

Sales and Delivery Conditions of OILES Deutschland GmbH

(in the following called ODG) with Domicile in Schorbachstraße 9, 35510 Butzbach

1. General Condition

The following provisions apply to all contracts and deliveries including those in the future with customers. Any deviations are required to be in writing. Provisions from the customer/purchaser shall only apply when and insofar as we have expressly agreed to these in writing individual cases. A fulfilment act by ODG shall under no circumstance be an acknowledgement on the part of ODG of deviating provisions.

2. Offer, Order, Delivery

2.1 All ODG delivery offers are subject to change.

2.2 A contract is only concluded following the receipt of a written order by ODG and a written confirmation of the order from ODG. This also applies to the production of models, tools, or special equipment for the delivery product and the performance of special tests.

2.3 The documents accompanying the offer or the confirmation such as drawings, samples or other information to the performance exclusively serve to describe the performance, they are not promised properties or guarantees. Equally, the reference to technical standards e.g., DIN standards or particular reference to brochures, catalogues, public statement or internet publication are not a promise of properties or a guarantee declaration. ODG shall retain title and all protected rights as well as the copyright to documents accompanying the offer or order confirmation that are created by ODG, e.g., drawings, samples and similar. These confidential and competition relevant documents are subject to company and business secrets based on the contract relationship with the customer. They may therefore only be made accessible to third parties following written consent from ODG.

2.4 By ordering products that are manufactured according to the customer's specifications or instructions, in particular drawings, specifications, calculations or other technical documents etc., the orderer guarantees that no third-party rights will be infringed. On the grounds of this guarantee ODG is not obligated to check a freedom of rights. ODG shall in no circumstance assume liability in the event of such an infringement of third party rights irrespective of which liability or which legal statutes and where these are asserted. In this case, if ODG is held liable for the infringement of third party rights, the orderer shall release ODG upon the first demand from all claims and costs including any legal defence. ODG is entitled to any legal defence measures.

3. Shipping

3.1 The place of fulfilment for goods sent also by free shipping to the orderer is the place of loading. The transport risk is transferred to the orderer with the finished loading of the transporter from the warehouse ("Ex works" Incoterms 2010).

3.2 By orders that are at call or by permanent debt ODG has the right to deliver the called goods not in accordance with the contract nine months at the latest following the delivery date without notification and to calculate the price. Payment targets are calculated from the date of the agreed call-off. The same applies if the orderer is late with the acceptance of individual deliveries.

3.3 Dispatch is on the account and at the risk of the orderer. Other additional costs will not be paid by ODG. The delivery method is at our discretion and decided according to convenience. Costs for requested express delivery or other additional costs shall be assumed by the orderer.

Packaging (also boxes) will be at the lowest possible cost and will not be taken back. Insofar as shipping is in pallet cages, freight boxes or similar, the purchaser or recipient is obliged to return the empty containers as fast as possible free of charge. The orderer is liable for any damage to the transport containers.

4. Prices, Costs

4.1 The prices are in Euros and exclusively net plus the statutory VAT applicable at the time the invoice is due. The right to increase or lower prices due to increased material and wage costs is reserved according to the scope of the increased and reduced costs, insofar as the goods are delivered following 4 months following conclusion of contract. Excluded from this are goods deliveries in the scope of continual obligation relationships. In these, price increases for materials, energy and wages will be charged, if the price in comparison to the starting prices are increased by over 3%. ODG shall verify the increased costs. For material costs ODG will invoice the price index customary for the market. The price increase is payable from the 1st of the month following notification of the price increase. The aforementioned shall also apply to cost reductions.

4.2 The orderer shall inform ODG of any errors or spelling errors in offers, calculations, confirmation notices and invoices following inspection.

4.3 All prices apply ex warehouse excluding packaging and transport which will be invoiced separately. Insurance against transport damage shall only be arranged by ODG on the basis of a separate agreement with the orderer at its account.

5. Conditions of Payment

5.1 Payments are to be made within 14 days of becoming due and the receipt of an invoice or comparable demand for payment. Repairs and wage labour are payable immediately upon becoming due and the receipt of an invoice. In the event of payment default of an invoice or a founded doubt in the financial ability to pay of the orderer, ODG has the right to demand payment in advance. Furthermore, in this case ODG has the right to reclaim goods subject to retention of title and to forbid re-selling, insofar ODG also has the right to enter the company and premises of the orderer.

5.2 The granting of discounts requires an agreement and is always subject to the condition that the orderer does not default the payment of outstanding accounts and also those from other delivery contracts and adheres to the agreed payment deadlines.

5.3 Off-setting is only permitted for undisputed or legally established counterclaims on the part of the orderer. The orderer can only exercise a right to retention or refusal to pay insofar as it arises from the same contract.

6. Retention of Title

6.1 Until the full payment of ODG's payment demands arising from the delivery contract with the orderer the goods sold shall remain the property of ODG. In the case of running accounts the reserved ownership serves as security for ODG's payment balance. ODG's demands also include interest and legal costs. The retention of title

extends to the products created through processing, combination or connection of the goods at their full value, whereby ODG applies as the manufacturer. If a third party right exists through a processing, combination or connection to third party goods, the ODG receives co-ownership to the invoice value of these processed goods.

6.2 The orderer is entitled to sell the goods as a proper and normal business transaction. The accounts receivable against third parties are transferred already immediately and to the amount of any co-ownership right to ODG as security. ODG hereby accepts the transferral from the retention of title. The orderer has the right to collect this on the account of ODG as a fiduciary. The right expires with a cessation of payment to ODG. Furthermore, the right can be revoked at any time by ODG.

6.3 Third party access to goods and claims belonging to ODG are to be reported in writing, also via email or fax, to ODG without delay.

6.4 In the event of an application for or the opening of insolvency proceedings on the assets of the orderer, this is obliged to inform third parties through signs or in another effective method that the goods are the property of ODG. In the event of an own-application, this is to occur before the application is submitted, by application of a creditor immediately following the hearing of the debtor (orderer). The same applies by third party seizure measures against the orderer. ODG is to be informed immediately at the beginning of the occurrence of such circumstances.

6.5 Insofar as a claim by ODG still exists, ODG has the right to demand information from the orderer at any time, which goods subject to a retention of title are still in his possession and where these are to provide ODG immediate access to these goods.

