

## 1 GOVERNING CONDITIONS

### 1.1

These General Terms and Conditions of Purchase (hereinafter referred to as "GTCP"), including any annexes, shall be incorporated in and shall form an integral part of each contract between Elaphe Propulsion Technologies Ltd. (hereinafter referred to as "Buyer") and supplier (hereinafter referred to as "Supplier") for purchase and supply of certain materials and products, in particular production materials, automotive components, spare parts, accessories, Toolings and services as well as any software related to the aforementioned parts or components (hereinafter referred to as "Goods"). An appropriate purchase order (hereinafter referred to as "Purchase Order") is always required for each purchase and supply. Buyer and Supplier shall collectively be referred to as "Parties" and individually as "Party".

### 1.2

Particular circumstances shall be additionally governed by Buyer's special terms and conditions (hereinafter referred to as "Special Terms"), to which reference shall be made in Purchase Order or hereinafter, where appropriate. Special Terms shall be provided to Supplier on request in Written Form. In case of conflict, discrepancy or any inconsistency between Purchase Order, Supply Contract (if any), Special Terms and GTCP, documents shall prevail over each other in the following order: 1. Purchase Order, 2. Supply Contract, 3. Special Terms, and 4. GTCP.

### 1.3

Changes or amendments to Purchase Order (and delivery schedule) or to GTCP or to Special Terms shall only be made in written or electronic form (hereinafter referred to as "Written Form") to be effective. Buyer has the right to change any of the terms defined in GTCP or Special Terms at any time. Buyer may unilaterally change the Purchase Order if the conditions attached to legal specifications, agreements with customers or banks alter. In all other cases it shall be deemed that Supplier have accepted Buyer's proposed changes of Purchase Order without any additional costs to Buyer and without extension of Supplier's time for delivery, unless Supplier within fourteen calendar (14) days following receipt of Buyer's notice of change notifies Buyer of the need for any equitable adjustment in price and/or delivery time for Goods ordered in Written Form. No claimed change, modification, recession, or waiver shall be binding on Buyer unless in Written Form and signed by a duly authorized representative of Buyer.

### 1.4

Any other general term(s) and condition(s) contrary to or different from these GTCP or from Special Terms shall not apply and could not in any event form part of any Purchase Order or Supply Contract (if any), even if they were not rejected explicitly. In particular cases Parties may specifically agree, in Written Form, on other or different terms.

## 2 PURCHASE ORDERS AND SUPPLY CONTRACTS RELATED CALL-OFFS

### 2.1

Buyer requires Supplier to confirm each issued Purchase Order (hereinafter referred to as "Order Confirmation") for a Purchase Order to be effective. Supplier shall forward an Order Confirmation in Written Form within three (3) working days after receipt of the Purchase Order. If Supplier within that deadline does not forward an Order Confirmation in Written Form or start performance in relation to a Purchase, Buyer shall be entitled, but not be obliged, to revoke such Purchase Order without incurring any liability to Supplier. Upon Supplier's Order Confirmation or with the start of its performance of a Purchase Order, Supplier shall be legally bound to these GTCP.

### 2.2

In the context of this document, a Call-off related to a Supply Contract shall be in the form of a Purchase Order referencing the Supply Contract.

### 2.3

Buyer may at any time request modifications to be made to the goods supplied as far as design and production are concerned. Supplier is obliged to make such modifications without delay, unless the requested modifications are manifestly unreasonable. Should an amendment to the Purchase Order be required to account for a modification, the Parties will agree to amend the Purchase Order.

### 2.4

During the term of the agreement, the Parties shall conduct value analysis studies in regular intervals upon request by Buyer in order to identify potential savings. If potential savings are identified, the Parties shall adjust the series production price accordingly. Supplier should endeavor to remain competitive in terms of price, quality, ability to innovate and security of supply.

## 3 PAYMENT, INVOICE AND DELIVERY NOTE

### 3.1

In case of early delivery, payment will be made according to the agreed delivery date.

### 3.2

In case of a non-conforming delivery, Buyer is not obliged to settle outstanding invoices partially or in full and shall be entitled to withhold payment equivalent to the missing or exceeding value until the non-conforming Goods have been replaced or Supplier has fulfilled its obligations in full. Payment of invoice does not constitute acceptance of ordered Goods. Purchase price shall be subject to appropriate adjustment for failure of Supplier to meet agreed requirements of Purchase Order if non-conformity shows after the settling of payment.

