

Conditions for Special Production Equipment of CARIAD SE

1. Scope

Tools, tool elements, moulds, gauges, templates, models, matrices and other production materials that are necessary to assemble the specific components for CARIAD SE shall constitute special servicing materials (servicing materials) for the purpose of these conditions.

This production equipment shall be procured, produced, utilised, maintained and serviced solely in accordance with the following conditions agreed upon between the supplier and CARIAD SE. This shall apply to the rights to such production equipment and the utilisation of these rights.

2. Ownership and possession of the operating resources

2.1 The special production equipment (resources) shall be the sole property of CARIAD SE. They shall be lent to the supplier by CARIAD SE. The transfer of the operating resources is, therefore, considered to be replaced by constructive possession of chattels based on agreement ("Besitzkonstitut") under Section 930 of the German Civil Code (BGB). If any production equipment is in the possession of a subcontractor, the supplier shall assign its right of relinquishment to CARIAD SE upon the creation of the equipment.

2.2. The supplier shall hold the servicing materials on behalf of CARIAD SE. The duration of the period in which the service materials may be held shall be determined on the basis of the order for parts separate from this order in the absence of any agreement to the contrary between the Parties.

2.3. The supplier shall undertake to send a so-called confirmation of possession no later than 31.10. of each calendar year for the specialist equipment made available to him by CARIAD SE for hire. This is to be sent to the **address of CARIAD SE given under section 11.2**. The Confirmation of Possession should indicate the current location of the resources. In addition, the supplier undertakes to provide CARIAD SE with separate confirmations of possession for tax purposes as well as all other documents such as invoices, delivery notes etc. required to recover value added tax already paid in individual cases without delay if requested by CARIAD SE. If the supplier fails to comply with this duty, CARIAD SE reserves the right to recover from the supplier any loss sustained by it as a result of such failure. If the supplier uses the "Tool Inventory" application at www.vwgroupsupply.com, this application shall be used to submit the confirmation of possession.

2.4 Regardless of this, CARIAD SE may exercise its ownership rights at all times and demand the return of the servicing materials provided that the statutory requirements for exercising such rights are met. If CARIAD SE makes use of this right, the supplier shall relinquish the production equipment to it in perfect condition. The supplier may not cite the following reasons against returning the resources:

- The defence that termination of the supply agreement is invalid,
- failure to amortise the recharged expenses for the follow-up servicing materials, maintenance and repairs etc.

2.5 If the resources are being manufactured for the independent aftermarket, the supplier undertakes to draw up a suitable back-up concept immediately. The supplier shall have no right of retention over and above the period which would be appropriate for this.

3. Identification obligation

The supplier undertakes to mark the resources permanently and sufficiently visibly with the words "**Property of CARIAD SE**", the inventory number(s) specified by CARIAD SE as set out in the order, and the CARIAD parts / assembly number. The requirements stated in the VW 34022 standard shall also apply provided that the dimensions of the servicing materials permit labelling. The supplier shall take digital photographs of the labelled resources at the latest when updating the specifications for invoicing. The digital photographs must be taken in such a way that the operating resources material, any add-on and/or replacement parts and the label are clearly identifiable.

The related costs shall be deemed to be covered by payment of the order value stated in the order.

4. Servicing material sheet and servicing material specifications / tool and change management application

4.1 The supplier undertakes to complete in full a servicing material sheet for each item of the order. If the resource, or parts thereof comprising one item, is located at a variety of sites, a separate Resource Sheet should be filled in per site.

4.2 The servicing material specifications comprise the detailed list of individual elements of a servicing material item and are stated in detail in the servicing material sheet. They should particularly identify the cores, gauges, moulds etc. necessary for use of the resource.

4.3 Equipment sheet and equipment specification from section 4.1 and 4.2 must be sent by the supplier to the **address of**

CARIAD SE given under section 11.2 in the latest version for invoicing.

4.4 If the supplier uses the "Tools and change management" application on www.vwgroupsupply.com, the information set out in sections 4.1 and 4.2 and the digital photographs specified in section 3 should be entered into the Tools and change management application during the tools request and updated for invoicing purposes and in the event of modification.

For the purpose of issuing an invoice, the contractor shall update the data in the "Tool and change management" application and print out the current equipment specification. The print-out shall be sent to the **CARIAD SE address given under section 11.2**.

5. Maintenance, care, insurance

5.1 The supplier shall treat the resources with due care, maintain them regularly at the usual intervals, and ensure that they can be used in line with the latest drawing status at all times during the period of the loan.

5.2 The supplier is responsible in its capacity as borrower for the dimensional accuracy of the resources and, in particular, the gauges. The supplier must assess any deviations caused by wear and, where necessary, correct these.

5.3 CARIAD SE shall provide the supplier with reasonable support in inspecting and correcting the resources.

5.4 The supplier undertakes to insure the operating resources at their nominal value against fire, theft and other damage.

5.5 The cost of warehousing shall be borne by the supplier.

5.6 For the duration of the loan, CARIAD SE may inspect the resources at their place of use at any time during the supplier's normal office and working hours to satisfy itself that these obligations are being observed and to request proof of insurance from the supplier. CARIAD SE shall give the supplier advance notice of the planned inspection unless danger is imminent or this contradicts the purpose of the inspection.

5.7 If the resources must be replaced due to wear and tear, damage or similar factors, the supplier shall do this on behalf of CARIAD SE to the extent that the original resources were also the property of CARIAD SE. Upon purchase of the resources, the related property rights shall pass to CARIAD SE and the necessary investment costs shall be deemed to be included in the price of the parts in the absence of any other written agreement in individual cases. The provisions of this contract and particularly Section 2 shall also apply to the replacement resources.

