

# GENERAL TERMS AND CONDITIONS OF PURCHASE FOR PRODUCTION MATERIAL (GTCP)

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## 1 Scope

1.1 These General Terms and Conditions of Purchase (hereinafter “GTCP”) shall apply to Production Material and related services (hereinafter “Products”). The term Production Material refers to material and products which are incorporated into the LEONI products which are distributed to LEONI’s customers. These GTCP shall not apply to Non-Production Material and which are not related to Production Material. The term Non-Production Material refers to material and products which only facilitate and support the LEONI production and are not by

itself incorporated into and become any component or part of LEONI products distributed to LEONI's customers. For Non-Production Material and Services, separate terms and conditions apply which are available at [www.leoni.com/en/suppliers](http://www.leoni.com/en/suppliers).

1.2 These GTCP shall apply to all deliveries of Products to (i) LEONI Bordnetz-Systeme GmbH and (ii) Affiliates of LEONI AG, but only to the extent that these Affiliates are organized in the Wiring Systems Division of LEONI AG (hereinafter collectively or individually referred to as "LEONI"). Affiliates of LEONI AG are legal entities, which are controlled directly or indirectly by LEONI AG; for the purpose of this definition "Control" or "Controlling" shall mean to have, directly or indirectly, equal or more than 50% of company shares or voting rights. This also includes all future Affiliates of the Parties.

1.3 Upon LEONI's and/or its Affiliates' request, Supplier shall supply Products on the terms and conditions set forth herein. Any purchase order placed by an Affiliate and any Supply Contract resulting therefrom shall create an independent contractual relationship solely between the Affiliate and the Supplier. LEONI shall not be bound by or be responsible or liable for any of its Affiliates' obligations in this connection.

1.4 If any legal entity of LEONI sells Products containing or having incorporated a Product to an Affiliate, such Affiliate shall have the same rights, claims and remedies directly towards the Supplier with respect to the Products as if Supplier had a direct Supply Contract with such Affiliate. Furthermore, the Supplier may not claim any internal agreements between the purchasing legal entity of LEONI and such Affiliate for his own benefit.

1.5 If not agreed otherwise, these GTCP shall also apply to all future procurement or orders of Products by LEONI from the Supplier without the need to refer to these GTCP in each individual case. The applicable version is the version which is effective at the date of the placement of the order respectively the last-amended version which has been provided to the Supplier in text form. LEONI will send a free copy to the Supplier upon request.

1.6 The following terms form an integral part of these General Terms and Conditions:

- Quality Assurance Terms (QAT), version 2.5
- Supplier Logistics Terms (SLT), version 2.5
- LEONI Code of Conduct for Business Partners, version 2023

The applicable versions of these terms are the versions which are effective at the date of the placement of the order respectively the last-amended versions which have been provided to the Supplier in text form. These terms are available at [www.leoni.com/en/suppliers](http://www.leoni.com/en/suppliers) and will also be provided to the Supplier upon request. Changes and amendments to these conditions must be made in writing. Any general terms and conditions of the Supplier shall not be applicable, even if they were not rejected explicitly in any individual case. Acceptance or payment of Products does not constitute agreement even if the acceptance or payment is made with the knowledge of the Supplier's conflicting or supplementary terms and conditions.

## 2 Orders

2.1 Supply Contracts (agreements establishing the obligation for the Supplier to deliver Products to LEONI, e.g. General Supply Agreement, Nomination Agreement, order and respective confirmation of the order) and delivery releases as well as any changes and amendments thereof must be made in writing. Oral agreements of any kind must be confirmed by LEONI in writing in order to become effective. In case LEONI sends to the Supplier a request for quotation, the Supplier's offer must correspond to LEONI's request, otherwise it must contain express references to any deviations therefrom. Any deviating offer shall be deemed as an independent offer of the Supplier and may only result in an agreement if explicitly accepted by LEONI.

2.2 In general, an order from LEONI is placed via electronic data transmission (e.g. Electronic Data Interchange, EDI) or via other means of communication (e.g. fax, letter, e-mail) sent to the Supplier. For Production Material, an order from LEONI usually consists of a delivery call-off, but also could be a manual order. For details the Supplier Logistics Terms in its latest version shall apply. The latest version can be found under [www.leoni.com/suppliers](http://www.leoni.com/suppliers).

2.2.1 The Supplier shall submit order confirmations (which could also include an objection in part or in total) only if the Supplier cannot match quantities and dates given in a new order (delivery call-offs and manual orders). If the Supplier does not object within 48 hours after the receipt of a new order, the respective order shall be deemed to be confirmed by the Supplier and shall be binding.

2.2.2 Insofar as orders (delivery call-offs and manual orders) are not exceeding the range of capacity and flexibility agreed by the Supplier (e.g. in Nomination Agreements or Enquiries of LEONI), these orders shall become binding upon receipt of the respective orders by the Supplier, and the Supplier shall be obliged to deliver in accordance with the orders. In such case an order rejection of the Supplier shall not be permissible. Any order to which LEONI does not receive a permissible objection within 48 hours after the receipt of the order by the Supplier, is deemed to be accepted.

2.2.3 The agreed Minimum Order Quantity (MOQ) for Production Material is defined as the minimum quantity of Products to be ordered by LEONI at the Supplier for a specific part within a specific order horizon and shall refer to an ordered quantity within the total order horizon of an order (delivery call-offs and manual orders) and shall not refer to the ordered quantity for a single date within an order.

