General Terms and Conditions of Purchase (GTCP)

§ I. General Terms

The following General Terms and Conditions of Purchase (GTCP) apply to all contracts in which Proponent Battery Services GmbH (hereinafter referred to as "Proponent") procures goods or other services from suppliers or other contractors (hereinafter referred to as "Supplier"). The GTCP apply to all business transactions, and in the case of ongoing business relationships or framework agreements, they also apply to all future supply relationships. By delivering the goods at the latest, the Supplier signifies acceptance of our terms. Conflicting contractual terms from the Supplier shall not become part of the contract, neither through order confirmation, unconditional acceptance of deliveries or services, nor by payment.

§ II. Offer

If the Supplier’s offer is based on a request, the Supplier must explicitly indicate any deviations from this request. The Supplier is bound to its offer for a minimum period of one month. The preparation of offers by the Supplier is free of charge. Prices are to be quoted in EUR or USD, plus statutory VAT applicable on the delivery date, delivered free to our premises, including packaging and insurance. Proponent reserves all ownership and copyright rights to any documents provided to the Supplier for offer preparation. If the Supplier does not submit an offer, they must promptly return these documents to Proponent free of charge upon request.

§ III. Conclusion of Contract

1. Based on a Supplier's offer, Proponent submits a written order to the Supplier. The contract is concluded when the Supplier confirms this order within seven days of receipt. The confirmation must specify a binding delivery date unless one has already been provided in the order. All agreements made between the parties in connection with an order up to the conclusion of the contract are set down in writing in the contract documents. No oral collateral agreements exist. Any amendments or modifications to the contract, including these GTCP, must be in text form to be effective. On Proponent’s side, only managing directors and explicitly authorized persons are entitled to make oral agreements that deviate from these terms.

2. Release orders become binding if not objected to within one week of receipt. The parties agree that, in the case of framework agreements, the Supplier will only procure preliminary materials to the necessary extent and that the production of parts is considered commissioned only after receipt of the release order.

3. Any changes in processes or procedures related to the manufacturing of the ordered goods, as well as changes to the materials used compared to previous, similar deliveries and services, require written approval from Proponent.

4. Proponent is entitled to request changes to the design, delivery quantity, and delivery time before the order is executed, in consultation with the Supplier. The effects of such changes must be reasonably and mutually agreed upon and documented in writing. If an agreement cannot be reached, Proponent is entitled to terminate the contract exceptionally.

In such a case, the Supplier is entitled to reimbursement for their expenses incurred.

6. If Proponent provides drawings, tools, samples, models, trademarks, packaging, or similar items, as well as finished or semi-finished products to the Supplier, these remain the property of Proponent. If such items are produced on behalf of Proponent, ownership will transfer to Proponent upon completion. These items may only be shared with third parties with the express written consent of Proponent. Unless otherwise agreed, these items must be returned to Proponent immediately upon completion of the order without a separate request. Goods and services produced or rendered exclusively for Proponent may only be delivered to third parties with the express written consent of Proponent.

§ IV. Delivery Dates and Deadlines, Delays

1. Delivery dates and deadlines in orders and call-offs are binding. Compliance with deadlines and dates is determined by the receipt of the delivery at Proponent. Partial deliveries require Proponent's approval. If difficulties arise that prevent the Supplier from delivering on time and in the specified quality, the Supplier must immediately inform Proponent in writing, stating the reasons and the expected duration of the delay. Proponent has the right to either cancel or maintain the order. If the Supplier fails to notify Proponent or does so late, the Supplier must compensate Proponent for any resulting damages.

2. If there is a delay in delivery, Proponent has the right to its statutory claims. Proponent is not required to set a deadline if, due to the delivery delay, the interest in performance has disappeared. This is especially true when Proponent's own delivery deadlines necessitate timely fulfillment, as the customer's rejection of the performance is anticipated, and the Supplier was informed of this at the time of order or call-off. Any disclaimer or limitation of the Supplier's liability is excluded. In the event of withdrawal, Proponent is entitled to retain partial deliveries with a credit note.