6.6 The execution of a retention to title does not represent a withdrawal from the contract. The goods and the accounts receivable in their place may before payment in full of the claims owed to ODG neither be pledged to third parties, nor transferred or assigned as security. If the value of the security exceeds the value of ODG's claims (by more than 10%), ODG shall release the security insofar at its discretion at the request of the orderer.

6.7 In the event of conflicting grounds for claims it applies that in all cases a simple retention to title to our benefit is agreed.

7. Delivery Times

7.1 Insofar as not otherwise expressly stipulated in the contract or the order confirmation, provided delivery times are not binding for which no guarantee is assumed for their adherence. If the delivery date is agreed as binding, ODG can first be placed as in default following a written subsequent deadline from the 14th calendar day. If ODG should default following this deadline, the obligation to provide compensation on the part of ODG in the event of soft negligence is limited to the value of the goods delivery. ODG reserves the right to prove lower damages.

7.2 The orderer, in the event that ODG cannot perform a service on grounds for which it is not responsible, shall only have the right to withdraw from the contract without a claim to compensation or subsequent delivery. Received performance is to be returned step by step. Unforeseen events that are outside ODG's control and which delay or make deliveries impossible entitle ODG to withdraw from the contract or receive a reasonable extension of the delivery without a claim to compensation or subsequent delivery.

7.3 Delayed acceptance on the part of the orderer that exceed 10 days entitle ODG to withdraw from the contract and in addition to the refunding of the incurred transport costs and a compensation of at least 30% of the respective net value of the goods. The orderer has the right to prove a lesser damage. ODG has the right to assert further damage.

8. Warranty Claims

8.1 The orderer shall inspect the goods following transfer or at their receipt at their destination without delay and will report any defects in writing 8 working days at the latest following receipt of the delivery. A complaint regarding defects that a diligent inspection cannot uncover within this deadline is to be issued immediately following discovery. This also applies to warehousing or if the defect is first discovered upon delivery to third party orderers. The punctuality of the complaint about the defect is dependent upon receipt by ODG.

8.2 After one year following receipt of the goods any guarantee claims for defects expire.

8.3 The basis for all liability on the part of ODG is that ODG was comprehensively informed through written notification on the part of the orderer of all technical specifications, particularly operating data and ambient conditions prior to the contract being issued. If the required documents and information are not or are only incompletely submitted upon awarding the tender ODG is excluded from all liability.

8.4 ODG is only liable for culpable defective construction or significant deviations from the agreed properties. Agreed specifications and their documentation such as drawings, technical information etc. always represent a concluded agreement in themselves which exclude the application of § 434 paragraphs no. 1 and no. 2 BGB. For materials purchased by ODG particularly according to standards or information from specialist suppliers, ODG is only liable when specific inspections such as the structure are agreed with the orderer.

8.5 ODG is not liable for construction defects when the orderer insufficiently fulfils his duty to cooperate in the construction or the defect arises from the use by the orderer. ODG reserves the right in all cases to use the contributing negligence of the orderer as a defence.

8.6 ODG assumes no liability for damage as a result of normal wear and tear, improper use, non-product or application-specific servicing, modifications or processing by the orderer.

8.7 In cases of claims to material defects ODG shall at its discretion perform repairs or issue a replacement delivery. Condition for such claims is always that the material defect was caused by ODG. The orderer shall provide ODG with the disputed goods for inspection and provide all information that is required in ODG's opinion to ascertain the cause of the defect. Until the ascertainment of the defect, the orderer does not have the right to retain claims from ODG, to off-set these or invoice this against it. Until the ascertainment of material defects and the scope of the subsequent performance, ODG can regardlessly deliver replacement at the respective current price. If the orderer's claims are founded, ODG shall issue a credit note.

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8.8 Otherwise, the statutory provisions shall apply to material defects.

8.9 If the contract relationship is effectively ended through termination or withdrawal irrespective of the grounds, the orderer shall accept the already manufactured and defect-free goods from ODG and to refund all costs for begun production, purchased materials and all expenses that ODG incurred in the belief of the continuation of the contract relationship.

9. General Limitation of Liability

On the grounds of a breach of contractual and external duties, particularly in the case of unauthorised action in producer liability or product liability, ODG, its bodies and employees as well as vicarious agents are only liable in the event of intention and gross negligence. All liability is limited to foreseeable, contract-typical damage at the time of contract conclusion. ODG reserves the right to prove lesser damage. The exclusion of liability and limitation of liability does not apply to damage from loss of life, personal injury and endangerment of health that arise through a negligent breach of duty on the part of ODG or a negligent or intentional breach of duty of a legal representative or vicarious agent of ODG.

10. Notice on Data Processing

10.1 This data protection notice applies in addition to all legal provisions for data processing by OILES Deutschland GmbH.

Person responsible:

OILES Deutschland GmbH, Schorbachstraße 9, 35510 Butzbach, Germany,
email: odg-info@oiles.eu, telephone +49-(0)6033-92880-0
fax +49-(0)6033-92880-661

The company data protection officer can be contacted at the above address to Mr. Alkemade or jan.alkemade@alkemade-it.de.

9.2. When you contact us, we collect the following information:

- Title, first name, surname,
- company name
- a valid email address,
- address,
- telephone number (landline and/or mobile),
- information that is necessary to process the order,

This data is collected

- to be able to identify you as our customer or supplier,
- to initiate a business relationship,
- to prepare and conclude pre-contractual, contractual or contractual legal relationships including their termination,
- for the processing of orders (order data processing),
- for advertising purposes as far as it is desired by you,
- to safeguard the legitimate interests of OILES (for example, to enforce open claims or avoid contract failures), including legal defense,
- to correctly advise you,
- for correspondence with you,
- to issue invoices,
- to process any existing liability claims or the assertion of such claims against you.

Data processing occurs upon your query and is required as per Art. 6 para 1 (1) b DSGVO for the aforementioned purposes for a correct processing and for the mutual fulfilment of duties arising from the contract relationship.

The personal data we collect shall be stored and then deleted following the expiry of the statutory obligation to retention, unless we are obligated to a longer storage period as per Art. 6, para 15 (1) c DSGVO on the grounds of commercial or tax law retention and documentation obligations (from HGB, StGB or AO) or you have agreed to a longer storage period as per Art. 6 para 1 (1) a DSGVO.

10.3. A forwarding of your personal data to a third party for purposes other than listed shall not occur.

Insofar as this is required as per Art. 6 para 1 (1) b DSGVO for the processing of the contractual relationship with you, your personal data shall be forwarded to a third party.

