of the disturbance. Disturbances must be promptly remedied. If there is a disruption to the previously advised transportation, any resulting costs to freight forwarder must be borne by the Partner.

1.9 Excess/advance deliveries

The Partner is only authorised to make partial deliveries, deliveries prior to the issue of a delivery call-off and additional deliveries with the prior written consent of cellcentric. If, counter to this stipulation, the Partner transfers the goods to a freight forwarder or carrier etc. commissioned by cellcentric, the Partner bears the risk up to transfer in the cellcentric recipient plant. Logistical costs for warehousing or return of unauthorized excess/advance deliveries are borne by the Partner.

The required quantities and delivery call-off in accordance with Chapter IV Section A "Delivery call-off" must be complied with by the Partner.

If, contrary to these agreements, required quantities and delivery dates are not complied with, cellcentric can charge proven resulting costs (e.g. additional work, rental cars) to the Partner in accordance with statutory provisions.

1.10 Weight determination

The Partner is responsible for proper determination of the gross weight and tare weight of the shipment. If weights are improperly stated, cellcentric passes on the added freight charges, plus processing fee, to the Partner.

1.11 Information obligation

Planned changes of the shipping or receiving location, e.g. due to the relocating of production to a different plant of the Partner or the establishment of a shipping warehouse in a different location, must be reported to materials purchasing department and the responsible material manager at least six months in advance. In cooperation with cellcentric, the latter shall prepare an economic viability analysis, the result of which shall be included in the pricing of the part price. A physical change of the location may only take place after a corresponding amendment to purchase agreement and the associated approval of cellcentric. For this purpose, the Partner shall apply for the creation of a separate supplier number. If a location change is effected without cellcentric's approval, the Partner shall bear all arising costs and damages.

1.12 Shipment of hazardous goods

In the context of the agreed services that are assumed by the Partner, activities relevant to hazardous goods as per section 2 of German Hazardous Goods Transportation Act (GGBefG) (packaging, loading, transportation, unloading, receiving, classifying dangerous goods and waste...) may be necessary.

The Partner is obligated to always submit just one shipment for forwarding in accordance with the regulations governing the transport of hazardous goods. The Partner's assigned duties and responsibilities as commissioner of the sender, sender, packer, shipper, filler, unloader, and recipient arise from sections 17-30 and 35 of the German Regulation Concerning the Transport of Dangerous Goods by Road, Rail and Inland Waterways (GGVSEB) in conjunction with Section 1.4 ADR/RID/ADN, from sections 17-26 Transport of Dangerous Goods by Sea Ordinance (GGVSee) in conjunction with section 1.3 IMDG Code and/or as per ICAO-TI/IATA-DGR. The Partner shall be responsible for all damages incurred as a result of non-compliance with the legal provisions.

1.13 Driving bans

For all delivery conditions in accordance with Incoterms 2020, the Partner shall ensure that the delivery of goods is guaranteed for the delivery date specified in the delivery call-off even if

statutory or official driving bans are imposed. If a legal or official driving ban applies on the pick-up date specified by cellcentric, the Partner shall immediately inform the responsible dispatcher of cellcentric verbally and in writing.

1.14 Return goods

Return shipment of goods arising through the fault of the Partner will be organised by cellcentric. cellcentric will allocate the additional costs incurred according to respective share of causation.

1.15 Stock taking on integration into stock

In the event of a delivery in accordance with group D of Incoterms 2020, with respect to deliveries which are made at the time of stock taking in the cellcentric plants, all goods in the possession of the freight forwarder (after the last acceptance day announced by cellcentric) will be inventoried by the Partner and insured against “loss of goods”.

1.16 IT systems

Various IT systems are used for data exchange between cellcentric and the Partner. A current overview can be found in the appendix IT systems and applicable documents.

1.17 Production supply

In the event of complaints about the goods or disruptions during the shipping, the Partner must ensure that replacement deliveries for the receiving plant and the commissioned freight forwarder are possible at all times.

1.18 Security in the supply chain

For securing the supply chain, the business Partner is obligated to provide protection from third party access for goods which are produced, on stock, handled and processed by order of cellcentric, are delivered to cellcentric, or are taken over from cellcentric

- in secure operating facilities and secure trans-shipment locations
- during the production, warehousing, handling or processing, loading and forwarding of the goods.

The Partner warrants that the personnel assigned for the production, warehousing, handling or processing, and loading of the goods, as well as for the forwarding and takeover of said goods, is reliable.