3. If the delivery date or deadline has passed without success, the Supplier is in default without the need for a reminder. If the delivery is not made even after a reminder, the Supplier must pay a contractual penalty of 0.5% of the net order value for each week or partial week of delay, up to a maximum of 5% of the net order value and/or the delivery. If a reasonable grace period expires without performance, Proponent is entitled to purchase replacement goods from a third party (cover purchase) and/or withdraw from the contract. The paid penalty will be deducted from any damage claims.

4. Prior to the Delivery Date, Proponent is not obligated to accept the delivery.

5. If Proponent is unable to accept the delivery on time due to force majeure or other unforeseen circumstances or obstacles beyond Proponent's control that affect the acceptance of the goods, the acceptance period will be extended by a reasonable amount of time, and no default in acceptance will occur. In the event of minor negligence on the part of Proponent regarding the acceptance delay, liability is limited to typical, foreseeable damage; in all other cases, claims for damages by the Supplier are excluded.

§ V. Transport and Risk Transfer

1. The Supplier must include Proponent's order details on all shipping documents and delivery notes. Any delays, additional costs, or damages resulting from non-compliance with shipping instructions will be borne by the Supplier. The Supplier must use the prescribed packaging and ensure that it protects the goods from damage.

If no specific packaging is required, the goods must be packaged in accordance with trade standards. The Supplier is liable for any losses or damages occurring during transportation, including unloading, until acceptance by Proponent. The Supplier must therefore arrange for adequate transport insurance for its deliveries. If, in exceptional cases, Proponent covers transportation costs, the most cost-effective shipping method must be chosen, taking transport safety into consideration.

2. The risk is transferred to Proponent only upon delivery to the shipping address or upon acceptance. Until shipment, the goods must be stored free of charge and at the Supplier's risk.

§ Pricing and Payment

1. The price indicated in the order is the highest price and cannot be exceeded but may be reduced. The prices are "free delivered" including packaging. If otherwise agreed in writing, the packaging will be charged at cost price. In the case of a return, at least two-thirds of the packaging value will be credited.

2. The Supplier agrees not to offer Proponent worse prices or terms than those granted to other customers, if and to the extent that those customers offer the same or comparable conditions in the specific case.

3. Invoices must be issued separately for each order. The payment claim arises only after the complete delivery of defect-free goods or services and the receipt of the invoice. This applies accordingly to allowed partial deliveries. Any delays caused by incorrect or incomplete invoices do not affect the discount deadlines. In case of a discount agreement, payment will be made according to the terms of the discount arrangement from the underlying order, provided the goods or services are accepted without objection. The starting point for the payment period is the date of delivery or the date of receipt of the invoice, whichever occurs last. A delay in payment by Proponent is excluded in cases of simple negligence. In all other cases, claims for damages are limited to those typically arising from a delay in payment.

4. The assignment of the Supplier's claims against Proponent to third parties requires the written consent of Proponent. Payments will only be made to the Supplier.

§ VII. Delivery Notes

1. For each shipment, a delivery note in a single copy must be attached. Invoices should preferably be sent by email or by post, at the same time as the goods are dispatched. Both documents must contain: transaction number, order number, order date, ordering department or purchaser, delivery quantity and unit, Proponent's item description with item numbers, and the remaining quantity for allowable partial deliveries. If any information is missing from the documents, they will be considered as not having been delivered.

2. A shipping notice for freight shipments must be sent to Proponent separately on the day of shipment.

Battery Services GmbH

§ VIII. Quality Management

1. The Supplier must adhere to the acknowledged rules of technology and the agreed (technical) data, including quality regulations and any relevant safety laws and protection standards in relation to the deliveries. All deliveries must meet the latest standards (DIN, EN, ISO, LN, VDE, EU, etc.),

factory norms, and industry standards unless otherwise expressly agreed in writing. The Supplier is required to maintain a quality management system based on international norms such as ISO 9000 ff or EN 9100 ff.