### 3.3

Supplier shall not be entitled to assign its receivables to third parties or to have such receivables collected by third parties without Buyer's prior consent in Written Form.

### 3.4

Delivered Goods must always be accompanied by delivery note which shall include all the following data:

- Supplier's name;
- delivery note number and date of issue;
- Buyers Purchase Order number and date of issue;
- itemization and quantification of delivered goods and/or services rendered with applicable units of measure delivered;
- Buyer's product name and item identification number for each item;
- material batch number (if applicable);
- measurement protocols (if applicable);
- number of load (packing) units (collies).

Unit of measure on delivery note has to be identical to the one on the Buyer's Purchase Order. In cases where this is not possible, the ratio of units has to be defined (e.g. X barrels = Y kg, X set = Y pcs).

### 3.5

A separate invoice shall be issued for each delivery note and shall include all the following data:

- Supplier's name;
- invoice number and date of issue;
- reference to Supplier's delivery note number;
- payment due date.

### 3.6

Payment will be proceeded upon delivery of Goods and upon receipt of a due and proper invoice, verifiable by a signed delivery note by Buyer. Invoice that fails to meet the above requirements may be rejected by Buyer. In this case, payment term shall begin on the day of receipt of new, due, and proper invoice that meets requirements under this Clause.

All invoices are sent and processed electronically via the following e-mail address: [invoicing@elaphe-ev.com](mailto:invoicing@elaphe-ev.com)

## 4 NOTIFICATION OF DEFECTS

### 4.1

Buyer shall notify the Supplier of defects without undue delay as soon as they are discovered within the ordinary course of business. In so far, the Supplier waives its right to object to the notification of defects on the grounds of delay.

## 5 CONFIDENTIALITY, USE OF RESULTS

### 5.1

Both Parties are obliged to use documentation and knowledge acquired from their business relation only for the purpose of such business cooperation, and therefore shall be treated as confidential. Confidentiality duties shall remain in force even beyond the expiry of business relationship, for at least five years after the last Supply.

### 5.2

Supplier shall ensure that the same confidentiality principle applies for all its employees, sub-suppliers and any other third parties that will be involved in Supplies.

### 5.3

All technical documentation and information provided by Buyer to Supplier is sole property of Buyer and shall be considered as a trade secret (hereinafter referred to as "Trade Secret"). When using and storing trade secrets, Supplier shall comply with the rules of strict confidentiality. Buyer shall at any time demand return or destroy of

Trade Secret. Trade Secret can only be used for the production for Buyer. Same requirements apply to all and any Supplier's sub-supplier. Distribution of such documentation to any third party is permitted only by Buyer's prior approval in Written Form. Supplier confirms this obligation by signing Non-disclosure Agreement (hereinafter referred to as "NDA").

5.4

The Parties may disclose their business relationship for advertising purposes only with prior written consent by the other Party. Supplier shall not use the name, the trademarks, or the products of Buyer in Supplier's advertising or otherwise without Buyer's prior written consent.

## **6 DELIVERY DATES AND PERIODS**

6.1

Agreed and confirmed delivery dates and time limits are binding. For stable and uninterrupted production Buyer requires and expects 100% on-time deliveries for all issued and confirmed Purchase Orders.

6.2

Delivery of ordered Goods must be executed within the time specified in Purchase Order or initial Order Confirmation. Receipt of the Goods at the agreed delivery location is mandatory for compliance with the delivery date or delivery period.

## **7 IRREGULARITIES, DELAYS**

7.1

Early, late, partial and/or excess deliveries (hereinafter referred to as "Irregular Delivery") are subject to Buyer's prior consent in Written Form. Irrespective thereof Buyer may refuse and reject an acceptance of and return any Irregular Delivery at Supplier's expense or charge Supplier for additional warehousing costs in case of accepting an excessive delivery. If Irregular Delivery is caused by Supplier and Buyer does not approve it, Supplier shall be liable to compensate Buyer for any loss or damage incurred.

7.2

Supplier shall immediately notify Buyer of any actual or potential incident which may or will lead to delay in the fulfilment of Purchase Order, or which may or will lead to Supplier's being unable to fulfill quantitative requirements under Purchase Order or delivery date. Supplier shall provide Buyer with all relevant information and advise Buyer in Written Form of all corrective actions Supplier is taking to mitigate the impact of any such incident.