10.4. You have the right

as per Art. 7 para 3 DSGVO to revoke your consent at any time. This has the result that we may not further process the data you have provided in the future,

as per Art. 15 DSGVO to demand information on the personal data we have processed. In particular you can receive information on the purpose of processing, the category of personal data, the category of recipients to whom your data is disclosed, the planned storage duration, the existence of a right to correction, deletion, restriction of processing or objection, the existence of a right to complain, the source of your data, insofar as these were not collected by us, as well as the existence of an automatic decision making, including profiling and where applicable relevant information to the details;

as per Art. 16 DSGVO the immediate correction of inaccurate or completion of the personal data stored with us;

as per Art 17 DSGVO the deletion of your data stored by us, insofar as the processing is not required to exercise the right of free speech and information, to fulfil a legal duty, for public interest reasons or to assert, exercise or defend against legal claims;

as per Art. 18 DSGVO to demand the restriction to the processing of your data, insofar as the accuracy of the data is disputed, the processing is illegal, you however reject their deletion and we no longer require the data, you however require these to assert, exercise or defend from legal claims or you have issued an objection against processing as per Art. 21 DSGVO;

as per Art 20 DSGVO to receive your personal data that you have provided us with in a structured machine-readable form or to demand the forwarding to another responsible person.

10.5. Right to object

Insofar as your personal data on the grounds of justified interests as per Art. 6 para 1 (1) f DSGVO is processed you have the right as per Art. 21 DSGVO to issue an objection against the processing of your personal data, insofar as there are grounds that arise from your special situation.

If you wish to exercise your right to objection, an email to odg-info@oiles.eu is sufficient.

10.6. Personal responsibility

Your statutory obligations to protect any data in and from your own organization, including the effectiveness of your employees' consent, remain unaffected. Specifically, this includes ensuring that data submitted to us by you or your employees is lawful, complete, subject to, or not subject to, any particular restrictions, or may not be processed or may no longer be processed for any circumstances that are your responsibility. You are responsible for the accuracy, integrity, timeliness and confidentiality of the information you submit to us.

11. Final Provisions

11.1. Exclusively the law of the Federal German Republic will apply.

11.2. Legal venue for all disputes arising from this contract and all other agreement, insofar as it concerns the legal validity of the contract and the agreements themselves, also for check and exchange processes is the domicile of ODG. ODG has the right to sue the orderer in the event of legal disputes also at its general legal venue. Insofar as not otherwise agreed the place of performance is also the domicile of ODG.

11.3. If ODG or the orderer are sued on the grounds of defects or faults for which ODG is responsible by a third party in accordance with foreign law, ODG and the orderer are to take all legal defence measures according to the statutes and are entitled at the legal venue at which the claim is filed. ODG and the orderer shall consult on the legal defence measures.

11.4. The assignment of accounts receivable and claims of the purchaser/orderer arising from the business relationship with ODG is invalid without express permission from ODG. Irrespective of this, ODG has the right at its discretion to pay the orderer or cessionary in the way of fulfilment.

11.5. In the event that a provision of this contract or terms and conditions of sale should be or become invalid in part or in full, the validity of the contract and the remaining present contractual provisions shall remain unaffected. In such a case the parties shall agree on a provision that most closely legally and financially achieves the intention of the invalid provision..0

Imprint

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Amtsgericht Friedberg/Hessen: HRB 343

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VAT Number according to § 27a,

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Terms and Conditions of Purchase (T&C) of OILES Deutschland GmbH, Schorbachstraße 9, D-35510 Butzbach hereinafter called OILES

1. Application

1.1 These OILES Deutschland T&C (in the following: OILES) apply currently and in the future for all initiation, conclusion and fulfillment of our business relationship with a goods supplier or service provider. They also apply for all contracts concluded with us. Conflicting or deviating provisions from the supplier are excluded without exception and do not apply unless we have expressly provided written confirmation of individual conflicting or deviating provisions. This also applies when we do not object to provisions conflicting with or provisions deviating from this T&C or accept deliveries or services without reserve.

1.2 The current applicable version of these T&C are available at www.oiles.de as a download. In cross-border business transactions these T&C are integrated into the entire legal relationship with the supplier with the corresponding Article 8 of the United Nations Convention on Contracts for the International Sales of Goods (CISG) through their sending to the supplier as a component of the contract.

1.3 The T&Cs also apply directly in business transactions between the supplier and companies affiliated with OILES, insofar as in contracts with other foreign OILES companies no deviating provisions are stated.

2. Policy for the Delivery of Products

2.1 OILES is a globally operating manufacturer of security and function-relevant industrial products (hereinafter: "products"). The duty to avoid faults vis-à-vis our customers and third parties imposed by law and contractual duty in our supply chain therefore also binds every one of our suppliers or service provider.

2.2 The guidelines of the DIN EN ISO 9000:2015 ff as harmonised European standard (EN standard), for the automobile industry IATF 16949, are as general standards always a component of the legal relationship with application to the entire supply chain between OILES and the supplier. The detailed requirements are regulated in a quality assurance agreement (QSV) provided in Clause 4.2 of these T&Cs. The supplier shall also apply the current versions of internationally acknowledged guidelines such as APQP, PPAP, PPF processes in accordance with VDA 2 as customary for the industry at its own responsibility.

2.3 The guidelines in the co-applicable or customary definitions used in the industry (e.g., DIN EN ISO 9000:2015) always have priority over any other interpretation. Definitions in these T&C have priority.

3. Rule for the Supplied Object, Contractually Agreed Characteristic, Modifications to Products

3.1 The supplier cooperates at its own responsibility in the scope of the assessment of customer-specific products (for automobile products IATF 16949-4.3.2 will apply) in the ascertainment of the requirements for legally regulated product safety (IATF 16949-4.4.1.2) and products (agreed characteristics). The supplier cannot appeal with ignorance of the conditions of use and the safety relevance of the products he is to deliver (supplier's obligation to inform himself). He assesses the feasibility and the manufacturability of the product requirements that are as a rule provided in the specifications in compliance with IATF 16949-8.2.3.1.3 provided by OILES and determines all product features with OILES. The contractually agreed characteristic is ascertained through the initial inspection report for the sample (IIRFTS) or comparable documents, the verification of the processability, the verification of the ability of measurement equipment and systems and deviations documented in the parts history (clause 9 of these T&Cs).