2.2.4 Lead times shall be applicable only if these are agreed in writing from both Parties. Lead times shall apply only for Production Material with (i) first delivery call-offs and (ii) manual orders.

2.3 Any estimates, forecasts or projections of volumes or quantities of Products provided by LEONI are non-binding estimates. Estimates are provided for informational purposes only and are based on various economic and business factors, variables and assumptions, which may change over time, for example due to changes of LEONI's customer's requirements.

2.4 Prior to the delivery of the Products, LEONI is entitled to request changes in respect of the subject-matter of the contract, quantities and the design, except if this is an unreasonable request to the Supplier or this is otherwise agreed in writing. Examples for reasonable requests are among others changes due to new legal requirements, safety issues and updates of the technical specifications by LEONI's customer. If such changes have an impact on costs or deadlines, the Parties will reach a reasonable agreement.

2.5 The Supplier is aware that if required during the Supply Contract term LEONI must accept and implement new customer requirements that arise after the conclusion of the Supply Contract and shall cooperate on good faith basis with LEONI on implementation once they become aware to Supplier. The Supplier shall support LEONI in this respect and contribute to the implementation of such customer requirements.

### 3 Prices, Payment Terms, Retention and Assignment

3.1 The prices stated in LEONI's order are binding and net of VAT. The agreed prices are fixed prices. They include all ancillary Products of the Supplier, in particular but not limited to packaging and delivery free the place of delivery. Any development services by the Supplier are included in the part price. This particularly applies to costs for samples and the total cost of validation.

3.2 Payment terms will be agreed separately by the Parties. If no separate agreement has been concluded, the payment terms shall be thirty (30) calendar days from the timely delivery of the Products and receipt of a proper and auditable invoice. Payment is subject to invoice verification.

3.3 The exercise of a right of retention or lien by the Supplier due to contested counterclaims or counterclaims which are not final and binding or which are not connected to the same legal relationship are excluded.

3.4 The Supplier may not assign or delegate any of its rights and obligations under the Supply Contract in whole or in part without LEONI's prior written consent.

## 4 Delivery, Delivery Periods, Default and Risk

4.1 Agreed delivery dates are binding and refer, unless otherwise agreed, to the arrival at the unloading point specified in the order. The Supplier shall immediately notify LEONI in writing of any foreseeable delays. Unless agreed otherwise, deliveries shall be made FCA Incoterms® 2020 as published by the International Chamber of Commerce (ICC) to the place of delivery specified by LEONI.

Packaging and Shipping shall be performed according to the requirements of the Supplier Logistics Terms in its latest version. These can be found under [www.leoni.com/en/suppliers](http://www.leoni.com/en/suppliers).

4.2 Partial or premature deliveries are inadmissible and LEONI can refuse acceptance or return the delivery at Supplier's expense, unless LEONI expressly agrees to them or can reasonably be expected to accept them. The values established by LEONI during the incoming goods inspection shall determine the quantities, weights and measurements. The Supplier's right to prove that the actual values are different remains unaffected.

4.3 For every shipment of the Products, the Supplier shall forward to LEONI a dispatch notification in a single copy as a delivery announcement. This notification shall be forwarded to the address of LEONI from which the order was placed. For production material the Supplier shall use the advanced shipping notification via EDI according to the Supplier Logistics Terms.

4.4 Insofar as the Supply Contract includes the obligation to provide services, deliveries are deemed completed on the date of formal acceptance by LEONI.

4.5 In cases of default, LEONI shall be entitled to demand compensation of damages and costs resulting from the Supplier.

4.5.1 Any costs, losses or expenses that LEONI incurs directly or indirectly due to the Supplier's failures to deliver on time and in full (OTIF) shall be fully borne by Supplier. This includes, but is not limited to costs, losses or expenses of special transport, production stoppage and overtime.

4.5.2 LEONI shall be entitled to demand liquidated damages (lump sum payments) equal to 0,25% of the Supply Contract sum per calendar day of delay for losses/additional expenses incurred as a result of the delay amounting to a maximum of 5 % of the Supply Contract sum. LEONI reserves the right to provide proof of higher amounts of damages. In such case liquidated damages already paid by Supplier will be credited for such higher amount of damages. The Supplier may provide evidence that a lower amount or no damages at all have been incurred.

4.5.3 Furthermore, for compensation of damages and costs the Supplier Logistics Terms in its latest version shall apply. These can be found under [www.leoni.com/en/suppliers](http://www.leoni.com/en/suppliers).

4.6 If the Supplier fails to provide the Products within the agreed delivery period, LEONI shall be entitled to set a reasonable grace period for the Supplier's performance. In this case, if the grace period has elapsed to no avail, LEONI shall be entitled to withdraw by written declaration from the Supply Contract, and to demand compensatory damages. LEONI is entitled to assert claims for compensatory damages as liquidated damages (lump sum payments). Such liquidated damages shall in such case equal 35% of the Supply Contract sum, against which any compensatory damages previously claimed pursuant to Section 4.5 hereof shall be credited. The Supplier may provide evidence that no damages have been incurred or of a lower amount of damages. LEONI reserves the right to provide evidence of a greater amount of damages and to assert a respective claim. The unconditional acceptance of delayed Products does not constitute a waiver of claims.

4.7 Insofar as the applicable law mandatorily requires negligence or intent, this shall remain unaffected.

4.8 Unless otherwise agreed to in writing, the title to Products and the risk of loss, destruction or damage of Products shall pass to LEONI upon delivery. The Supplier warrants that the Products are free of liens, claims and encumbrances of third parties and shall indemnify and hold LEONI harmless from any claims by third parties based on the violation of third-party rights, unless the Supplier can prove that it is not accountable for the violation.