7.3

Any premium freight or other costs required to meet confirmed delivery date shall be at the expense of Supplier. Buyer may require from Supplier to ship any of the Goods ordered by any means of transport as may be designated by Buyer if Supplier fails to meet the specified delivery schedule at the expense of Supplier.

## **8 FORCE MAJEURE**

8.1

Neither Buyer nor Supplier shall be liable for any failure to perform in accordance with the terms and conditions defined in GTCP due to act of war, sabotage, strikes, fires, freight embargoes, floods, explosions, epidemics or similar unforeseeable and unavoidable causes or events beyond reasonable control and without the fault of negligence of both Parties.

8.2

In the event that Supplier is unable to perform partially or fully due to any foregoing events, Supplier shall immediately, but not longer than two (2) calendar days from this finding, inform Buyer about such event in Written Form. Buyer shall be entitled, in addition to its right to terminate Purchase Order(s), to a) obtain ordered Goods from other sources as Buyer may determine for the duration of Supplier's inability to perform and b) reduce to a certain extent and without any obligation to Supplier, the quantity of the Goods specified in Purchase Order.

8.3

The Parties shall proactively work together and use their best efforts to minimize consequences and find alternative ways and means of fulfilling their obligations to the new situation for the duration of Force Majeure.

8.4

If the Parties do not reach an agreement on adaptation to Force Majeure within a period of ninety (90) calendar days from Force Majeure coming into effect, Buyer may terminate Purchase Order(s) in Written Form without the need for any further legal or judicial action.

## **9 QUALITY AND DOCUMENTATION**

9.1

Supplier shall comply with the acknowledged state of the art, safety regulations and agreed technical data and documentation requirements for producing and delivering Goods.

9.2

Supplier shall be always responsible to control and assure quality of Goods delivered. The Parties shall inform each other of any possibilities to improve quality of Goods. All supplied Goods and services shall comply with Buyer's specified requirements. Quality of supplied Goods and services shall be equal or better than that of the approved initial samples.

9.3

Supplier warrants that delivered Goods are suitable for the purpose intended, are free from any defects in design, material, and workmanship, and are produced according to agreed specifications, technical models and drawings, description or samples, all technical standards applicable to Goods, the state of the art. Any non-compliance with the above shall be considered as defect (hereinafter referred to as "Defect").

9.4

Supplier warrants that Goods comply with all applicable national, federal, state, and local laws and regulations in relevant sales markets related to Goods.

9.5

If there is no special agreement between Parties regarding the nature and extent of testing, and the equipment and methods to be used, Buyer is prepared, at Supplier's request, to discuss the testing and use its knowledge, experience, and capabilities to determine the level of testing technology that needs to be applied.

9.6

Supplier shall maintain quality records for all Goods indicating when, how and by whom any checks have been carried out in order to ensure defect-free production of Goods. These records shall be kept for fifteen (15) years following the end of supply and be presented by Buyer upon request. Supplier is entitled to reduce holding period for documentation if Supplier can convincingly guarantee that there is no risk to life and health in use of its products. Supplier shall ensure that its sub-suppliers are bound by the same obligations. Both Parties shall keep records of the quality management documentation and all samples to serve as an assessment for quality of produced Goods.

9.7

In the event any authorities responsible for vehicle safety or similar demand inspection of production process and disclosure of test records of Buyer to scrutinize certain requirements, Supplier shall, upon Buyer's request, give these authorities the same inspection rights (as Buyer) and to provide them with any reasonable support.

9.8

Procedure for permanently disposing of Goods failing to pass quality inspection at Supplier's site will be separately determined by Buyer. Supplier shall strictly comply with all such procedures. Goods having failed quality inspection must not enter any commercial or non-commercial channels without Buyer's prior consent in Written Form.

9.9

Any serial supply of Goods shall require a prior release of Goods, Toolings and production assets and release of production process in Written Form, as set out below. A new release (or re-release of an existing product) shall also be required if any of the following changes occur: • in case of a new product (new part identification number); or • if changes in design, process technology, material or production sites occur; or • after the replacement of a sub-supplier or the source of material supply; or • after long interruptions of production. First off tool samples must be produced under the same conditions of mass production with serial Toolings and production assets. After the inspection of first off tool samples and all relevant documentation, Buyer shall decide: (a) to approve; or (b) to temporary approve; or (c) to refuse release and notify Supplier regarding its decision in Written Form. Buyer shall issue a release only if the requirements of the ISO 9001 as well as of any additionally agreed requirements in Purchase Order and/or in Special Terms of Buyer relating to the release of production process and release of Goods are met. When release of a product is confirmed, Buyer may authorize Supplier for the commencement of regular production of the released product.