3.2 With the issue of the completed IIRFTS or corresponding assessment documents (e.g., EMPB as per VDA 2 or through a part submission warrant (PSW)) that he signs or a corresponding fulfilment declaration the supplier assures that his deliveries and services can be released and approved by OILES as conforming to the contract and can be used for serial deliveries. Release from OILES is not approval of a legal transaction or acceptance by OILES. It does not release the supplier from his contractual duties to fulfil the contract in full.

3.3 The supplier shall retain the IIRFTS documents and any subsequent amendments for a period of at least 15 years on suitable data mediums. Storage on an external server (cloud computing) is only permitted with permission from OILES. The supplier guarantees the securing of access by OILES to the external server. This is to be provided to OILES upon request, particularly to defend against guarantee or product liability claims. The supplier does not have the right to refuse performance.

3.4 Any modification to the product, production process including all modification to the purchase process on the part of the supplier is to be reported to OILES and requires written permission from OILES. OILES can demand by modifications initiated by the supplier the provision of a new sample of the product at the cost of the supplier. Clause 3.1 shall correspondingly apply to assessing the impacts of all modifications.

3.5 The supplier shall render its deliveries and services itself. Any subcontracting of third parties requires the written permission of OILES and can effect the provision of a new sample at the expense of the supplier. The supplier shall prove the quality ability of the third party like its own. The supplier shall monitor the products acquired and purchased throughout the manufacturing process to ensure the prevention of faults in the supplier's products (verification) and in the further processing at OILES (validation). Services from subcontractors are services from a subcontractor as vicarious agent and therefore will always be deemed services from the supplier itself.

3.6 OILES has the right at any time to demand the modification of the supplied article or the production process, including test equipment and methods,

that applies in the same scope as the duty to cooperate on the part of the supplier in accordance with Clause 3.1. Any subsequent additional or lower costs will be agreed. The supplier cannot make his cooperation dependent on the prior conclusion of an agreement regarding the costs.

3.7 If the supplier is a supplier specified by OILES as an end-customer of OILES (direct part supplier as per IATF 16949-8.4.1.3), its contractual relationship with the OILES customer is determining his product responsibility vis-a-vis OILES including its consequential sampling responsibility. This contract relationship unfolds a protective effect for OILES insofar as it influences the services of OILES towards its customers. The direct part supplier assumes the validation responsibility for its product and the implementation in the product manufactured by OILES. The direct supplier is to provide OILES with all information and documents that are required to guarantee fault prevention in the entire product and product safety through its technical competence for OILES. At the request of OILES or following the instructions of the end-customer (e.g., Volkswagen AG Formel Q-konkret clause 1.4) the direct supplier shall conclude an additional quality framework agreement, in which particularly the interfaces are determined and the subsequent measurement equipment and systems for a secure validation of the direct supplier's product. The relationship of the direct supplier to OILES applies as a contractual obligation as per § 311 no. 3 BGB.

3.8 If the OILES contract partner is an intermediary dealer commissioned by the manufacturer of a direct bought part, these T&C shall apply with the exception of the provisions that directly refer to the manufacture of the delivery items. The dealer is responsible for the fulfilment of the order information specified in OILES order as a manufacturer. The product-specific agreements between the dealer and the manufacturer of the direct bought parts are contracts with a protective effect for OILES. The relationship of the direct bought part supplier to OILES applies as a contractual obligation as per § 311 no. 3 BGB.

3.9 By mass-produced parts, standard or uniform products (e.g., screws, studs, sockets, washers etc.) the supplier shall ensure the quality and demonstrate his measures for production management within the process control and guarantee that these certain specifications as per the standards or guidelines are fulfilled. EN ISO 16426 is informally correspondingly applicable. At OILES request the supplier shall agree further tests to ensure the quality with OILES. Any agreed ppm rates do not entitle the supplier to defective deliveries that do not correspond to the rate. A ppm rate is merely a measure for the triggering of intervention measures.

4. Quality Management System

4.1 During the business relationship with OILES the supplier must maintain a certified effective quality management system (QMS) as per DIN EN ISO 9001:2015 and IATF 16949:2016 or comparable. If there is no certification, the supplier is to develop his QMS to a certifiable standard within a deadline set by OILES. The supplier is in no cases permitted to refer by a lack of quality ability to the pending certification or a waiver by OILES on the requirements of a qualified QMS. Independent of a certification, the organisation and performance duties as per DIN EN ISO 9001:2015 and IATF 16949:2016 are direct contractual duties for the supplier as per § 280 paragraph 1 BGB. OILES can demand the verification of a 100% outgoing goods test when the supplier does not maintain a proficient QMS. The supplier shall immediately report every expiry, restriction or the withdrawal of the certificate. The rights of OILES to perform its own audit and to demand measures for annual re-qualification hereby remains unaffected.

4.2 OILES can demand the conclusion of a quality assurance agreement at any time. In this, further requirements on the QMS as well as production and inspection processes also under consideration of specific OILES customer requirements (Customer Specific Requirements) are stipulated. The conclusion of a QAA is in this case a prerequisite for the delivery and services of the supplier.

5. Coordinators, Part History, Modification Management

5.1 OILES and the supplier generally nominate a coordinator responsible for each project. The coordinators are to decide all the processes following from the product realisation and unless otherwise agreed to document the requisite confirmations in accordance with VDA 2 (2012). The coordinators are process owners as per IATF 16949-5.1.1.3.

5.2 Every product or product process modification, particularly the valid drawing and index status is to be recorded by the coordinators into a part history and confirmed by the other party in writing. The parts history is the determining document for the last valid agreement status between OILES and the supplier. The parts history may only be maintained by the persons specified for this task, if no coordinator is appointed.

5.3 At the request of OILES the supplier is to disclose all documentation that it is to compile in the scope of the product realisation and to submit this to OILES. If there are imperative reasons to keep company secrets prevented from hand-over, OILES can demand the provision, inspection and analysis by a third-party subject to professional secrecy.

6. Traceability

6.1 The supplier shall ensure the traceability of the products it supplies including all products purchased for this purpose, materials (process technical products) and services relating to lots. It must be adequate to ensure the traceability in the further supply chain (IATF 16949-8.5.2.1). The labelling of the product is to be agreed with OILES in individual cases.