Subcontractors of the Partner of cellcentric who are acting on its behalf must be informed that they also have to implement measures to secure the supply chain.

2. Modes of transport and shipping methods

The mode of transport and shipping method to be used are generally defined by cellcentric in case F-Incoterms are agreed in the specific delivery contract. In this context, a distinction is made between the following:

2.1 Parcel shipment

All parcel shipments with a weight up to 30 kg must be handed over to the parcel service defined and commissioned by cellcentric. The service level “Standard” must be selected. Ordering of a higher service level (“Express”) is only possible with the prior written consent of transport logistics of the receiving plant and the order planning department. Additional costs resulting from an unapproved order must be borne by the Partner.

Hazardous goods shipments must be coordinated in each case with the responsible dispatcher.

Further information on shipping processing can be found in the appendix IT systems and applicable documents.

2.2 Truck shipment

A distinction is made between two truck shipping concepts:

(1) Regional freight forwarding (from availability)
The regional freight forwarders are used for processing of partial loads, piece goods and sporadic full loads. The responsible regional freight forwarder depends on the outgoing delivery location of the Partner. Further information on this is provided via the "forwarding system" (cf. appendix IT systems and applicable documents).

(2) Direct shipping (from availability)
The receiving plants regularly define recurrent full truck loads as direct deliveries or milk runs. These are subject to separate shipping instructions.

2.3 Rail shipment

Rail shipment is only permissible if expressly requested by cellcentric and the processing modalities have been agreed in writing in advance in individual cases.

2.4 Special tours

Special tours relate exclusively to time-controlled road transport of goods for ensuring production supply, which can otherwise not be ensured via the aforementioned types of shipping. For example, there is a risk to the production supply if the ordered goods are not ready for loading in the specified quantity and time.

If cellcentric arranges a special tour, the dispatcher determines the special tour operator and authorises the appropriate charge for the costs as required.

In cases where the Partner causes and assumes the costs, it determines the special tour operator.

3. Shipment processing

3.1 Delivery call-off and transit time

The scheduled dates for the receipt of goods listed in the cellcentric delivery call-offs apply to a delivery at the respective cellcentric plants within the regular goods receiving times. The transit times from the supply plant to the cellcentric receiving plant must be taken into consideration in the notification time. The Partner is responsible for adherence to the scheduled arrival dates of the shipments at cellcentric and must therefore announce and provide the shipments to the freight forwarder for transportation within good time.

The currently valid transit times shall be made available via the "forwarding system" (cf. appendix IT systems and applicable documents).

3.2 Notification

The shipping quantity of the current call-off must be notified to the freight forwarder for transportation two days before provision by 12.00 (noon) at the latest. If a web-based notification portal is provided by cellcentric or by the freight forwarder, it must be used as a mandatory requirement. In any other case, written notification (text form sufficient) in accordance with the specifications of the freight forwarder is required. In the event that the freight forwarder is commissioned by cellcentric, the notification to the freight forwarder is omitted after consultation and approval by cellcentric.

The dispatch notice must contain the following information:

- Weight, number and type of load carriers and number of load meters (poss. disposable pallets, crates, boxes and their stackability)
- Receiving plant/shipping address with precise specification of the unloading station(s)
- Arrival date/if applicable Arrival time
- Hazardous Goods Classification
- Declaration of customs status (EU community goods yes/no)
- Agreed vehicle provision time at the Partner's premises
- Loading sequence (exclusively for the direct shipping concept)

Notices sent after 12:00 p.m. (noon) and subsequent notification changes (bigger or smaller quantity) in excess of 5% per receiving plant of the notified tonnage may lead to additional costs. The Partner is obligated to bear the incurring additional costs with respect to the freight forwarder. The Partner agrees that the freight forwarder will invoice these additional costs directly to the Partner.

3.3 Provision time and shipping quantity

The Partner and the freight forwarder must sign a joint written agreement (text form sufficient) about the pick-up time as Partners. Unilateral determination is not allowed. Cost assumption for the booking of time windows by the freight forwarder is also not intended.

Unless otherwise agreed or if no viable solution can be found by both parties, the goods must be provided for collection, ready for shipping, on the shipping date from 06.00 a.m. Collection by the freight forwarder must be possible until 6:00 p.m. In exceptional cases, cellcentric is entitled to request a Saturday pick-up. The shipping mode must be coordinated with the respective receiving plant. The shipping concept must be coordinated with the respective cellcentric dispatcher. If shipments are not provided on time, the costs of any required special measures must be borne by the Partner.