9.10

Materials and components built in the products of Elaphe Propulsion Technologies Ltd. must be manufactured in compliance with the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and its amendments and on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) and its amendments. The Supplier proves the compliance with a Written Supplier Declaration on the Conformity of Products. Where applicable, Supplier shall provide Buyer with certificates, declarations, attestations, material statements,

warranty certificates, instruction books, revision books, maintenance documents, and or other verifications, immediately upon delivery of the Goods, but no later than upon submission of the last instalment invoice, failing which Buyer shall be entitled to suspend its payment obligation. Supplier shall ensure that its sub-suppliers are bound by the same obligations.

## **10 PACKAGING**

### **10.1**

All Goods shall be appropriately packed, marked as instructed and prepared in a manner to obtain the lowest reasonable shipping rates, unless additional instructions are received in Written Form from Buyer.

### **10.2**

All packaging units shall be filled up fully, have to retain their original shape up to the place of use, allow machine handling, include Goods of the same Supplier, Goods of the same identification number and must not pose any risks for safety of workers. Each packaging shall be equipped with a proper label. Data on the label must be in accordance with Buyer's requirements and shall also satisfy traceability requirements. Labels should correspond to data specified on delivery note. If not specified otherwise, the labeling standard which shall be followed is ODETTE or VDA. Supplier is also liable for any extra costs or for the loss of material resulting from insufficient labeling, inappropriate packaging, or inappropriate transport.

Supplier represents and warrants that all Goods will be accompanied by written and detailed specifications of the composition and characteristics, to enable Buyer to transport, store, process, use and dispose of such Goods safely and in compliance with law.

## **11 WARRANTY**

### **11.1**

In the event of Defect or any other discrepancy or inconsistency in relation to issued Purchase Order being discovered, Buyer is entitled to file a claim (hereinafter referred to as "Claim") in Written Form. Supplier shall respond to any such Claim immediately, but not later than within three (3) working days, in Written Form. In this period Supplier shall: a) provide a plan of pick-out and replace any and all Defective Goods; b) notify Buyer in Written Form about all possible measures to ensure an undisturbed production at Buyer's premises; c) notify Buyer in Written Form about the root causes of these non-conformities, corrective actions and preventive measures introduced to avoid similar noncompliance in the future.

### **11.2**

Supplier shall send to Buyer in Written form a plan for permanent elimination of any and all non-conformities (8D report) within thirty (30) calendar days of date Claim was filed at latest.

### **11.3**

In addition, and notwithstanding any other Buyer's rights under Purchase Order and/or applicable law, Supplier shall indemnify Buyer from and compensate Buyer for any damage, losses, costs, expenses and third-party Claims caused by Defective Goods, in particular but not exclusively: loss of production, such as cessation or delay of production operations, defective production operations, line stoppages due to the use of Defective Goods, additional final processing; costs for repair or rework of sub-part products in Buyer's warehouses; costs for inspections, such as re-inspections of Goods and vehicles in order to identify Defective Goods; costs for re-measurement in cases such as incorrect indication of quantity, product identification code or lot number on packaging and accompanying documents.

### **11.4**

Warranty Period for Goods shall come into effect on the date of delivery of Goods to Buyer and shall end either: a) 12 months after the date of delivery of Goods; or b) on the expiry of any warranty issued by Buyer to end-customers of Goods, or of any products into which Goods have been incorporated, whichever of the above dates or events occurs later. Any longer warranty periods prescribed by the national laws of any sales market into which any Goods, or products into which Goods have been incorporated, are delivered, shall supersede the provision under this Clause. Notwithstanding the above, Supplier waives its right to reject any warranty Claim of Buyer due to a plea of statute limitations during a fifteen (15) months period after the end of the calendar year in which Defect was rectified.

### **11.5**

Notwithstanding the above clause, the warranty for parts supplied by the Supplier and fitted in vehicles sold in the USA, Puerto Rico or Canada shall expire at the end of 48 months from initial registration, in accordance with the longer warranty periods vis-à-vis the end customer. For spare parts sold in the USA, Puerto Rico or Canada, the above limitation period shall apply mutatis mutandis from the time at

which the spare part was fitted. The claims shall however become time-barred no later than 54 months after the delivery to Buyer.