6.2 At the request of OILES the supplier is to provide the documentation compiled for this purpose to confirm the owed duty to OILES to ensure the traceability, particularly to safely determine the scope of defective products. The supplier shall provide OILES with an inspection log from the pre-supplier, such as standard test results corresponding to EN 10204-3.1 with every delivery. A refusal of performance on the part of the supplier is hereby excluded.

- 7. Incoming Goods Inspection**
- 7.1 The supplier shall inspect and document the delivery condition of its products according to the agreed characteristics. OILES therefore performs an incoming goods inspection (§ 377 HGB) initially only regarding the identity, volume and obvious transport damage. Defects will be immediately reported by OILES to the supplier in a proper business process. With the provision of an inspection certificate as per EN 10204-3.1 or 3.2 or with a corresponding value the obligation of OILES to inspect is restricted to the acceptance inspection. The supplier waives insofar the objection of insufficient or delayed complaints.
- 7.2 On product or production process reasons defects can as a rule first be discovered during further processing by OILES or further down the supply chain by a third party. The immediate notification hereby or on the grounds of OILES customer complaints regarding defects (hidden defects) is in accordance with the contract and punctual as per § 377 HGB. A complaint is also immediate when through inspections and investigations by OILES or a third party there is significant proof for the allocation of the cause ("root cause") of the defect to the supplier.
- 7.3 In all cases in Clause 7, the supplier waives the defence of a delay complaint. Legal claims on the part of OILES remain unaffected, particularly as per § 445a BGB.
- 8. Provided Tools, Manufacturing Equipment**
- 8.1 Manufacturing equipment of all kinds, e.g., samples, drawings, models, tools, templates, software etc. with which the supplier is provided by OILES remain the exclusive property of OILES. They are to be clearly and indistinguishably labelled as such. They are subject to the same conditions as tools and products acquired by the supplier. Manufacturing means provided by OILES may be protected company secrets that are subject to the confidentiality provisions of Clause 22.
- 8.2 Means of production that are acquired or manufactured by the supplier and that are paid for by OILES or are amortised through the parts price are with the acquisition or completion the property of OILES. The handing over of the means of production required for the transfer of ownership to OILES shall be replaced with the loaning of the production means and the associated retention duty of the supplier for OILES. After the end of the loaning relationship OILES has an unconditional right to a surrender. OILES can demand the conclusion of separate tool provision contracts.
- 8.3 The provided production means are to be securely stored free of charge by the supplier, separate from other property and protected against unauthorised access by third parties with the diligence of a prudent businessman. The supplier is liable to OILES for any damage to the production means or incurred through improper use. The maintenance and servicing costs as well as the operating costs including wear and tear parts shall be assumed by the supplier unless otherwise agreed.
- 8.4 The production means that are the property of OILES may only be used for fulfilling the contract with OILES. In the event of a breach, OILES has the right at any time to demand the surrender of the production means. A right to provide performance on the part of the supplier is excluded particularly to ensure the productivity of OILES.
- 8.5 The supplier shall immediately report third party access to the production equipment and shall undertake all measures also to defend against third party access in its own rights.
- 8.6 The supplier shall, unless otherwise agreed, insure these objects to their new value in his company liability and fire insurance including extended damage through natural disasters. He shall instruct the insurer to exclusively issue insurance payments to OILES.
- 9. Environment, Hazardous Goods, Conflict Minerals**
- 9.1 The supplier shall verify a certified environmental management system corresponding to ISO 14001 or comparable standard. The supplier shall immediately report any expiry, restriction or withdrawal of the certificate in writing. If the supplier does not maintain an environmental management system as per ISO 14001, it shall at OILES request guarantee that it shall permanently comply with all environmental regulations that concern its business. It shall inform OILES of any restriction of its operating licence that could influence products to be delivered to OILES. The supplier releases OILES from all liability for the breach of statutory regulations that apply to the supplier.
- 9.2 The supplier shall declare and document all substances and their compounds in accordance with the IMDS. No prohibited substances may be used. The ongoing monitoring of all applicable provisions is to be ensured by the supplier, for example via the "Global Automotive Declarable Substances List GADSL", www.gadsl.org, and to continuously inform OILES.
- 9.3 If OILES is on the grounds of domestic or foreign law or bound by contract to issue information on the sources of supply of materials or components used by suppliers, for example in accordance with the American Dodd Frank Act (Conflict Minerals), the supplier shall provide OILES with this information in full and without delay. Any right to refuse performance regarding possible sanctions on the grounds of a breach of such provisions is denied. The supplier shall be liable to OILES for any resulting damage, particularly then when OILES cannot fulfil its duties to provide information to third parties in the requested scope or punctually or suffers disadvantage through this on the grounds of the supplier's behaviour.
- 9.4 The supplier shall ensure that through its performance, acquisition sources (clause 3.1) or business relationships no national or international or other state restrictions or embargos are infringed. It exempts OILES from all damages or costs.
- 10. Logistics, Packaging**
- 10.1 Deliveries occur according to delivery item based on logistic agreements with the supplier. Integral component of these T&C is the "guideline for supplier partners".
- 10.2 A delivery is only in accordance with the contract when it corresponds to the agreed properties and the agreed or statutorily required documents including the customs law documents for cross border transport, particularly the long-term supplier declaration in accordance with EU directive 1207/2001 and all documents according to the valid customs tax codex are completely, punctually and correctly enclosed or are sent to OILES by the supplier.
- 10.3 Partial performance is not permitted. The acceptance of partial deliveries by OILES does not apply as permission for partial deliveries. These do not affect other legal claims of OILES.
- 10.4 The supplier is, unless otherwise agreed, responsible for product-adequate and secure packaging for the product in transport and further processing. All packaging must be environmentally friendly and suitable for disposal in accordance with the disposal systems as per § 6 Packaging Regulations.
- 11. Deliveries, Delayed Delivery**
- 11.1 Delivery times are stipulated in the order or call up orders or in the respective individual call ups. Delivery terms are binding with the receipt of the delivery schedule call up from OILES for the supplier. Noncompliance of agreed delivery dates or deadlines founds the delay of the supplier with the statutory delay consequences.
- 11.2 Irrespective of this the supplier is to inform OILES of any threatened delay and its measures to avoid the delay and to minimise the delay damage.
- 11.3 The supplier shall verify the organisation of emergency plans (IATF 16949-6.1.2.3) and the maintenance of its effectiveness in the event of delivery disruptions or an act of god (Clause 12 of these T&C). Inadequate emergency plans exclude the claim of an act of god on the part of the supplier.
- 11.4 On the grounds of the information provided by the supplier to OILES, OILES is entitled after expiry of a reasonable deadline set for the supplier to take all suitable measures to minimise damage including covering purchase. The supplier retains the right to prove cheaper measures.
- 12. Act of God**
- 12.1 In the event of an act of god, particularly natural disasters, fire, riot, terror, measures from higher authorities, industrial disputes outside the tariff area of the supplier, including strikes and lockouts, or embargos the supplier is to inform OILES immediately. This also applies to threatened industrial disputes, including strikes and lockouts in the tariff area of the supplier. This kind of industrial dispute and shortage of raw materials or materials for example as a result of production abandonment of plastics do not apply as acts of god.
- 12.2 The contract partner affected by the act of god is released from its duty to provide performance for its duration, insofar as performance is affected by the act of god.
- 12.3 An act of god that does not represent a short term hindrance of performance, entitles OILES to withdraw in full or in part from an affected acceptance duty. This applies correspondingly when the occurrence of an act of god at OILES on the grounds of customer measures does not result in only a temporary significant reduction of the requirement.
- 12.4 Irrespective of this, the supplier is obliged to undertake all measures to ensure deliveries to OILES and to assist in the procurement of cover deliveries. With the permission of OILES the supplier has the right for the duration of the hindrance of performance as a result of an act of god to relocate production at its own cost or to procure the products to be delivered to OILES from a third-party supplier. OILES will not refuse permission or cooperation without a significant reason. OILES otherwise remains entitled to undertake all measures to defend against the consequences of an act of god at its own discretion.
- 12.5 § 206 BGB (Delay through an Act of God) shall not apply.
- 13. Payment**
- 13.1 Payment is issued following delivery or service in accordance with the contract by the 25th of the following month with a 2% discount or after 90 days net via a credit note procedure, insofar as not otherwise agreed in the respective individual contract.
- 13.2 Payments shall first be issued following delivery or service complying with the contract and upon receipt of a correct and auditable invoice by the 25th of the following month. By an early delivery, the due date is in accordance with the agreed delivery date.
- 13.3 By a defective delivery OILES has the right to retain the payment in proportion to value until the correct fulfilment of the delivery or service. If and insofar as payments for defective deliveries or services have already been issued, OILES has the right to retain due payments from other delivery agreements up to the amount of the issued payment or to declare off-setting. Payments by OILES do not apply as acknowledgement for and no permission for defective deliveries or services. This does not affect any of OILES rights.
- 13.4 The supplier is not permitted without the prior permission by OILES, which may not be unreasonably refused, to transfer its accounts receivable against OILES or to allow a third party to collect these. By the existence of an extended retention of title, permission applies as given. If the supplier assigns his accounts receivable against OILES without permission to a third party, OILES can at its discretion pay the supplier or cessionary with discharging effect.
- 14. Liability for Material Defects**
- 14.1 Any deviation from the characteristic agreed or to be accepted in accordance with the last status of the parts history (clause 5.2 of these T&Cs) particularly including the lack of, faults in or the incompleteness of the documents is a material defect. OILES is entitled to the statutory claims to material defects including installation and disassembly costs and the reimbursement of third party costs which are imposed on OILES in conjunction with the material defect or the breach of duty caused by the defect that do not fall under the duty to provide subsequent performance by the supplier, from a guarantee or independent advice.
- 14.2 If a subsequent delivery is impossible or cannot be performed within the reasonable deadline set by OILES, OILES has the right particularly for reasons of minimising damage or avoid production failures at OILES or OILES customers after notification of the supplier to compensate material defects at the cost of the supplier or through a third party, procure a replacement delivery from another supplier, to withdraw from the contract or to correspondingly reduce the