In the event of a difference between the quantity that has been notified and the quantity that is actually provided, which is greater than the range specified under 3.2, the following rules apply:

Lesser quantities: The freight forwarder is entitled to bill the Partner for the tonnage in excess of the specified fluctuation range as a freight loss. The currently valid cost rates are provided via the "forwarding system" (cf. attachment IT systems and applicable documents).

In case the freight forwarder is commissioned by cellcentric, lesser quantities are settled by

cellcentric. cellcentric reserves the right to allocate costs according to respective share of causation.

Additional quantities are not permitted. In special cases any deviation must be discussed with cellcentric.

The required written consent by cellcentric pursuant to section 1.9 remains unaffected.

3.4 Loading

The loading and dispatch must be effected without delay once the vehicle has been made available or at the latest as of the start of the agreed time window. If the Partner carries out the loading, he must load the goods in such a way that they will be safe for transportation and must follow the instructions of the shipping agent's drivers in respect of safe loading. Care must be taken to ensure that in case of small containers or cardboard boxes, only load units that can be put on palettes and stacked can be loaded.

Under the prerequisites of timely loading which is safe for transportation purposes, sorting according to the sense of unloading zones and unloading points must also be ensured.

When shipping partial loads which are not transferred at a shipping terminal (clarification of this procedure immediately on notification of the shipment), the goods must be loaded separately on the truck according to unloading zones in accordance with the specifications of the receiving plant.

Combinable package freight and partial loads from several sub-plants are to be dispatched centrally at one shipping location. Full truck loads from several sub-plants can be dispatched via decentralized shipping locations at any time.

Within the scope of performance for cellcentric, the Partner must ensure that only properly employed driving personnel according to §§ 7b and c GüKG are deployed for the performance of services for cellcentric. cellcentric reserves the right to control and document the compliance with this obligation within the scope of legal possibilities. To the extent it is responsible for non-compliance with this obligation, the Partner will indemnify cellcentric from claims of third parties.

3.5 Processing time

The delivery of empties must also be possible at the time as of collection. Unloading of empties for the Partner and loading including the administrative processing must be carried out promptly when the truck is provided or in the agreed window within the following times:

- Package freight up to 2.5 t or up to 10 cbm max. 30 minutes
- Partial loads up to 10 t or up to 40 cbm max. 45 minutes
- Full loads max. 60 minutes

At the request of the freight forwarder, the Partner is obligated to confirm the start and end of vehicle provision on a docket. Late processing times lead to additional costs and must be borne by the Partner.

Different bilateral agreements between the Partner and the freight forwarder are possible at any time. The Partner is obligated to bear the customary additional costs with respect to the freight forwarder. The Partner agrees that the freight forwarder will invoice these additional costs directly to the Partner.

3.6 Shipping order/waybill

The handover of shipments to the freight forwarder may only take place with the fully completed shipping order according to the VDA version currently valid at cellcentric or with a waybill (cf. appendix IT systems and applicable documents). It must be ensured that the gross weights in the VDA version currently valid at cellcentric are consistent with the waybill. The information regarding the container type and number must be provided separately for each unloading station. In addition, it must be possible to record the additional information described in the VDA standard version currently valid at cellcentric on the freight document (cf. appendix IT systems and applicable documents).

For full truck loads, which are not handled in a shipping terminal, the Partner must transmit the freight documents electronically to the assigned freight forwarder in line with the instructions of the latter.

3.7 Customs documents

The freight forwarder must be provided with all customs-relevant documents and information, e.g. preference documents (EUR. 1, UZ Form A (Certificate of origin Form A) and commercial invoice 3-fold).

3.8 Goods labels

All packages and containers (in case of a load unit each individual container/small container/special load carrier) must be provided with a goods label with barcode (code 39) in accordance with the relevant, currently valid version of VDA at cellcentric. Further information on field contents and any deviations from the above VDA recommendation can be found in the appendix IT systems and other applicable documents.

3.9 Delivery note

The following applies to the combination variants for EDI and delivery documents: Variant 1 must be used. Variant 2 is intended only for emergency processing (EDI failure).