### **11.6**

In case the laws and regulations of countries in which the vehicles or spare parts are distributed provide for any longer warranty period than specified in above clauses, such longer warranty period shall replace the period specified in this GTCP.

### **11.7**

Any other statutory or contractual rights of Buyer shall remain unaffected by the provisions of this Warranty section.

## **12 LIABILITY**

### **12.1**

In the event that claims are brought against Buyer on the basis of product liability (in particular concerning claims outside court or before court with regard to a product defect), Supplier shall indemnify Buyer from such claims and any resulting expenses and damages (including legal fees and expenses) to the extent that the Supplier caused the product defect.

### **12.2**

Supplier shall be liable for compensation for any expenses and damages (including legal fees and expenses) resulting from actions which Buyer undertakes to avoid any damage (for instance recall actions, service measures or other actions), in so far as such action results from the defectiveness of the goods supplied by the Supplier or other breach of duty by the Supplier.

### **12.3**

Supplier shall reasonably support Buyer upon request with regard to the investigation and defence of third party claims.

### **12.4**

Buyer shall inform Supplier to a reasonable extent about the facts in cases of liability and shall give Supplier the opportunity to investigate the issue. This shall not apply insofar as the information or the participation of Supplier is not possible due to particular time restrictions.

### **12.5**

Any other statutory or contractual rights of Buyer (particularly those arising under the Slovenian Obligations Code, tort, and agency without authority) shall remain unaffected by the provisions of this Liability section.

### **12.6**

In addition to compensation for its own damages, Buyer may also seek compensation for damages of its affiliated companies and claim payment to Buyer itself as if these damages had been its own damages.

## **13 THIRD PARTY RIGHTS, INDUSTRIAL PROPERTY RIGHTS**

### **13.1**

Supplier shall ensure that Goods and production processes provided by Supplier do not infringe any third party's Intellectual Property Rights (hereinafter referred to as "IPR"), such as patents, trademarks or service marks, copyrights, utility models, designs, confidential information and know-how as well as any other similar rights of any type under the laws of governmental authority, domestic or foreign, whether or not they are eligible to be registered.

### **13.2**

Supplier shall be liable for any Claim which results from the infringement of any IPR by the use of Goods according to the terms of the Purchase Order and shall hold Buyer and Buyer's customers free and harmless of all liabilities resulting from the use of any such IPR according to the terms of Purchase Order. Supplier agrees to defend all suits, actions and proceedings which may be brought against Buyer or Buyer's customers for alleged infringement of any proprietary interest resulting from the use or sale of Goods provided hereunder and to pay all expenses and fees of counsel which may be incurred in defending, and all costs, damages, or other recoveries in every such suit. Supplier's liability shall be excluded to the extent Supplier has produced Goods in compliance with Buyer's instructions, provided Supplier could not possibly know about the infringement despite reasonable precautions.

### **13.3**

Both parties commit themselves to inform each other of all risks of violation or alleged violations of any IPR and to give each other the opportunity to jointly oppose such claims. Supplier shall inform Buyer about the use of any published or unpublished IPR owned by or licensed to Supplier, which relate to Goods provided by Supplier.

## **14 USE OF PRODUCTION DEVICES, TOOLING AND CONFIDENTIAL INFORMATION MADE AVAILABLE BY BUYER**

### **14.1**

In respect to production devices and tooling, e.g. equipment, including, but not limited to forging dies, measuring and testing equipment, matrices, model, samples, tools, devices, drawings and similar Goods required for production and examination of Goods (hereinafter referred to as "Tooling"), Supplier shall be obligated to comply with the following provisions and with the requirements of Buyer's relevant special terms pertaining to Tooling. The Supplier will use the Tooling and confidential information only with regard to the deliveries to Buyer and not for any other purposes.

### **14.2**

If and to the extent the agreed total cost for an item of Tooling has been paid by Buyer in full, ownership title to such Tooling, equipment and any and all IPR created in course of the development of such Tooling for Buyer will immediately be transferred to Buyer. Supplier is entitled to keep the Tooling only as a temporary possession with the intent of use until Purchase Order has been performed. Supplier must hand over Tooling to Buyer following fulfillment of Purchase Order if requested by Buyer.