This includes a commitment to a zero-defect target and ongoing performance improvement. The Supplier is also obligated to ensure that its own suppliers maintain a comparable quality management system to guarantee the defect-free quality of parts purchased, externally processed, or refined. Specific quality details will be regulated in written agreements between the parties. If applicable, the Supplier will enter into a quality assurance agreement with Proponent.

2. In the case of deviations from specified characteristics, the delivery requires written approval for the deviation (special approval) from Proponent. The Supplier is therefore required to promptly request this special approval in writing as soon as the deviation is identified. Upon delivery, the goods covered by the special approval must be marked accordingly on the packaging units and delivery note. If the Supplier detects deviations from specified characteristics after the products have been delivered, they are obligated to inform Proponent's purchasing and quality management in writing immediately, so that appropriate corrective measures can be implemented. The Supplier must ensure that, after a temporary special approval expires, specification-compliant products are delivered again. The Supplier must fully document the process, including error identification, cause analysis, corrective actions, and effectiveness checks. These records must be made available to Proponent upon request. Any change suggestions submitted to Proponent will be reviewed internally, and necessary updates or additions to the specification documents will be made accordingly. Process changes must not be implemented without Proponent's written approval and request.

3. Proponent, its customers, and the relevant authorities have the right to verify the Supplier's quality capabilities through a site visit. The timing and scope of the site visit will be coordinated with the Supplier before the visit takes place.

4. The Supplier shall, if necessary, communicate Proponent's and its customers' requirements for quality and other special characteristics to its suppliers.

5. The Supplier shall, upon Proponent's request, provide samples for release, inspection, verification, or auditing.

6. The Supplier implements a process to protect against counterfeit parts or parts of unknown origin.

7. The Supplier ensures that all those involved in the manufacturing process are informed about their contribution to the conformity and safety of the products to be supplied.

§ IX. Performance Issues, Defects

1. If the Supplier fails to properly fulfill a contractual obligation in accordance with the agreed terms or legal requirements, Proponent is entitled to the full statutory rights. This applies especially if the required performance is not delivered, is delayed, or is defective.

2. The Supplier is required to deliver the goods free from material and legal defects. In the case of material and legal defects, the statutory provisions apply unless otherwise agreed below. If the Supplier is obligated to remedy the defect, Proponent may, at its discretion, demand either defect rectification or the delivery of defect-free goods. The Supplier is responsible for covering all costs necessary for the remedy of the defect, including transportation, travel, labor, and material costs.

In urgent cases, particularly when there is an imminent risk or to prevent acute dangers or larger damages, Proponent is entitled to carry out the defect remedy itself or through third parties. In such cases, the Supplier is obliged to reimburse the costs incurred.

3. Unless otherwise agreed, Proponent must examine deliveries within a reasonable period for obvious quality or quantity deviations. A notice of defects by Proponent is timely if it is received by the Supplier within 7 working days. The period begins upon receipt of the delivery or, in the case of hidden defects, their discovery. For through transactions, the period begins when the notice of defects is received by Proponent from the purchaser. By adhering to this deadline, the Supplier waives the objection of a delayed notice of defects. Proponent reserves the right to request reimbursement from the Supplier for costs incurred in connection with the notice of defects. The Supplier bears the costs and risk of returning defective goods.

4. For any defect claims related to the product manufactured or delivered by the Supplier, or to the order executed, the limitation period will expire 36 months after the delivery of the products made by Proponent using the supplied items to its customers, but no later than 5 years from the delivery to Proponent. The Supplier shall coordinate with its liability insurer to ensure this limitation period is included.

5. In the case of legal defects, the Supplier must indemnify Proponent against any third-party claims and cover all costs for legal defense. A limitation period of 10 years is agreed upon for legal defects.

6. For parts of the delivery that are fixed or repaired within the warranty claim period, the statute of limitations will begin anew once the Supplier has fully complied with the remedy claims.

7. If Proponent is required to take back its own goods or services from a customer due to defects of the goods supplied by the Supplier, or if the price is reduced or other claims are made by the customer against Proponent, Proponent reserves the right to demand compensation from the Supplier for the resulting damages and expenses. A deadline for this recourse is not required.