Variants	Electronic Data Interchange	Delivery note
1	"EDI System" (cf. appendix IT systems and other applicable documents)	EDI delivery note according to VDA version currently valid at cellcentric
2	Without (only for emergency processing)	Delivery note according to DIN version currently valid at cellcentric

Information on delivery note creation and on shipping processing can be found in the appendix IT systems and other applicable documents.

A separate set of delivery notes must be created for each unloading station, MDI or MEI and initial samples. Delivery note creation is carried out according to the DIN version currently valid at cellcentric.

Deviations and further details are derived from the appendix IT systems and other applicable documents.

3.10 Delivery receipt

If any damage to the goods or discrepancies in the delivery is notified by cellcentric, cellcentric can demand a written declaration from the Partner certifying the undamaged and complete handover of the delivery to the freight forwarder commissioned by cellcentric within a period of two days.

4. Logistical erors of the Partner

cellcentric reserves the right to complain about logistic failures of the Partner and to invoice any additional expenses incurred. These includes, in particular, deviations from the packaging agreement in the goods receipt process.

D. Communication with cellcentric via Electronic Data Interchange (EDI)

1. General section

1.1 Communication via Electronic Data Interchange (EDI)

To ensure a continuous, error-free and real-time flow of information, optimization of the exchange of data required in connection with the delivery process is an important objective for the global automotive industry.

EDI messages are transmitted in line with the messaging standards developed.

Further information can be found in the appendix IT systems and applicable documents in the currently valid version.

In view of this, the Partner is obligated to create and use the prerequisites required for communication with cellcentric via EDI. The costs arising in this respect are covered by the price paid by cellcentric for the deliveries.

Correspondence between the physical scope of the shipment, the content of the EDI message and the content of the documents accompanying the goods is vital to safeguard the logistical processes. In this regard, the Partner ensures that all of the necessary data and information are transmitted in full, in good time and without errors in the EDI transmissions.

For the avoidance of doubt it is noted that also regarding samples and empties supplies the communication has to be carried out by EDI.

1.2 Additional expenses due to process disruptions

In the event of incorrect or incomplete data communication transmissions, the Partner must bear the resulting costs, insofar as it has caused these. The level of the costs in this case is oriented towards the prime costs incurred by cellcentric for subsequent processing:

2. cellcentric-specific requirements for Electronic Data Interchange and labelling

cellcentric can make further specifications for electronic data interchange and labelling as necessary.

3. Use of IT systems

The Partner undertakes to observe all information from the specified IT systems (cf. appendix IT systems) concerning him and to check them regularly for new contents.

V. Sustainability and Environmental Protection

The following provisions regarding sustainability define the standards and criteria that cellcentric's Partners must meet: adherence to internationally recognized human and employee rights, the prohibition of child labour and forced labour, observing and promoting ethical business conduct and adherence to legal standards and environmental rules, as well as preventive environmental protection as well as adherence to animal protection regulations. The sustainability provisions are based on internationally recognised principles of the United Nations Global Compact (http:// www.unglobalcompact.org) and the established minimum standards of the International labour Organization of the UN (http://www.ilo.org).

The Partner hereby enters into obligation to comply with the following standards:

A. Working Conditions/Staff Standards

1. Wages and benefits, working hours

Compensation and benefits are to be remunerated in accordance with the fundamental principles relating to minimum wages, overtime hours and statutory benefits. Working hours shall comply with all applicable laws, or - as far as those ensure a higher level of protection -, with the industry standards, but at least shall comply with the relevant ILO conventions. Overtime should be voluntary and employees must be granted at least one day off following six (6) consecutive working days.

2. Child labour prevention

For its enterprise, the Partner warrants that no exploitative child labour within the meaning of ILO Convention no. 182 is or was involved in producing or processing the products to be delivered, as well as that these products do not violate any obligations resulting from the implementation of this Convention or of any other applicable, domestic or international regulations on combating exploitative child labour. Moreover, the Partner warrants that its enterprise, its suppliers and their sub-suppliers have proactively taken targeted measures conducive to ensuring that exploitative child labour in the sense of ILO Convention no. 182 is ruled out where the production or processing of their products is concerned. The Partner will place its sub-suppliers and their sub-suppliers under a corresponding obligation and will perform controls and checks in this regard. cellcentric will review the content of this undertaking and the Partner will submit proof of the measures taken upon request from cellcentric. If there

are suspicious facts regarding any non-compliance of these standards in the supply chain, if any, the Partner is obligated to keep track of these and to inform cellcentric about it.