6. Right of disposal

6.1 The resources shall be used to satisfy call-offs of both series and replacement parts by CARIAD SE and companies belonging to the Volkswagen Group.

6.2 If the supplier no longer requires the resources to execute the orders placed by CARIAD SE or any of the companies referred to in sentence one, it shall notify CARIAD SE of this in writing; it may not sell, scrap or otherwise dispose of them unless this is agreed with CARIAD SE.

6.3 CARIAD SE may recover the resources from the contractor or instruct the contractor to scrap them. The supplier undertakes to make the declarations required by Volkswagen under the scope of the authorisation to scrap. The cost of scrap disposal shall be borne by the supplier. If the supplier generates any income from scrapping the servicing materials, it shall notify CARIAD SE of the amount. If the proceeds generated are higher than the cost of scrap disposal, the parties shall come to an agreement regarding distribution of the proceeds. If the scrapping costs exceed the income, the supplier shall submit documentary evidence of the actual scrapping costs and may enter into negotiations with CARIAD SE concerning the sharing of such costs.

6.4 The supplier may only use the resources to produce parts for third parties during the loan and if they are no longer required by CARIAD SE or any of the companies referred to in sentence 1 subject to the prior written consent of CARIAD SE, which shall not be unreasonably withheld. In this connection, third parties shall be deemed to be companies that are not affiliated with CARIAD SE in accordance with Sections 15 et seq. of the German Stock Corporation Act.

6.5 The supplier may not pledge or assign the resources as security, or dispose of them in any other way.

7. Relocation / use of resources by subcontractors / distribution to third parties

7.1 The supplier may only use the servicing materials at a location other than the one originally agreed subject to the prior written consent of CARIAD SE Procurement. The same shall apply to resources located on the premises of subcontractors to the supplier.

7.2 If the supplier uses the resources or any part of them on the premises of its subcontractors, it shall enter into corresponding contractual arrangements (loan agreement) imposing the same provisions and rights held by CARIAD SE on the subcontractors in question.

7.3 CARIAD SE may request disclosure of the corresponding contractual arrangements particularly in the event of the insolvency of a subcontractor. If the supplier is unable to present any such contractual arrangements and CARIAD SE sustains

a loss as a result of the transfer of the resources to the third party in breach of this duty, the supplier shall indemnify CARIAD SE in full for such loss.

8. Liability

8.1 The supplier shall be liable for any damage to the resources for which it is responsible. The supplier shall be responsible for intent and negligence including the conduct of its employees and any representatives or agents employed by it.

8.2 If any third parties sustain losses and assert claims against CARIAD SE on account of such breach of duty, the supplier shall indemnify CARIAD SE for such losses and any costs incurred by it in this connection. This shall also extend to any legal costs arising as a result thereof.

8.3 CARIAD SE's liability shall be limited to compensation for gross negligence and wilful misconduct.

9. Sampling

In connection with the provision of samples of the parts produced using the resources, the supplier undertakes to submit the applicable EU safety data sheet to CARIAD SE and to observe the prevailing version of the requirements stipulated in VDA recommendation VDA 260. The EU Safety Data Sheet can be downloaded from www.vwgroupsupply.com.

10. Modifications to resources

If CARIAD SE requests any changes to the resources, these conditions shall apply accordingly.

11. Invoicing and payment

11.1 The prerequisite for maturity of the order value is that the following documents shall be submitted completely and properly filled in: (1) return of signed order acceptance without reservations, (2) sample report with OK sampling, (3) a current operating equipment specification up-to-date at the time the invoice was submitted (4.2 or 4.4) and (4) a correct and verifiable invoice.

11.2 The supplier shall send these documents to the following address:

Invoices, together with the confirmation of possession (see section 2.3) and the documentation (see section 4.3, 4.4 and 11.1 (1) and (3)), must be sent to	CARIAD SE Berliner Ring 2 Brieffach 1080/2 38440 Wolfsburg
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11.3 The invoice may be presented once the conditions for maturity set out in Section 11.1 have been fulfilled. The payment terms shall be set out in the order.

12. Miscellaneous

12.1 For all other matters, sections III, V, VIII, IX, XIII, XV.2 to XV.6 of the purchasing conditions for production materials of CARIAD SE valid at the time the order was accepted apply.

12.2 In the event that the supplier transfers its obligation under this order to manufacture the aforementioned resources fully or in part to a third party, and an application for bankruptcy is filed on the supplier's behalf, CARIAD SE is entitled in extension of Section XV.2 of the purchasing conditions for production material to enter into the supplier's contract with the third party and to pay the third party directly. The supplier undertakes to enter into corresponding contractual relations with the third party to ensure that CARIAD SE is able to accede to the contracts with the third parties concerned.

12.3 If the supplier acquires any expectant rights to the resources which it has arranged for a third party to produce, it shall be deemed to have assigned such rights to CARIAD SE upon signing the order acceptance. However, this assignment shall be subject to the condition precedent that CARIAD SE pays the agreed price for the expectant rights to the resources. Upon such payment, the expectant rights shall pass to CARIAD SE without any further declaration by the parties concerned being necessary.

12.4 In the event that the supplier is entitled to ownership of the resources, sections 2, 3, 6.5 and 7.1 shall not be applicable. The equipment sheet and equipment specification described in sections 4.1 and 4.2, and the specifications in the "Tool and change management" application in accordance with Section 4.3 are replaced by a free-form detailing of the order value. Section 6.3 shall apply only insofar as CARIAD is entitled to purchase the resource from the supplier. The purchase price shall be based on the fair value of the resource. If resources are relocated, the non-application of Section 7.1 shall not absolve the supplier from any applicable approvals for or audits of the new production site and processes. The remaining sections shall apply accordingly in due consideration of the fact that the resources are the property of the supplier. The supplier confirms its acceptance of these conditions by signing the order acceptance.