4.9 The Supplier undertakes to inform LEONI immediately and completely of possible damage risks and damage that has already occurred. The Supplier undertakes to cooperate with LEONI on measures of hazard prevention in order to ensure an unobstructed process.

## 5 Capacities, Replacement Parts

5.1 If not agreed otherwise, the Supplier undertakes to maintain the supply capacities required for the supply of LEONI during the complete Supply Contract term. The Supplier confirms its capability and willingness to deliver LEONI's annual demand for products as defined in the respective Supply Contract (e.g. General Supply Agreement, Nomination Agreement or Capacity Agreement) with a fluctuation range of +20%.

5.2 Unless otherwise agreed, the Supplier guarantees the supply of replacement parts for a period of at least 15 years after the phasing out of serial production of the respective product. Furthermore, the Supplier will take all reasonable and necessary measures to fulfill further requests for supply of replacement parts if required beyond this period. Unless otherwise agreed, the replacement part prices in the first 5 years after end of production (EOP) at LEONI will equal the latest serial prices.

## 6 Tools and Means of Production

6.1 To the extent the Supplier uses tools, appliances, machines or other manufacturing equipment (means of production) for which LEONI has paid some or all of the costs, LEONI (or its customer) shall acquire ownership or co-ownership in proportion to the costs borne by LEONI at the latest on payment of the agreed costs. The Supplier shall label the property of LEONI (or its customer) in accordance with instructions of LEONI. Unless stated differently in any kind of Tooling Agreement such labelling shall at the latest constitute an act of transfer of ownership/title and possession by Supplier at the latest at this stage shall occur on behalf of LEONI (or its customer). Such items shall be exclusively for use in performing the Supply Contract with LEONI. The Supplier shall perform any processing or conversion for and on behalf of LEONI (who may delegate this to its customer). In cases of processing or use thereof, LEONI (or its customer) shall acquire co-ownership in the new item of property on a pro rata basis. If the Supplier retains the means of production instead of handing them over, it shall be deemed that the Supplier is keeping them free of charge for LEONI with the same care it usually takes of its own items. Any agreements made separately between the Parties (e.g. Tooling Agreement) shall prevail.

6.2 The Supplier shall not be entitled, except with LEONI's prior written consent, to alienate, pledge, pledge by way of security, rent or in any other manner to grant a right of use in means of production provided by LEONI or other means of production owned by LEONI, or to modify the same in such a way that any of these actions could impair LEONI's security interests. If third parties interfere with means of manufacturing and production of LEONI, the Supplier shall point out to such third parties LEONI's status as owner thereof and inform LEONI thereof without delay.

6.3 The provisions of this Section 6 apply accordingly in case that LEONI informs the Supplier that LEONI's customer will pay for and therefore request ownership of any means of production.

## 7 Competitiveness

7.1 The Supplier shall assure that the Products remain competitive with similar products in terms of costs, price, technology, design and quality during the whole term of the Supply Contract. If, in the reasonable opinion of LEONI, the Products do not remain competitive, LEONI may advise the Supplier in writing of the area(s) in which another product is more competitive in terms of costs, price, technology, design or quality. The Supplier shall demonstrate within four (4) weeks the reasons for the differences to other products or offer the

Products at a more competitive price, or, if applicable, with comparable technology, design or quality.

7.2 LEONI and the Supplier shall use their best efforts to implement cost savings and productivity improvements to reduce Supplier's costs.

## 8 Compliance with Laws and Regulations, Quality and Documentation

8.1 The Supplier shall deliver the Products, while continuing to comply with all laws and regulations applicable to its performance. In particular, the Supplier shall ensure that the Products conform to the current applicable statutory and regulatory requirements of the country of receipt, the country of shipment and the customer-identified country of destination.

8.2 For Quality and Documentation the Quality Assurance Terms in its latest version shall apply. These can be found under [www.leoni.com/en/suppliers](http://www.leoni.com/en/suppliers).

## 9 Incoming Goods Inspection

9.1 LEONI is only obligated to check, without undue delay after receipt of the Products at the production sites of LEONI, which have made the respective delivery schedules, whether the Products correspond to the ordered quantity and the ordered type and whether externally identifiable transport damage or any other externally identifiable defects exist.

9.2 LEONI will undertake reasonable efforts to inform the Supplier without undue delay of any defects in the delivery as soon as these are discovered during the ordinary course of business. In any case, a report shall be deemed in good time if it is received by the Supplier within a period of fourteen (14) calendar days after the date of the determination of the damage or defect.

9.3 Apart from the obligations of LEONI under Sections 9.1 and 9.2 above, the Supplier shall waive the plea of a late notification of defects.

9.4 Any acceptance of work will take place after completion of such by way of LEONI's formal countersignature on the respective record of acceptance. In relation to any performance which cannot be subsequently checked or examined, the Supplier shall give LEONI a duly written notice requiring the examination. Any fictional acceptance by way of failing to respond to a request for inspection, or by way of payment or actual use is hereby excluded.

## 10 Warranty

10.1 Supplier warrants – in addition to statutory and common law warranty obligations - that the Products (i) are of good workmanship and free of defects, (ii) fit for the intended purpose, (iii) comply with specifications, drawings and samples furnished to or by LEONI and/or LEONI's customers and (iv) are in accordance with best available techniques in terms of engineering, design, development and manufacturing.

10.2 The warranty period expires 48 months after delivery to LEONI. In case applicable statutory or warranty periods provide for a longer warranty period or a later start of the warranty period, these provisions shall apply.