3. Freely chosen employment

The Partner will not employ anyone against their will or force them to work. Employees must be free to leave employment with reasonable notice. Employees must not be required to hand over government-issued identification, passports or work permits as a condition of employment. The Partner is particularly obligated to observe the requirements of the ILO Convention no. 29. The Partner shall place its suppliers and their sub-suppliers under a corresponding obligation and shall carry out control measures in this regard.

4. Freedom of association, right to collective bargaining

Workers must be able to communicate openly with management regarding working conditions without fear of reprisals of any type. Workers shall have the right, but not the duty, to associate freely, join labour unions, seek representation and join works' councils. The ILO Convention no. 87 and 98 are relevant in this regard.

5. Non-discrimination

Harassment or discrimination against employees in any form is not allowed. In particular discrimination based on gender, race, caste, colour, disability, union membership, political beliefs, origin, religion, age, pregnancy or sexual orientation is not allowed. The Partner is obligated to at least take measures to avoid discriminations within the meaning of the ILO Conventions no. 111 and 100.

6. Health and safety

In its role as employer, the Partner ensures occupational health and safety in keeping with domestic standards and will promote continuous improvement of the workplace environment.

B. Business Ethics Standards

1. Anti-corruption and compliance

Within the framework of its commercial dealings with cellcentric, the Partner is obliged to desist from all practices which may lead to penal liability due to fraud or embezzlement, insolvency crimes, crimes in violation of competition, guaranteeing advantages, bribery, acceptance of bribes or other corruption crimes on the part of persons employed by the Partner or other third

parties. In the event of violation of the above, cellcentric has the right to immediately withdraw from or terminate all legal transactions existing with the Partner and the right to cancel all negotiations. The above notwithstanding, the Partner is obliged to adhere to all laws and regulations applicable to both itself and the commercial relationship with cellcentric.

2. Safety & quality

All products and services will be delivered to meet the contractually specified quality and safety criteria, and will be safe to use for their intended purpose.

3. Technical compliance

The Partner has to comply with the technical regulations which apply to his deliverables (e.g. applicable regulations, policies, laws and technical standards), taking into account the objective of the respective regulation. Further, the Partner has to establish adequate structures within his organization to ensure the adherence to all these technical regulations within the product creation phase. Such a system should provide orientation and guidance for the Partners' employees and consider appropriate ethical, integrity and technical compliance standards.

The Partner shall comply with and implement the requirements of the VDA Volume Produktintegrität (Product Integrity). However, it is left to the Partner to decide, if the Partner implements a Product Safety and Conformity Representative (PSCR) or not.

C. Due diligence obligations in the context of human rights

1. Implementation of due diligence measures in the context of human rights

If the partner supplies products or provides services in whose value chain potentially negative impacts on human rights are to be feared, it undertakes to establish processes for human rights due diligence in its company (e.g. risk management system) and to take systematic and appropriate due diligence measures in connection with human rights based on this process. Relevant in this regard are the specifications of the UN Guiding Principles on Business and Human Rights (hereinafter referred to as “UN Guiding Principles”) as well as the respective relevant OECD Guiding principles & Concepts. In accordance with the UN Guiding Principles, the Partner shall design adequacy and scope of these measures according to the size and sales of its company, the nature of the product or service as well as according to the origin of the product or service and the raw materials contained in it, and particularly according to the associated risks.

The Partner must inform cellcentric unsolicited, about the identified risks and/or mitigating measures and must additionally transfer a documentation of its precautionary measures to cellcentric upon request.

cellcentric is entitled to inspect and audit the processes established by the Partner for his duty to take due care of the human rights, the processes to create transparency as well as the precautionary measures taken by the Partner in the context of human rights or to have them inspected or audited by a third party commissioned by cellcentric.

cellcentric may use the information and knowledge from these inspections, audits and measures to fulfil statutory obligations, as they exist, for example, in the context of reporting obligations.

2. Creating transparency

As a prerequisite for the implementation of precautionary measures in the context of human rights, specified in section 3.1 above, the Partner establishes transparency in its supply chain using internal processes in order to identify risks related to human rights and to be able to initiate corresponding counter measures and control measures if necessary. The Partner must follow the specifications of the respective relevant OECD Guiding principles & Concepts. As part of supplying the products or providing the services, the Partner must in case of a risk-based necessity facilitate the inspection and auditing of its suppliers and their sub-suppliers by cellcentric or by a third party commissioned by cellcentric.