## **15 TERMINATION OF THE CONTRACT**

### **15.1**

Buyer has the right to unilaterally withdraw from the contract and cancel the Purchase Order(s) without any notice period, additional explanation and further obligations to Supplier. Buyer has to report such intention to Supplier in Written Form. In such cases, Buyer is obliged to accept already produced Goods or service rendered which do not exceed quantity and the amount specified in the Purchase Order.

### **15.2**

Without any further obligation to Supplier, Buyer can also withdraw from the contract and cancel the Purchase Order if it is obvious that Supplier will not be able to fulfill orders in the agreed time period (e.g. Supplier's declaration of bankruptcy, insolvency, misappropriation of funds for operations).

### **15.3**

In the event of termination of the contract or cancellation of the Purchase Order, Buyer is entitled to pass on all information arising from the terminated business relationship which is required by third parties to manufacture the items referred to in the contract in order to cover Buyer's needs, so far as the information concerned is not protected by IPR. Any arrangements agreed in respect of the handling of development results shall remain unaffected and shall be effective even after this business relationship has ended.

## **16 INSURANCE**

### **16.1**

Supplier shall take out and maintain at its sole expense insurance policies with reputable, financially sound insurance companies. Such insurance policies shall adequately cover Supplier's liabilities towards Buyer and third parties and in particular but without limitation include product liability insurance coverage. Buyer is entitled to require certain insurance coverage and amounts to be taken out by Supplier. Coverage and amount of such insurance shall be decided jointly by both Parties. Buyer may require Supplier to provide evidence of the foregoing insurance and renewals thereof or any other information regarding such insurance.

## **17 GENERAL PROVISIONS, COMPLIANCE**

### **17.1**

While carrying out the Agreement, Supplier shall comply with all applicable and relevant statutory provisions and any other regulations, instructions and conditions in the field of health, safety and the environment which have been issued in connection with the Goods. Supplier shall comply with all applicable national, European and international rules relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights, environmental protection, sustainable development, bribery and corruption. These rules include without limitation, the principles, provisions and undertakings contained in the Universal Declaration of Human Rights, International Labor Organization standards and OECD guidelines (particularly in the area of sustainable development). It shall be Supplier's responsibility to cause all and any of its subcontractors their Personnel and any third parties engaged by Supplier to act in accordance with the regulations of this Article.

### **17.2**

Supplier shall be responsible for the acts and omissions of its subcontractors, agents and Personnel as fully as if they were acts or omissions of Supplier itself. Supplier shall not be released from any obligation and/or liability under the Agreement with regard to any part of carrying out the Agreement by its subcontractors, agents and/or Personnel. As far as Buyer is concerned, each part of carrying out the Agreement executed by Supplier's subcontractors, Supplier's agents and/or Personnel shall be deemed to have been executed by Supplier.

### **17.3**

The Parties shall at all times comply with any obligations under Slovenian laws regarding data protection and any other relevant (national, European and international) data protection regulations that are applicable to the execution of the Agreement. Both Parties shall (i) take appropriate security measures to protect the confidentiality of the (personal) data provided by the other Party, (ii) inform the other Party, on such Party's request, about the security measures taken in respect to the foregoing, and (iii) notify the other Party of any breach of personal data in accordance with and within the timeframe stipulated in the aforementioned privacy laws. If applicable, the Parties shall enter into a data processing agreement. Supplier shall ensure that its subcontractors are contractually bound to Supplier to comply with the provisions of this Article.

### **17.4**

Within the framework of its commercial dealings with Buyer, Supplier is obliged to desist from all practices which may lead to penal liability due to fraud or embezzlement, insolvency crimes, crimes in violation of competition, guaranteeing advantages, bribery, acceptance of bribes or other corruption crimes on the part of persons employed by Supplier or other third parties. In the event of violation of the above, Buyer has the right to immediately withdraw from or terminate all legal transactions existing with Supplier and the right to cancel all negotiations. The above notwithstanding, Supplier is obliged to adhere to all laws and regulations applicable to both itself and the commercial relationship with Buyer.

### **17.5**

Should any provision of these GTCP or any additional stipulations agreed upon be or become illegal or otherwise unenforceable by any court or other judicial or administrative body, such provisions shall be limited to the extent necessary so that it will not render these GTCP unlawful or otherwise unenforceable. Both parties are committed to replace illegal invalid provision by another legal provision with an equivalent commercial effect to the possible extent. Remaining provisions of these GTCP shall remain in full force and effect.