10.3 In case of an acceptance of work, the aforementioned limitation period will start upon formal acceptance.

10.4 LEONI, at its option, may reject and return at Supplier's risk and expense Products that fail to conform to the requirements of these GTCP or the Supply Contract or are otherwise defective. The Supplier shall, at LEONI's choice, render supplementary performance by repairing defective Products or replacing them with non-defective Products; the place of supplementary performance shall be either at LEONI's Plant or at any other location at which the Product is situated due to the contractual use at the time of the subsequent performance. In urgent cases, LEONI is entitled to remediate the defects itself at the Supplier's expense or to instruct a third party to do so on its behalf. Communication with Supplier shall be done as feasible, however Supplier understands that the trade usages of the automotive industry and

the circumstances that OEMs being the customers of LEONI regularly keep control of the process.

10.5 Any costs, losses or expenses that LEONI incurs directly or indirectly due to the Supplier's defective Products shall be fully borne by Supplier as costs of the supplementary performance, irrespective of whether these costs, losses and expenses are incurred by LEONI or LEONI's customer. This includes, but is not limited to costs and expenses required for the purpose of supplementary performance, in particular transport, workmen's travel, work and materials costs, losses and expenses of inspecting, sorting, repairing or replacing defective Products. If LEONI or its customer have mounted the Product or attached the Product to another good in accordance with the Product's type and purpose before the defect became obvious, the Supplier shall bear the necessary expenses for dismounting the defective and for mounting or attaching the repaired or supplemental Product as costs of supplementary performance.

10.6 If the same kind of Products are repeatedly found to be defective, after giving a written warning upon receipt of the Products which are once again found to be defective, LEONI shall also be entitled to withdraw from further Supply Contracts which have not yet been fully performed, and to demand compensatory damages for breach in respect thereof. LEONI's right to assert further claims remains unaffected.

10.7 If the number of defects exceeds epidemic failure warranty rates, as agreed between the Parties, the Supplier shall within the agreed time schedule take all necessary steps to stop shipment, collect and repair all affected Products in the field and to avoid any further delivery of Products with the same potential root cause of such defects.

10.8 Notwithstanding Section 1.4, this Section 10 shall also apply if the delivery has been rendered to any Affiliate of LEONI and/or any costs, damages, losses or expenses have been incurred by any Affiliate of LEONI.

## 11 Liability for Defects, Recalls

11.1 In case of the delivery of defective products, the Supplier is in general liable according to the applicable law. Section 10.4 shall fully apply if done in connection with product recalls, service campaigns, technical service bulletins by LEONI or its customers.

11.2 In case LEONI is exposed to strict liability, in particular but not limited to product liability, the Supplier shall indemnify and hold harmless LEONI of any claim to the extent he would himself be liable directly. A compensation between LEONI and the Supplier shall be settled by applying the principles of contributory negligence under applicable law correspondingly. This also applies if the Supplier is held liable directly.

11.3 The Supplier shall be liable for compensation regarding actions which LEONI undertakes in order to avoid any damage (for example, but not limited to, recall campaigns or other corrective service actions which are customary in the automotive industry). Prior to any recall or corrective service action which is partially or wholly due to a defect in a Product supplied by the Supplier, LEONI will notify the Supplier, give the Supplier the opportunity to collaborate and discuss the efficient conduct of the action, if the prior notification or consultation of the Supplier is reasonable considering the particular urgency. The costs of the recall/corrective service action shall be borne by the Supplier insofar as the action is due to a defect in a Product supplied by the Supplier, except if the defect is not attributable to the Supplier. A contributory negligence on LEONI's part under applicable law shall be taken into account regarding the costs which are borne by the Supplier.

11.4 The Supplier is obliged to reimburse all costs and expenses incurred by LEONI from its customers for defective products due to the Supplier's defective products. In this regard, the Supplier knows and acknowledges that the warranty costs can be calculated by LEONI's customers based on acceptance rates, shopping carts, flat-rate costs or other warranty cost calculation methods. Insofar as LEONI's customer applies a reference market procedure or a similar procedure, which is common in the automotive industry, for determining and settling warranty claims against LEONI due to defective Products, this procedure shall be applied

accordingly for the relationship between the Supplier and LEONI. If, at LEONI's discretion, the liability of the Supplier will be determined on this basis, the Supplier shall be liable in the same manner as LEONI towards its customer, insofar as the defect is attributable to the Supplier's Products.

11.5 Insofar as the applicable law mandatorily requires negligence or intent, this shall remain unaffected.

11.6 This Section 11 shall also apply if any damages, costs, damages, losses or expenses have been incurred by any Affiliate of LEONI.

## 12 Sub-Contractors and Sub-Suppliers

There shall be a vicarious liability of Supplier for any acts or omissions of its sub-contractors and sub-suppliers.

## 13 Intellectual Property Rights

13.1 "IP Rights," means any intellectual property rights and therefore any and all copyrightable works (including software and drawings), ideas, inventions patent applications, patents, techniques, processes and discoveries, know-how, information, development results, design rights, and all similar or equivalent forms of protection anywhere in the world (whether separately or as part of the Products).

13.2 The Supplier shall inform LEONI about the use of any published or unpublished industrial property rights which are owned by him or licensed to him relating to the Products.