8. Regardless of the provisions in Section 4, the limitation period in the cases outlined in Sections 6 and 7 shall commence no earlier than 2 months after Proponent has satisfied the claims directed against it by its customer, but in no event later than 5 years after delivery by the Supplier to Proponent.

9. If a defect in material arises within 6 months from the transfer of risk, it is presumed that the defect was already present at the time of the transfer of risk from the Supplier to Proponent, unless this presumption is incompatible with the nature of the defect.

§ X. Product Liability, Insurance Coverage

1. The Supplier must indemnify Proponent from any third-party claims arising from product and producer liability for damages, to the extent that the cause of such damages lies within the Supplier’s control or organizational sphere

and the Supplier is directly liable to third parties. In such cases, the Supplier is also liable for the costs of any necessary recall action and for the compensation payments (including legal defense or legal proceedings costs) that Proponent has agreed to make to the third party out of court, considering the interests of the Supplier. Other statutory claims remain unaffected.

The Supplier must also bear all costs associated with measures required to (also proactively) correct defects, particularly those arising from Proponent's product monitoring obligations. The Supplier must ensure that this indemnification is covered by their business liability insurance.

2. The Supplier agrees to maintain business and product liability insurance with a coverage amount of at least EUR 2 million for personal and property damage. The coverage must also extend to damages occurring abroad. The Supplier must notify us of any exclusions for coverage in the USA/Canada.

§ XI. Intellectual Property Rights, Indemnification

The Supplier guarantees that both the delivered goods and their packaging comply with the regulations applicable to the operation or use of such items. This includes regulations under European law, national legislation, governmental provisions, or commercial practices. The Supplier shall indemnify Proponent against all public and private legal claims or sanctions arising from violations of these regulations. Furthermore, the Supplier guarantees that no third-party intellectual property rights or competition laws are infringed in connection with the delivery.

If Proponent is held liable by a third party for violating intellectual property rights or competition laws, the Supplier must indemnify Proponent on first demand and cover all costs incurred due to such claims. If the Supplier uses third-party intellectual property under license agreements, the Supplier must ensure that these rights also apply to Proponent's use and allow the use of the delivered products in all jurisdictions where corresponding intellectual property rights exist. If the Supplier holds intellectual property rights to the delivery, the Supplier grants Proponent an unlimited, worldwide right to use those rights. If the Supplier acquires intellectual property rights in works created specifically for Proponent, such as copyrights or related rights, the Supplier grants Proponent the exclusive, transferable, and perpetual right to use these works. In cases where the Supplier registers intellectual property, such as patents, utility models, or topographies, the Supplier is obliged to transfer these rights to Proponent. Additionally, the Supplier must deliver all raw data, including schematics, drawings, and source code, to Proponent upon delivery. No additional payment will be made for granting these rights.

§ XII. Force Majeure

If war, civil war, export or trade restrictions due to political changes, strikes, lockouts, disruptions in operations, restrictions in operations, or other similar events make the fulfillment of the contract impossible or unreasonable for Proponent and Proponent is not at fault, these events will be considered force majeure. As a result, Proponent will be relieved from the obligation to accept the goods in a timely manner for the duration of the force majeure. The contracting parties must adjust their obligations to the changed contractual conditions in good faith upon proper notification by Proponent. If the force majeure persists for a period of at least two consecutive weeks, Proponent is entitled to withdraw from the contract if the force majeure causes a significant reduction in the need for the delivery, particularly if the demand is reduced by more than 30%. The Supplier shall not have any right to claim damages for losses incurred.

§ XIII. Provision of Tools and Materials

If the order includes the assumption of tool or model costs by Proponent, the Supplier must procure the tools and models for Proponent, ensuring that Proponent acquires sole, unencumbered, and unreserved ownership of these items. The tools and models are provided to the Supplier solely for the execution of the order. The Supplier is obliged to use these items exclusively for the production of the goods ordered by Proponent. The Supplier must insure the items at their replacement value, at their own cost, against damage by fire, water, storms, burglary, theft, and vandalism.