The Partner must identify “nodes” critical for human rights (such as mines, smelting plants and refineries). The Partner must inform cellcentric upon request about such "nodes" critical for human rights (company and production location of the "node"). cellcentric is obligated to the UN Guiding Principles for Business and Human Rights and strives to publish such "nodes" of the cellcentric supply chain critical for human rights; the Partner consents to support this objective.

D. General Environmental Standards and Environmental Sustainability

1. General environmental responsibility, environmental performance of production activities and of products

cellcentric is committed to a system of integrated environmental protection, which addresses causes at the root, assesses the environmental impact of production processes and products in advance and integrates these into corporate decisions. In this context, production processes and products are designed using holistic principles to make them environmentally compatible and to use resources as sparingly as possible.

With regard to environmental protection, the Partner will act in accordance with precautionary principles, will take the initiative to ensure the promotion of greater environmental responsibility and will sponsor the development and dissemination of environmentally friendly technologies. In all stages of manufacturing, the Partner will ensure a high degree of environmental protection. This includes proactively preventing or minimizing the impact of accidents which may adversely affect the environment. Particular emphasis is given to the application and continuing development of resource-conserving technologies that are characterized by strategies which ensure the reduction of emissions, the saving of water and energy, the use of recycled materials and renewable raw materials as well as reuse and recycling.

All products manufactured within the supply chain must meet the environmental standards applicable to their respective market segment. This includes all materials and substances used in production. Chemicals and other materials posing a hazard if released into the environment are to be identified. A hazardous material management system is to be instituted by Partner for them, which ensures appropriate processes for their safe handling, movement, storage, recycling or reuse and disposal.

The Partner is obligated to promote the use of resource-conserving materials and to submit an offer accordingly. The portion of recycled material in the polymer (without fillers and additives) must not be below 10%. The portion of recycled material in the polymer (without fillers and additives) may be up to 100%, provided the technical requirements for the component are met. Recycled material is a material that has been prepared from recovered [used] material with the help of a production process and processed into an end product or a part of an end product. Definition in accordance with DIN EN ISO 14021 environmental labelling and declaration - Self-declared environmental claims.

With regard to the delivery of plastic components, Partner is obligated to document the use of the recycled material in IMDS. The exact portion of recycled material [% masses] must be specified in the tab "Recycled material". Further information can be found at www.mdsystem.com.

Suppliers of production materials are obliged to implement a certified environmental management system according to ISO 14001, EMAS or comparable standards no later than two years after conclusion of the purchasing contract. This above mentioned certified environmental system has to be operated during the entire term of the business relationship with cellcentric. Verification shall be supplied in the form of certification via an accredited certification body. In due time before the expiry of the duration of validity, a new certificate has to be provided to cellcentric.

Also suppliers of non-production material have to fulfil the above mentioned obligations regarding an environmental management system at the request of cellcentric.

2. Preparation of recycling and disposal concepts for delivered products.

The Partner is obliged to ensure the following:

- Creation and transfer of a component-related concept for drainage and pollutant removal.
- Compliance with the labelling standards VDA 260 and
- Provision of a recycling concept for selected, supplied parts in coordination with cellcentric.

3. Confirmation of/adherence to substance bans

substances subject to legal restrictions or prohibitions may only be contained in the delivered materials or parts or in the products contained therein in accordance with these regulations (e.g. chemicals ban directive, German "End-of-Life Vehicles Ordinance" (Altfahrzeug-Verordnung), REACH Regulation (EC) No. 1907/2006). cellcentric requires its Partners to be aware of the obligations from these regulations and to comply with them. The Partner must therefore ensure the following:

- The provision of correct and complete IMDS (International Material Data System) material data sheets is to be ensured free of charge for every new part and for the adjusted parts as well as for all substructure parts and/or contained operating materials characterized as spare parts in the spare parts area, and has to be implemented, in the

course of initial sample inspections of new or modified products, at the latest two (2) months following a design release (OG D). Any flawed material data sheets (MDS) will not be accepted and must be corrected at the latest three (3) months following design release. A retroactive requirement may be issued for material data sheets not submitted.