- supplier's payment. OILES' statutory claims hereby remain unaffected. In all cases of OILES self-help the supplier is obligated in the interest of freedom from defects to cooperate the performed rectification of defect or minimising these.
- 14.3 If OILES on the grounds of a material defect caused by the supplier is obligated to subsequent performance by a third party the supplier shall, irrelevant of other obligations in particular to avoid expenses and damage to OILES, support OILES in accordance with its instructions. It must provide OILES with all information, documents and products considered important by OILES and participate in the fault analysis, assessment, documentation and rectification of the defect. In the scope of the damage minimising obligation the rejection of performance on the part of the supplier is excluded.
- 14.4 If there is a third party claim against OILES for a defect culpably caused by the supplier, the supplier shall refund OILES for a subsequent causal and verified costs beyond subsequent performance. Included are the costs for transport, instalment and disassembly and the costs asserted against OILES through the delivery chain from OILES' defect liability including the costs for recalls or defect-related customer service activities of OILES customers. The supplier has the right to the objection of a lack of culpability, co-fault, the co-fault of OILES and the objection of a lower causal claim to damages.
- 14.5 Claims to defects shall expire 36 months since the delivery to OILES insofar as the law, in particular in cases of §§ 478, 479 BGB prescribes no longer deadlines. With the receipt of the demand under the setting of a deadline from OILES to the supplier for subsequent performance, to issue a statement to the complained defect or upon the opening of an 8D report by the supplier or a corresponding analysis procedure to find the cause of the defect the expiry is restricted irrespective of the validity of the statutory provisions.
- 15. Product Liability**
- 15.1 If OILES is sued by a third party for product liability dependent on fault in accordance with domestic or foreign law at whichever legal venue, the supplier shall release OILES from all claims and refund costs, insofar as damage and costs arise from the deliveries of services of the supplier and the supplier is responsible for these. The supplier shall provide OILES with all information and documents that OILES consider required or purposeful in particular to determine the cause of the defect, to minimise damage, for remedial actions and for law suits. The supplier shall assist OILES in defending against such claims. The supplier's right to refuse performance is particularly excluded for reasons of damage minimisation. The supplier reserves the right to appeal the joint liability of OILES and the appeal of lower causal costs.
- 15.2 In all cases the supplier is liable to OILES in the scope in which it would be legally liable itself as a manufacturer towards a third party. § 1 paragraph 3 of the German Product Liability Act shall not apply in regress between OILES and the supplier. For this, OILES and the supplier shall agree and exchange information. Settlements that are concluded with the customers by OILES and could disadvantage OILES or the supplier shall only be concluded upon consultation between OILES and the supplier.
- 16. Insurance**
- 16.1 The supplier undertakes, irrespective of any further liability to conclude for the duration of the contract relationship to secure the legal and contract law liability risk under consideration of the risk potential of the delivery goods from products safety a business, product and environmental liability insurance and maintain this for the duration of the delivery relationship with a subsequent liability for at least three years afterwards. The coverage amount per insured event should amount to, unless otherwise agreed:
- 16.1.1 For the business liability insurance including extended product liability 5 million Euros lump sum for personal injury, property damage as well as co-insured economic loss from the extended product liability, particularly for inspection costs, advance costs, installation and deinstallation costs and individual part exchange;
- 16.1.2 for environmental liability and environmental damage liability at least a fixed 5 million Euros for personal injury, property damage and economic loss.
- 16.3 OILES has the right to maintain the insurance protection of the supplier to issue unpaid premiums to the insurer and assert these against the supplier. OILES also has the right to co-insure the supplier in the scope of the own insurance at the cost of the supplier (insurance on third party account) or a co-insurance or to withdraw a co-insurance without the consent of the supplier. In the event of insurance on a third party account the insurance policy is to be issued to OILES. The leader for the claims processing is exclusively OILES. The supplier shall obtain the permission of OILES before any correspondence with the insurer.
- 17. Protected Rights**
- 17.1 With the contracting of the supplier it shall not be assigned any protective rights to which OILES is entitled or the use or exploitation of these. OILES may demand that protected rights from collective developments are transferred to OILES to the customary market conditions, insofar as these are not already paid for with the payments to the supplier.
- 17.2 Insofar as the supplier is entitled to any protective rights to the deliveries or services including know-how, OILES is to be granted unlimited, nonexclusive and worldwide with the right to sublicense to use and exploit the protected rights in relation to the purpose for which they are intended and for further use by OILES customers. Payment is included in the product price.
- 17.3 The supplier shall ensure that through its deliveries and services no third-party rights are infringed. If third party protected rights are infringed, the supplier shall be held responsible that through its agreement with the owner of the protected rights the use and exploitation by OILES is granted free of charge. Otherwise the supplier shall modify its deliveries and services with the agreement of OILES in a manner that an infringement of third party protected rights is excluded.