### **17.6**

If both parties have not agreed otherwise in Written Form, terms of any Purchase Order and these GTCP shall be governed by and constructed in accordance with the laws of Republic of Slovenia. Application of the Convention of the United Nations from April 11, 1980 on Contracts for the International Sale of Goods (CSIG) is hereby included.

### **17.7**

Place of performance for the delivery shall be the delivery location to which the goods are supplied. In other respects the place of performance shall be Ljubljana, Slovenia.

### **17.8**

Unless otherwise agreed in Written Form by both Parties, the exclusive place of jurisdiction for all disputes arising from or in connection with business relationship is Ljubljana, Republic of Slovenia. However, each Party may also be sued at its general place of Jurisdiction.

# ELAPHE SPECIAL TERMS AND CONDITIONS FOR TOOLINGS AND PRODUCTION ASSETS

## 1 Governing Conditions

### 1.1

This Special Terms and Conditions for Toolings and Production Assets and other operating resources including related software (hereinafter referred to as „Special Terms“ and „Toolings and Production Assets“ respectively) shall be incorporated in and form an integral part of each contract between Elaphe Propulsion Technologies Ltd. (hereinafter referred to as “Buyer”) and supplier (hereinafter referred to as “Supplier”) requiring Toolings and/or Production Assets for the production of Production Material and Spare Parts for Motor Vehicles.

### 1.2

The Special Terms shall also apply to any sub-supplier or third party holding the Toolings or Production Assets. Supplier is obliged to ensure that its sub-suppliers or third parties fully comply with this Special Terms and that they will assume all obligations of Supplier under this Special Terms. This applies in particular to the marking of the Toolings and Production Assets as Buyer’s property where applicable.

### 1.3

Regardless of the ownership of Toolings, Production Assets or other operating resources, they shall be treated by Supplier with all the necessary care to ensure unobstructed delivery to Buyer.

### 1.4

Buyer has the right to proceed to an on-the-spot control of Supplier’s compliance with this Special Terms during normal working hours and upon prior arrangement of the inspection time. Supplier shall keep the documents relating to the tools ready for inspection and shall cooperate closely with Buyer during the inspection.

## 2 Toolings, Production Assets and related Software owned by Buyer

### 2.1

Supplier is authorized and obliged to use the Toolings and Production Assets only within the scope of the business relationship with Buyer.

### 2.2

The use of Toolings and Production Assets by Supplier for the supply of third parties requires Buyer’s prior approval in Written Form.

### 2.3

Supplier is responsible for the maintenance and repairs of Toolings and Production Assets in the course of normal usage to ensure unobstructed deliveries to Buyer. The costs for such maintenance and repairs shall be borne by Supplier.

### 2.4

Tool changes required by Buyer e.g. due to technical changes of parts require a commercial offer by Supplier taking into account to submit the most economical cost to Buyer. Supplier shall make change only after receipt of a Purchase Order from Buyer.

### 2.5

Toolings and Production Assets owned by Buyer shall be marked clearly and permanently by Supplier according to the legal requirements for inventory. Supplier shall provide Buyer with the necessary information for inventory in due time upon request by Buyer.

### 2.6

Supplier is liable for all defects, damage, changes or deteriorations exceeding the levels caused by defined production quantity. Supplier is not liable for defects, damage or changes or deterioration of Toolings and Production Assets due to force majeure. Supplier must ensure that the tools do not cause personal injury or property damage. Supplier shall indemnify Buyer from related claims for damages.

### 2.7

At the end of the delivery, Supplier generally hands the Toolings and Production Assets over to Buyer in the state, that can be expected after proper fulfillment of the Supplier’s obligations. Any rights of retention by Supplier are excluded.

### 2.8

Payment of Tooling and Production Assets shall be aligned with tool acceptance and approvals and shall consist of two installments, a prepayment of 20% of the accepted total costs and 80% to be paid after

the tool approval for manufacturing by Buyer. Buyer shall process tool approvals requested by Supplier in due time.

## 3 Toolings, Production Assets and related Software not owned by the Buyer

### 3.1

All Toolings have to be approved by Buyer before being used for production. Approvals are based on an agreed internal sample test report in alignment with the VDA2 automotive standard and additional testing requirements provided by Buyer particularly related to Toolings and Production Assets used to manufacture electronics components. Such additional requirements may include, but are not limited to: Customer approval forms, parts lists, assembly prints, process flow diagrams, Control plans, flying Probe Test (FPT), run-in test, burn-in test, automatic X-ray inspection (AXI) and reliability analysis.