- Registration/Non-approval and notification of substances: The Partner must ensure that substances, substances in preparations and substances in products requiring registration are only delivered to cellcentric if they are registered in accordance with Article 5 and Article 6 or Article 7 (1) of Regulation 1907/2006/EC (REACH) for use by cellcentric. The Partner similarly ensures that for substances in products delivered that are subject to duty of notification in accordance with Article 7 (2), notification is performed by Partner or - if the product is not manufactured by Partner or was imported - by a supplier or sub-supplier, or alternatively the substance is registered for its intended use (Article 7 (6)). If substances subject to registration are not registered or substances stated in Annex XIV of the Regulation 1907/2006/EC are not permitted at the time of delivery for their contractually intended uses or the necessary notification in accordance with Article 7 (2) has not been issued, the Partner is required to contact its REACH Partner at cellcentric without delay: reach@cellcentric.net.

- Regulation for substances that are listed in Annex XIV of the REACH-Regulation
  In case of developing a new component, substances listed in Annex XIV of the regulation 1907/2006/EG (REACH) must be waived in general. If the use of such substances is unavoidable, these substances only may be used after prior approval by the responsible person for the components (Bauteilverantwortlicher, BTV) (where applicable in coordination with the special material department at cellcentric) either in written or in text form. The Partner must provide evidence to the BTV that the Partner or one of its suppliers or their sub-suppliers has submitted an application for approval for the required usage no later than upon reaching the “latest application date” (18 months before “sunset date”). Otherwise the Partner has to take further measures to ensure compliance with the requirements of the REACH-regulation.
  If there are alternatives under technical and economic constraints, substances included on the candidates list must also be waived preventively in case of developing a new component. If there is no alternative, it has to be aligned with cellcentric.
  The current overviews of the substances included on the candidates list and of the Annex XIV can be accessed on ECHA's homepage:

https://echa.europa.eu/candidate-list-table and
https://echa.europa.eu/regulations/reach/understanding-reach

If a component contains a substance listed in Annex XIV of the Regulation 1907/2006/EG, the Partner has to inform the BTV/contact person of the supplier management immediately, so that measures for substitution or, if necessary, for other activities regarding the compliance with the REACH regulations (e.g. approval for the relevant substances) can be initiated. Suppliers of spare parts shall consult with the contact person in the cellcentric after-sales department on this matter.

- Substances of Very High Concern (SVHC) in components, spare parts, miscellaneous items, accessories and packaging:
  If parts delivered or the articles contained therein contain a portion of substances of very high concern (SVHC) specified on the candidate list in accordance with Article 59 (1) of Regulation 1907/2006/EC amounting to more than 0.1 % of their weight, the Partner is required to automatically provide all information in accordance with Article 33 (1) of Regulation 1907/2006/EC on delivery. This also applies if such substance is only added to the candidate list during an ongoing supply relationship. The information must be provided in written form, preferably by IMDS.

- Confirmation and observance of the substance bans according to the EU End-of-life-vehicle Directive (e.g. free of chrome (VI)) in accordance with the agreed changeover scenarios.

- Compliance with the Negative Substance List according to DBL 8585 or a comparable standard-

- Allergenic and sensitizing substances (H317 und H334) must be avoided.

E. Life Cycle Assessment for Continuous Improvement of Products and Production

cellcentric carries out environmental audits on the basis of ISO 14040 et seq. in order to determine and improve its overall environmental profile. On request, the Partner shall therefore provide cellcentric with information on the relevant products, materials and processes. cellcentric assures the Partner that this information is kept strictly confidential and will only be used for the purpose of the holistic Life Cycle Assessment

The Partner will strive towards getting such information from its suppliers and their sub-suppliers also (manufacturers of raw materials and semi-finished products, energy providers, residue recyclers, etc.) as far as possible. Confidentiality will be treated as indicated above.

The data must be provided in the specified documentation format (VDA data collection format for life cycle assessments). The period of time and data quality must be agreed between cellcentric and the Partner.

F. Transparency, Environmental Objectives and Action Plans

The Partner has to record the key figures given below with regard to his deliveries for each calendar year. The Partner must store the key figures at least for a period of 10 years after the expiry of the respective calendar year. The Partner must report these key figures to cellcentric on cellcentric's request. The provision of the data serves to assess the environmental performance of the Partner. The key figures are as follows:

- Total energy consumption in MWh
- Composition of the used energy source in portions
- CO2-eq. Emissions from scope 1, 2, according to GHG event log in t
- Portion of primary and secondary materials in %
- Total water consumption in m^3
- Process waste water in m^3
- Waste for disposal in t
- Waste for recycling in t
- VOC emissions (volatile organic compound) in t

G. Animal Protection

The Partner is obligated to comply with the applicable laws and regulations for animal protection as a part of its business relationship with cellcentric.