- 17.4 If claims should be asserted against OILES on the grounds of an infringement of protected rights for which the supplier is responsible as a result of the use of the delivery or service, the supplier releases OILES from all claims and subsequent costs and shall reimburse OILES for the verifiably incurred costs. This does not apply if OILES is solely responsible for the infringement of protected rights. Otherwise the supplier retains the appeal of the joint liability of OILES and the appeal of lower causal costs.
- 18. IT Security**
- 18.1 The supplier shall maintain an information security management system based on DIN/ISO IEC 27001 in the respective applicable version (currently 2008 and guideline in accordance with DIN/ISO IEC 27002) and to organise this in a way that security-relevant occurrences are immediately recognised. It shall document every security-relevant occurrence (in particular hacker attacks, trojan horses, viruses, spying of domestic or international services or organisations) in its IT system and store this there for ten years. It shall immediately report to OILES under the exclusion of all rights to refuse performance of every internal or external security-relevant occurrence. Together OILES and the supplier shall analyse the possible impact of such events on the safeguarding of business secrets, the obligation to nondisclosure to third parties as well as on the security of information and shall decide on protective measures. If effective protective measures cannot be taken, OILES has the right to cease electronic business transactions with the supplier. The above also applies when the verification of IT security is demanded by OILES customers.
- 18.2 OILES has the right to audit the effectiveness of the IT security measures undertaken by the supplier or to have these audited by a third party obligated to nondisclosure. This provision also applies correspondingly by security-relevant events at OILES.
- 19. Contract Term, Termination**
- 19.1 Unless otherwise agreed in other agreements, OILES has the right to terminate existing supply agreements in full or in part without notice:
- 19.1.1 in the event of threatening or applied for insolvency of the supplier. The supplier is obliged to inform OILES immediately when insolvency is faced;
- 19.1.2 despite a written warning the supplier insufficiently cooperates in the stipulation of the specifications for the delivery items or product realisation;
- 19.1.3 upon expiry, restriction or revocation of the QMS certification;
- 19.1.4 by the unauthorised use of manufacturing means as per clause 8.1.
- 19.1.5 by repeated poor fulfilment of agreed deliveries or services despite warning;
- 19.1.6 by refusal of the supplier or a significant delay for which it is responsible to conclude a quality assurance agreement in accordance with Clause 4.2;
- 19.1.7 by withdrawal of the order by an OILES customer, also when OILES is responsible for the withdrawal. In this case OILES will refund the supplier for any completed or partially completed products as well as the costs for the materials that the supplier has purchased to fulfil the contract with OILES and cannot otherwise use. The supplier is to provide creditable proof that the materials cannot otherwise be used. OILES has the right to purchase the materials for the purchase price. Valuation measure is hereby § 255 I HGB;
- 19.1.8 by a significant change to shareholders' rights or the owner of the supplier's company (change of control), particularly by the sale of fixed assets or company shares to an OILES competitor if the change is unreasonable for OILES.
- 19.2 The right to termination for cause remains free for OILES and the supplier.
- 19.3 The termination of the contract relationship shall be in writing via registered letter.
- 19.4 The supplier undertakes to continue supplying OILES also following termination of the respective supply agreement to the agreed conditions until OILES has found a suitable alternative supplier. The supplier shall support OILES in this.
- 20. Jurisdiction – Contract Language**
- 20.1 Sole legal venue is the district court competent at OILES domicile. OILES also has the right to assert legal action against the supplier at any other permitted court. The contract language is German. Place of performance is the delivery location stipulated by OILES.
- 20.2 At the request of OILES the supplier shall agree to an arbitration court agreement for all legal disputes in accordance with the German arbitration regulations from the Deutschen Institution für Schiedsgerichtsbarkeit e.V. (DIS) under exclusion of the ordinary courts of law http://www.dis-arb.de/de/17/klauseln/dis-schiedsgerichtsvereinbarung-98-id21_-_ftn5, if the legal action for claims and enforcement from an arbitration decision abroad promises more success, is more effective or simpler than in a court proceeding in accordance with foreign law. The number of arbitrators is three. The language of the arbitration proceeding is German. The applicable substantive law is German law.
- 20.3 Clause 20.2 shall apply to all legal disputes on the grounds of a breach of the nondisclosure agreement as per clause 22.
- 21. Choice of Law**
- 21.1 The legal relationships between OILES and the supplier are solely regulated in accordance with German substantive and formal law. The United Nations Convention of Contracts for the International Sale of Goods – CISG is applicable to cross-border transactions.
- 21.2 If OILES and/or the supplier are sued by a third party in a foreign jurisdiction, they are entitled irrespective of the choice of law and legal venue stipulated in these T&C, to undertake all legal measures to protect their rights also in accordance with the foreign law applicable at the legal venue.
- 21.3 For settlement and regress claims as a result of such legal disputes it remains by the sole application of German law at the legal venue in accordance with Clause 21 of these T&C.
- 22. Confidentiality**
- 22.1 All information exchanged that the parties have received from the other party is confidential independent of their medial character, from the manner of imparting, documentation and storage. This includes all technical, financial and organisations information and business secrets as well as any other intellectual property of OILES. It may only be used by the recipient for the fulfilment of agreed business transactions and to fulfil contractual agreements, insofar as not otherwise expressly agreed in writing. OILES and the supplier shall only pass on the information to the extent that is required to fulfil the contract (need to know). The information may not be either directly or indirectly be used for own financial purposes, for other purposes or for the purposes of others. Prior