13.3 The Supplier warrants, represents and undertakes that the Products, supplied hereunder, do not infringe third party IP Rights. The Supplier shall investigate if any third party's rights conflict with the supply of the Products and keep records of these investigations. The documentation shall be provided to LEONI upon request. The Supplier shall defend, hold harmless and indemnify LEONI, its successors, its Subsidiaries, officers, employees and customers against any actual or alleged third party claims or assertions of IP Rights infringement (including misuse or misappropriation of trade secrets) and resulting damages and expenses (including attorney's and other professional fees) arising in any way in relation to the Products contracted hereunder. The Supplier shall bear the cost of any licensing fees, expenses and fees incurred by LEONI in preventing and / or rectifying any infringements of IP Rights.

13.4 The Parties commit themselves to inform each other of all risks of violation or alleged violations.

13.5 "Background IP Rights," means all intellectual property rights of the Supplier (i) existing prior to the conclusion of the relevant Supply Contract or (ii) acquired or developed after the conclusion of the relevant Supply Contract but in a strictly independent manner and entirely outside of any work conducted under the Supply Contract. The Supplier shall retain all Background IP Rights. The Supplier grants to LEONI a royalty-free, irrevocable, non-exclusive, perpetual, worldwide, sub-licensable and transferable license to use Background IP Rights to make, have made, use, reproduce, modify, improve, prepare derivative works of, distribute, display, perform, offer to sell, sell and import the Products, derivations and improvements thereof and/or combination of Products with other products and/or parts. The Supplier particularly agrees that LEONI may grant a sublicense for Background IP Rights to its Subsidiaries and its customers that use the Product.

13.6 "Foreground IP Rights," means all intellectual property rights of the Supplier that (i) are developed and/or acquired in whole or in part by Supplier, in connection with the Supply Contract (ii) all following IP rights for future products of LEONI based on the results of the Supply Contract. It is hereby agreed that all Foreground IP Rights, whether created by Supplier individually or jointly with LEONI, shall be the sole and absolute property of LEONI. In addition, LEONI shall have the right to file applications for the protection thereof (including without



limitation applications for patent, utility model, design patent, registered design and copyright) in any country.

13.7 The grant and transfer of any and all rights of use and exploitation for LEONI for the Products and results delivered by the Supplier shall be free of charge and already included in any fees of LEONI.

## 14 Software

If not agreed otherwise by the Parties, the following provisions apply to the delivery of software:

14.1 The Supplier grants to LEONI with the delivery of software the perpetual, irrevocable, transferable, unrestricted, global, non-exclusive right to use, to distribute, to let and to commercialize the Software in any other way, including the right to grant sub-licenses to Subsidiaries and third-party contractors.

14.2 The Supplier shall guarantee the availability of software maintenance services for a period of 5 years after the last delivery of the software to conditions customary in the market. LEONI shall not be obliged to order maintenance services. If LEONI should decide to order such services, the Parties will sign a separate software maintenance agreement.

14.3 In the first 12 months after the delivery of the software and under signing of the respective maintenance services agreement, the Supplier shall provide the maintenance free of charge. Afterwards the maintenance fee shall be calculated based on a market standard percentage of the license cost.

14.4 Software maintenance shall include rectification of software defects and provision of regular updates and new releases of the software and documentation.

14.5 The Supplier guarantees that the contractual use of the software and hardware shall not be in breach with any third-party IP Rights (in particular for open-source software).

14.6 In case of open-source software components, the Supplier shall

- a. provide a list of open-source components and all applicable license terms included in the software prior to the respective order confirmation,
- b. replace such open-source components which are in contradiction to the right of use granted to LEONI under the general terms and conditions of purchase and
- c. enable LEONI to act in compliance with any relevant open-source license conditions, in particular provide the source code of the open-source software component in case it has to be disclosed and distributed together with the software.

14.7 The Supplier shall guarantee that

- a. any proprietary software of LEONI, used in connection with the software of the Supplier, shall not be infected by any copyleft effect by such open-source software with the obligation to disclose the source code of any proprietary software of LEONI,
- b. any open-source license terms of the software shall not result in the disclosure of information about authorization or cryptographic keys or any other confidential information of LEONI.

## 15 Confidentiality, Information Security and Supply Chain Security

15.1 The Supplier commits itself to keep as business secrets all commercial and technical details which come to the Supplier's knowledge during the course of the business relationship with LEONI unless such details are public. Drawings, models, patterns, samples and similar objects shall not be made available or otherwise be made accessible to unauthorized third parties. Reproduction, modification or reverse engineering of such objects is permitted only according to business requirements and in compliance with the laws on copyright.

15.2 In case of termination of this agreement every Party shall have the right to demand the return or destruction of any given Confidential Information (e.g. documents, copies, samples) without any delay. Excepted are (a) the retention and storage of Confidential Information in accordance with the provisions of applicable law or internationally recognized accounting

policies solely for the purpose of retention requirements, (b) the retention and storage of Confidential Information in routinely electronically stored files possible, as far as the deletion would be possible only with disproportionate efforts, and (c) the withholding of copies of Confidential Information for the sole purpose of providing piece of evidence.

15.3 Sub-contractors and sub-suppliers of the Supplier (see Section 12) shall be induced to commit themselves accordingly.

15.4 The Supplier shall take appropriate information security measures, which at least comply with the requirements of the VDA ISA catalogue or ISO / IEC 27001. On request of LEONI, (i) the Supplier shall show appropriate evidence by ISO/IEC 27001 certificate /TISAX label and (ii) LEONI is allowed to confirm for itself compliance with information security (i.e. audits) at any time, whereas the Supplier shall support the audits, for example by providing information and granting access to the Supplier's premises, to the extent such is necessary for the audits. The Supplier shall inform LEONI without undue delay about any security incidents to the following e-mail address: infosec.external@leoni.com relating to the Supplier to the extent that this incident affects information that concerns LEONI or if it is not completely sure whether this is the case. In case of such a security incident, the Supplier shall (i) take all necessary steps to clarify the matter and limit the damage, as well as support LEONI hereby, (ii) reasonably support LEONI in the recovery of data (if applicable), (iii) on request by LEONI, provide a security report for a specified period.