H. Communicating the Sustainability Standards to the Supply Chain

The Partner will forward the content of these sustainability standards to its suppliers, placing them under the corresponding obligations, and will monitor and check compliance with sustainability standards in the supply chain.

VI. Product Creation Process

This chapter contains regulations on the provision, testing and exchange of digital product data in the development process.

A. General

cellcentric usually develops component parts, systems/modules and complete functions together with the Partner. Close communication and validation on the basis of a digital product description are required to structure the development process in an efficient, reliable and binding manner. To achieve this, continuous use of CAx tools such as Computer Aided Design (CAD), Engineering Data Management (EDM), Electronic Data Interchange (EDI) and clear regulations for both parties are necessary. In the development department, early digital validation particularly involves packaging, constructability, calculation, kinematics and production and manufacturing planning, including production and ordering logistics.

The cellcentric after sales department uses the digital product description to support the process for spare part documentation, workshop equipment and special tools, workshop literature, initial sampling of spare parts and special tools, function and system descriptions, technical graphics, repair technology and literature, parts technology and service, retrofitting technology and literature, operating instructions, EE software test, packaging planning.

B. Subject Matter

With regard to CAD data, the following provisions regulate the CAx/EDM process, i.e. project preparation, installation and generation, testing and exchange; the scope to be provided by the Partner as well as the EDI. With regard to EE data[1], the following provisions regulate the EDI.

C. CAD Data Exchange

VDA recommendations VDA 4961/3, VDA 4950, VDA 4951 and VDA 4955 are defined as binding for processing communication and validation processes between the Partner and cellcentric. The EDI link must basically be used to exchange CAD and EE data.

[1] EE data include software (e.g. hex, telematics files), software resources (ODX-F) plus relevant delivery notes and checksums (for hex file, ODX-F and Security Definition).

1. Standard Regulation (Minimum CAx/EDI Standard)

Based on the VDA recommendations, cellcentric-specific specifications and amendments are defined in the CAD manual for product-describing data from cellcentric. Changes to the CAD handbook are checked and immediately implemented by the Partner; if this is impossible, the Partner must immediately contact cellcentric for clarification.

The minimum CAx/EDI standard (so-called "standard regulation") is defined in the CAD manual. This standard regulation is binding unless there are other provisions in requirement specifications. In each case, the basis of such other regulations is the CAD manual, which contains all relevant methods and standards.

2. Affected scopes

2.1 Development

This affects all new, process-relevant CAD data or EE data to be created or amended.

2.2 After sales

This affects all data for:

a) spare parts defined and documented in mutual coordination by the after sales and development departments and the Partner;

b) the processes for workshop equipment and special tools, workshop literature, initial sampling of spare parts and special tools, function and system descriptions, technical graphics, repair technology and literature, parts technology and service, retrofitting technology and literature, operating instructions, EE software test and for packaging planning, which are exchanged by the after sales department with their external Partners. This can also be product description data derived from 3D-CAD, e.g. in JT, Cinema4D or JPEG (2D images) format.

3. Use of software

Data must be created, amended, forwarded and used with software that meets the agreed requirements, carries a license for commercial use and which allows the processing of data for commercial purposes (e.g. no university or test license). The Partner will ensure that its sub-suppliers are subject to the same requirements.

4. Procedure in case of non-compliance

If certain elements of the standard regulation (e.g. data quality requirements, EDI standards) are not met or only partially met, this impacts directly on supplier evaluation. Information regarding the affected elements and the CAx/EDM profiles is published in the engineering service. Information regarding the affected elements and the CAx/EDM profiles is published in the engineering service[2].

If the CAD 3D and CAD 2D data provided by the Partner don’t meet the agreements or requirements, the recipient's department which is responsible for design or the department responsible for the process decides on the further procedure:

- Following consultation, generation of the missing scopes or reworking of CAD data by the Partner or by a service provider commissioned by the latter at the Partner's expense.
- Following consultation, generation of the missing scopes or reworking of CAD data by a service provider commissioned by cellcentric and at the Partner's expense.

As far as cellcentric suffers damage due to the fact that the Partner does not fulfil his contractual obligations or does not fulfil them in time, the Partner is liable for the resulting damage to cellcentric, unless he is not responsible for it

[2] *See "Engineering Service" (cf. annex IT systems and applicable documents).*