The Supplier hereby assigns to Proponent any compensation claims arising from this insurance. Proponent accepts this assignment. The Supplier is also responsible for carrying out any necessary maintenance, inspection, and repair work on the items, at their own cost, in a timely manner.

If Proponent provides items to the Supplier, Proponent retains ownership of these items. Any agreed-upon processing or transformation by the Supplier will be done exclusively for Proponent.

If the goods subject to retention of title are processed, combined, or mixed with other items not belonging to Proponent, Proponent acquires co-ownership of the resulting item in proportion to the value of Proponent's goods relative to the other items at the time of processing, combining, or mixing. If the processing, combining, or mixing occurs in such a manner that the Supplier's item is considered the main item, it is agreed that the Supplier will transfer proportional co-ownership to Proponent. This provision applies even if Proponent refuses acceptance due to delayed or defective delivery or decides not to make further orders. In such cases, the supplied items must be returned to Proponent free of charge. Offsetting is not permitted.

§ XIV. Business Secrets

1. The contracting parties mutually agree to keep all information obtained from the collaboration under this agreement strictly confidential, unless such information is publicly known, lawfully acquired from third parties, or independently developed by third parties (business secrets). The parties shall use this information exclusively for the purposes of this agreement. Business secrets include, in particular, technical data, reference quantities, prices, as well as information on products and product developments, current and future research and development projects, and all company data of the other contracting party.

2. The supplier must, if necessary, oblige its subcontractors accordingly.

§ XV. Subcontracting

The Supplier is required to execute the order personally. Subcontracting or transferring significant parts of the order to third parties without prior written consent from Proponent is prohibited. An attempt to transfer the order will entitle Proponent to terminate the contract, either in full or in part, and to seek compensation for any damages caused.

§ XVI. Right of Withdrawal in Case of Deterioration of Assets

Should the financial situation of the Supplier significantly worsen after the contract is signed, putting at risk Proponent's ability to enforce its contractual and legal claims, Proponent has the right to rescind the contract, either wholly or partially. A substantial deterioration in the financial situation is deemed to occur if enforcement actions are initiated against the Supplier, a major credit is denied, payments are stopped, or insolvency proceedings are filed for the Supplier's assets.

§ XVII. Jurisdiction, Place of Performance, Miscellaneous

1. If the Supplier is a merchant, a legal entity under public law, or a public-law special fund, or does not have a general place of jurisdiction in Germany, the place of jurisdiction for all disputes arising from the business relationship between the Supplier and Proponent shall, at Proponent's discretion, be either Mörfelden-Walldorf (Germany) or the Supplier's place of business. However, for claims brought by the Supplier against Proponent, Mörfelden-Walldorf (Germany) shall be the exclusive place of jurisdiction.

The mandatory legal provisions concerning exclusive jurisdictions remain unchanged by this clause.

2. Unless otherwise specified in the order, the registered office of Proponent shall also be the place of performance.

3. The rights and obligations between the Supplier and Proponent are exclusively governed by the law of the Federal Republic of Germany, excluding the conflict-of-laws rules of international private law. The United Nations Convention on Contracts for the International Sale of Goods (CISG) of April 11, 1980, does not apply.

4. If the contract or these General Terms and Conditions of Purchase (GTCP) contain any gaps, the parties agree that the legally effective provisions, which they would have agreed upon based on the economic objectives of the contract and the purpose of these GTCP, shall fill these gaps as if they had been aware of them.

5. If any provision or part of the contract or the General Terms and Conditions of Purchase (GTCP) is found to be legally invalid, unenforceable, or ineffective, this shall not affect the validity of the remaining provisions. The parties shall agree to replace the invalid, unenforceable, or ineffective pr vision with one that corresponds as closely as possible to the intended purpose of the original provision.
In the event of any inconsistency between the German and English versions of these terms and conditions, the German version shall prevail.