15.5 On request of LEONI, the Supplier shall show evidence of the applicable procedures and guidelines of business continuity planning and disaster recovery activities.

15.6 The Supplier shall ensure supply chain security and comply with all applicable laws and regulations. The Supplier shall, at LEONI's request, (i) provide evidence by certificates or statements (e.g. Security Declaration for Authorized Economic Operators, AEO/ C-TPAT certificates or similar program), (ii) support LEONI in official audits and (iii) ensure a comparable standard towards its business partners. Additionally, the Supplier shall provide evidence of AEO/C-TPAT or similar program certificates, security declaration or information with respect to any withdrawal of such certificates or declarations via e-mail to LEONI at trade-compliance@leoni.com.

## 16 Insurance

The Supplier is obliged, for any product liability risks deriving from the supply of Products within the business relationship between the Parties, to maintain a reasonable product liability insurance for the duration of the business relationship. The product liability insurance (i) shall include (a) bodily injuries and property damages, combined, (b) product recall and (c) automotive recall, (ii) shall be applicable globally (including United States/Canada/China) and (iii) shall not have exclusions with regard to tests imposed on the Supplier. Prior to the initial delivery, with any change of the conditions, with any termination of insurance and at any time upon LEONI's request, the Supplier shall provide proof of sufficient insurance coverage showing the amount of coverage, policy numbers and date of expiration.

## 17 Substances and Material Data Management

17.1 The Supplier shall ensure the traceability of all substances used in the delivered Products, in parts of these Products or in the manufacture of these Products or parts of these Products. Upon request, the Supplier shall provide LEONI with the relevant documents and information in an appropriate form.

17.2 For all Products supplied to LEONI, the Supplier shall observe and comply with any national, European and international regulations governing declarable substances, materials or producer sources valid at the time of delivery and applicable to the Products. This applies for example to the requirements of the Regulation (EC) No. 1907/2006 (REACH), the Directives 2011/65/EU and 2015/863/EU (RoHS II) and the Regulation (EU) No. 528-2012 (BPR). If LEONI and the Supplier separately agree to meet additional requirements, these shall also be part of the respective Supply Contract. If an ingredient used, material used or any

Supplier source becomes subject to declaration duty or being banned, the Supplier shall notify LEONI thereof immediately. The Supplier is also obliged to disclose the use of conflict minerals in accordance with the requirements of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act as well as the Regulation (EU) 2017/821 (3TG) and applicable regulations connected thereto and to provide LEONI with the relevant documents and information in the form required by LEONI.

17.3 For Products intended for the use in the automotive industry, to the knowledge of the Supplier or following notification from LEONI, the Supplier must keep the material data in the IMDS (International Material Data System, [www.mdsystem.com](http://www.mdsystem.com)) and make it available to LEONI.

17.4 Unless complying with legal requirements, the delivered Products must not contain any components that are hazardous to health or harmful to the environment. If the Products contain dangerous substances or preparations, the Supplier must provide LEONI with a fully completed safety data sheet in accordance with the applicable statutory provisions.

## 18 Export Control, Customs and Origin

18.1 The Supplier shall inform LEONI of all export restrictions that apply in the country of manufacture and / or shipment of the Products. In addition, the Supplier shall inform LEONI if the Products are subject to any export/re-export restriction under U.S. and Chinese law. In the event that the Supplier is located in the European Union, the Supplier shall inform LEONI of any export restrictions on dual-use goods in accordance with the European export control restrictions (e.g. Regulation (EU) 2021/821 (Dual-Use)). The Supplier also shall inform LEONI of the classification number to be specified (e.g. AL number, ECCN number, etc.) and any existing exemptions on the respective invoices and/or delivery notes and additionally be e-mail at [trade-compliance@leoni.com](mailto:trade-compliance@leoni.com).

18.2 The Supplier shall support LEONI to reduce or minimize its liability to pay customs duties. The Supplier shall – if applicable – provide a proof of preferential origin suitable to the respective supply of Products (e.g. EUR1, invoice declaration, etc.). Proof of origin is required with every shipment. Upon request, the Supplier shall provide proof of non-preferential origin if required by the local import rules in the country of import (e.g. Certificate of Origin, exporter declaration, etc.). The Supplier shall inform LEONI immediately in writing of any change of origin of the Products.

18.3 The Supplier shall inform LEONI of the non-preferential and preferential origin of its Products on a yearly basis in form of a long-term supplier's declaration / supplier's affidavit. The Supplier shall submit the required information and documentation without undue delay to LEONI's respective import/export department and additionally by e-mail to LEONI at [suppliers-declaration@leoni.com](mailto:suppliers-declaration@leoni.com). In general, the Supplier shall provide such information and documentation until the beginning of each calendar year for the respective year, but not later than end of January of the respective year.

18.4 The Supplier shall ensure proper labelling of the Products and provide LEONI with any further documents and information (e.g. CE-Certificate, manufacturer information, country of origin etc.) being required for imports or exports of the Products supplied to LEONI. The Supplier shall provide LEONI with such documents and information immediately and at Supplier's cost. For deliveries of production material, the Supplier Logistics Terms in its latest version to be found under [www.leoni.com/en/suppliers](http://www.leoni.com/en/suppliers) shall apply.

## 19 Social Responsibility

19.1 It is of major importance to LEONI that account is taken of social responsibility in connection with its supplier relationships and entrepreneurial activities. This applies likewise in respect of LEONI's own staff, the staff of its contracting parties and suppliers and society at large. To this end, LEONI has issued its own code of conduct (LEONI Code of Conduct) as well as a code of conduct for business partners (LEONI Code of Conduct for Business Partners). The LEONI Code of Conduct for Business Partners shall be integral part of these

GTCP and is also available at [www.leoni.com/en/suppliers](http://www.leoni.com/en/suppliers). LEONI expects from the Supplier the acceptance of and compliance with the LEONI Code of Conduct for Business Partners.

19.2 However, even independent of those charters, it must be an express aim both of LEONI and of the Suppliers to act in line with the guidelines in the UN Initiative Global Compact (Davos, January 99), available under [www.unglobalcompact.org](http://www.unglobalcompact.org), and to observe those principles. The following principles of the guidelines in the UN Initiative Global Compact (Davos, January 99) are of particular significance in this regard: Respect for human dignity and human rights, the prohibition of child labor, the prohibition of compulsory labor, the prohibition of discrimination, respect for the right of free association and of the relevant national standards on compensation, working time and health and safety at the workplace, environmental protection and anti-corruption measures. The Supplier hereby undertakes to accordingly see to it that the above-referenced principles are adhered to and implemented within its own organization. In addition, LEONI expects the Supplier to take like efforts to ensure that its sub-suppliers likewise comply with these requirements.

19.3 Any serious breach or repeated breaches of the LEONI Code of Conduct for Business Partners referenced in Section 19.1 or the principles referenced in Section 19.2 by the Supplier shall render the continuation of the Supplier relationship untenable to LEONI. In such case, LEONI shall be entitled to terminate the Supply Contract in whole or in part without notice for good cause.

## 20. Termination for Convenience

20.1 Notwithstanding any other agreements between the Parties, LEONI may, at its option, terminate all or any part of the Supply Contract before the expiration of the term (if any), at any time by providing a three (3) months' prior written notice to the Supplier. For the avoidance of doubt, such termination right may also be exercised before the agreed minimum contract term (if any). In the event of termination pursuant to this Section 20, the Supplier shall be entitled to the following amounts: (i) The agreed price for all Products delivered by the Supplier to LEONI prior to the termination according to the requirements of the GTCP and the Supply Contract and that have not already been paid for; (ii) Supplier's reasonable actual costs for the usable and merchantable work in progress, parts and materials in accordance with the agreed material and production lead times; (iii) Supplier's reasonable actual costs for settling claims of its subcontractors and (sub-) suppliers for works, parts and materials provided that these cannot be used otherwise by the Supplier; in no event shall LEONI's liability arising out of this exceed the agreed prices for the Products. LEONI undertakes to discuss in good faith costs incurred by Seller (a) in relation to specific investments strictly required for the execution of Supply Contract, not previously paid by LEONI which cannot be used or adapted for other needs or be assigned to another purpose, and not already amortized under the Supply Contract. Supplier shall use its best efforts to mitigate any costs to be paid by LEONI. Any request for payment submitted to LEONI must include sufficient supporting data to permit an audit by LEONI.

20.2 The Supplier may, at its sole option, terminate all or any part of the Supply Contract, provided that such termination right may only be exercised after the agreed minimum contract term (if any), as follows: The termination may be exercised with a notice period of 24 months to the end of a month in writing. In such event LEONI may take all appropriate measures, including the right to take out new orders with another supplier of its choice for the performance of any order(s), and the Supplier shall provide all assistance reasonably required by LEONI to ensure seamless transition to any replacement supplier and cooperate with such other supplier to mitigate detrimental effects for LEONI. On LEONI's request the Supplier shall promptly hand over any assets being owned or in relation to the Supplier under the legal control of LEONI including but not limited to tooling and whether located at the Supplier's or at any third party.

20.3 In case of termination, in all or any part of the Supply Contract, whatever the reason of the termination, in addition to the provisions provided for in the Supply Contract LEONI may request from the Supplier to promptly:

a. return or destroy all LEONI's property in its possession or at subcontractor's location; and

- b. provide, in complete and most-updated version, any information or documents relating to the Products as remained in the possession or control of the Supplier, which are necessary for LEONI to exercise its rights under the Supply Contract; and
- c. assist in the transition to any replacement supplier.

20.4 Any termination shall be made in written form.

## 21. Termination for Cause

21.1 The Parties' right to terminate the Supply Contract for cause remains unaffected.

For LEONI, good reason is in particular if

- a. the Supplier's financial circumstances deteriorate substantially, or
- b. insolvency proceedings against the Supplier are applied for or commenced, or
- c. the commencement of such proceedings is denied due to lack of assets, or
- d. the Supplier repeatedly defaults in delivery, or
- e. quality problems that are not rectified by the Supplier within a reasonable period occur repeatedly, or
- f. the takeover of the Supplier by a third party is initiated or the Supplier experiences other changes in terms of its business or management, provided that from the point of view of LEONI the above-mentioned changes affect or can affect the contractual relationship between the Supplier and LEONI in particular if a competitor of LEONI gains influence on the Supplier, or
- g. the Supplier commits a major breach of duty and despite request for subsequent rectification of the breached duty the Supplier does not restore the duly contractual condition within a reasonable period of time as requested by LEONI, or
- h. in case of Section 19.3 of these GTCP.

21.2 For the avoidance of doubt, none of the stated above shall limit LEONI's right to terminate the Supply Contract for cause based on the applicable law or based on other contractual termination rights.

21.3 Any termination shall be made in written form.

## 22 Temporary release of the Supplier from its obligations

22.1 In case the Supplier will be temporarily released from the performance of its obligations under these GTCP due to the applicable law (hereinafter "Release"), the Supplier shall be obliged

- a. to provide a written notice of such Release to LEONI (including, but not limited to (i) the respective event establishing the Release, (ii) the specific legal stipulation of the applicable statutory law for the Release, (iii) the respective affected performance obligations under these GTCP and (iv) the anticipated duration of the delay),
- b. to inform LEONI without undue delay which part numbers and plants of LEONI are affected to what extent and provide a reliable outlook (delivery and recovery plans) for what period of time the Supplier is foreseeing any obstacles for the supply to LEONI and
- c. to use all diligent efforts to ensure that the effects of the respective event and the Release are minimized and, as promptly as possible, resume full performance under the respective Supply Contract. The Supplier always bears the procurement risk for Products from its upstream suppliers, sub-contractors and sub-suppliers.

22.2 During any Release, LEONI may, at its option, purchase Products from other sources and reduce its delivery schedules to the Supplier by such quantities, without liability to the Supplier.

22.3 If requested by LEONI in writing, the Supplier will, within 5 calendar days after LEONI's request, provide adequate assurances that the delay in the Supplier's performance resulting from the Release will not exceed 30 calendar days. If the Supplier does not provide such adequate assurances or does not resume full performance under the respective Supply

Contract within 30 calendar days after the Release occurred, LEONI may immediately terminate the respective Supply Contract or order without liability to the Supplier.

## 23 Place of Performance, Jurisdiction and Venue, Arbitration Clauses

23.1 Place of performance under meaning of contract law shall be Kitzingen, Germany, unless otherwise agreed.

23.2 In the event that the Supplier and LEONI both are located in a member state of the European Union, in Switzerland, Norway, Iceland, the United Kingdom, Mexico, Montenegro, Singapore or Ukraine, the German courts shall have exclusive jurisdiction for all disputes brought forward by one of the Parties against the other Party arising either directly or indirectly in connection with or related to the supply of Products and irrespective of the nature of claim whether contractual or tortious in nature. Within the German jurisdiction, the Parties shall exclusively bring a dispute before the English-speaking chamber for commercial matters at the district court of Frankfurt/Main, Germany.

23.3 In the event that the Supplier and/or LEONI is/are located in the People's Republic of China, claims shall exclusively be filed at Shanghai International Economic and Trade Arbitration Commission (also known as the Shanghai International Arbitration Center; previously known as the China International Economic and Trade Arbitration Commission Shanghai Commission, "SHIAC") under SHIAC's then valid arbitration rules and in lieu of Shanghai, the People's Republic of China. The seat of arbitration shall be at the location of the competent court. The same applies for the hearing. The number of arbitrators shall be three. Each Party is entitled to appoint one arbitrator. The third arbitrator, who shall act as the chair of the arbitral tribunal and who must be a fully qualified lawyer, shall be selected by the other two arbitrators. The language of the tribunal shall be English if not agreed otherwise by the Parties. Applicable substantive law shall be German law to the exclusion of any rules of the conflicts of laws and CISG (see Section 24 hereinafter). The decision of the arbitral tribunal shall be final and binding on the Parties.

23.4 In all other cases than those described in Sections 23.2 and 23.3 above, claims shall exclusively be filed at an arbitral tribunal under the Rules of Conciliation and Arbitration of the International Chamber of Commerce, in lieu of the ordinary courts; such arbitral tribunal shall be composed in Frankfurt/Main, Germany. The number of arbitrators shall be three. Each Party is entitled to appoint one arbitrator. The third arbitrator, who shall act as the chair of the arbitral tribunal and who must be a fully qualified lawyer, shall be selected by the other two arbitrators. The language of the tribunal shall be English if not agreed otherwise by the Parties. Applicable substantive law shall be German law to the exclusion of any rules of the conflicts of laws and CISG (see Section 24 hereinafter). The decision of the arbitral tribunal shall be final and binding on the Parties.

23.5 The Parties hereby acknowledge that breaches or the threat of violations of these GTCP may cause irreparable damage to the respective other Party, which entitles the non-breaching Party to seek equitable relief in the form of a temporary restraining order or preliminary injunction in addition to all other legal and equitable remedies.

## 24 Choice of Law

The law of the Federal Republic of Germany shall apply exclusively to the exclusion of any rules of the conflicts of laws. The UN Convention on the International Sale of Goods of 11 April 1980 (CISG) shall not apply.

## 25 Miscellaneous

25.1 Any reference herein to the written form also includes e-mail, fax, EDI, and other documents provided in text form.

25.2 If any provision of these GTCP is declared or found to be unenforceable or invalid, the validity of the remaining provisions shall not be affected thereby. The Parties will agree upon

a provision to replace the ineffective provision that approximates as closely as possible the economic intent of the ineffective provision. All modifications, adjustments, alterations and amendments to these GTCP or additional terms and conditions are valid or binding only if agreed upon in writing. This also applies to the cancellation of this written form requirement. In the event of a conflict between these GTCP and its Annexes, these GTCP shall prevail unless expressly stipulated otherwise in an Annex or the GTCP.