to the conclusion of a supply agreement also general concluded nondisclosure agreements shall apply unless otherwise agreed, beyond the term of the supply agreement.

- 22.2 The parties shall obligate their employees and every third party that they use to fulfil the contract, independent of the contract situation between them, to a written agreement to nondisclosure also beyond the duration of the respective legal relationship.
- 22.3 A breach of the duties for IT security in accordance with Clause 19 is always a breach of confidentiality.
- 22.4 The obligation of nondisclosure does not apply to information that is known to the supplier directly or from sources accessible to the public or without a legal breach.
- 22.5 The obligation to nondisclosure does not apply insofar as a legal duty to disclosure in administrative, financial or court proceedings is concerned. It also does not apply to advisors that are subject to professional secrecy. In every case the imparting of information is to be restricted to the absolute minimum necessary.
- 22.6 In the event of a breach of confidentiality OILES has a claim to information against the supplier as to who, where, when and to which extent confidential information was imparted.
- 22.7 OILES and the supplier shall undertake all suitable preventive measures to avoid a breach of confidentiality through the illegal behaviour of a third party.

23 General

- 23.1 Amendments, additions, termination and termination of contracts must be in writing and are only valid with a legally effective signature. The requirement for the written form is not fulfilled in electronic form.
- 23.2 If a provision of these T&C should be or become invalid the remaining provisions shall not be prejudiced. In the event of the invalidity of provisions OILES and the supplier shall agree on a valid provision that comes closest to the original provision legally and financially.

24. Notice on Data Processing

- 24.1 This data protection notice applies to data processing by OILES Deutschland GmbH.

Person responsible OILES Deutschland, Schorbachstraße 9, 35510 Butzbach, Germany, email: odg-info@oiles.eu, telephone +49-(0)6033-92880-0 fax +49-(0)6033-92880-661
The company data protection officer can be contacted at the above address to Mr Alkemade or at jan.alkemade@alkemade-it.de.

- 24.2 When you contact us, we collect the following information:

- Title, first name, surname, company name,
- a valid email address,
- address,
- telephone number (landline and/or mobile),
- information that is necessary to process the order.

This data is collected to

- be able to identify you as our supplier,
- correctly advise you,
- for correspondence with you,
- issue invoices,
- process any existing liability claims or the assertion of such claims against you.

Data processing occurs upon your query and is required as per Art. 6 para 1 (1) b DSGVO for the aforementioned purposes for a correct processing and for the mutual fulfilment of duties arising from the contract relationship.

The personal data we collect shall be stored and then deleted following the expiry of the statutory obligation to retention, unless we are obligated to a longer storage period as per Art. 6, para 15 (1) c DSGVO on the grounds of commercial or tax law retention and documentation obligations (from HGB, StGB or AO) or you have agreed to a longer storage period as per Art. 6 para 1 (1) a DSGVO.

- 24.3 A forwarding of your personal data to a third party for purposes other than listed shall not occur.
Insofar as this is required as per Art. 6 para 1 (1) b DSGVO for the processing of the contractual relationship with you, your personal data shall be forwarded to a third party.
- 24.4 You have the right as per Art. 7 para 3 DSGVO to revoke your consent at any time. This has the result that we may not further process the data you have provided in the future,
as per Art. 15 DSGVO to demand information on the personal data we have processed. In particular you can receive information on the purpose of processing, the category of personal data, the category of recipients to whom your data is disclosed, the planned storage duration, the existence of a right to correction, deletion, restriction of processing or objection, the existence of a right to complain, the source of your data, insofar as these were not collected by us, as well as the existence of an automatic decision making, including profiling and where applicable relevant information to the details;
as per Art. 16 DSGVO the immediate correction of inaccurate or completion of the personal data stored with us;
as per Art 17 DSGVO the deletion of your data stored by us, insofar as the processing is not required to exercise the right of free speech and information, to fulfil a legal duty, for public interest reasons or to assert, exercise or defend against legal claims;
as per Art. 18 DSGVO to demand the restriction to the processing of your data, insofar as the accuracy of the data is disputed, the processing is illegal, you however reject their deletion and we no longer require the data, you however require these to assert, exercise or defend from legal claims or you have issued an objection against processing as per Art. 21 DSGVO;
as per Art 20 DSGVO to receive your personal data that you have provided us with in a structured machine-readable form or to demand the forwarding to another responsible person.

24.5 Right to object

Insofar as your personal data on the grounds of justified interests as per Art. 6 para 1 (1) f DSGVO is processed you have the right as per Art. 21 DSGVO to issue an objection against the processing of your personal data, insofar as there are grounds that arise from your special situation.

If you wish to exercise your right to objection, an email to odg-info@oiles.eu is sufficient.

24.6 Own Responsibility

The statutory obligations to which you are subject to protect all data in and from your own organisation including the effectiveness of the consent of your employees hereby remains unaffected. This particularly concerns the ensuring that data sent to us by you or your employees are admissible, correct and complete, are subject or not subject to special restrictions or may not or may no longer be processed under the circumstances arising from your responsibility. You are responsible for the factual correctness, integrity and actual status and for the safeguarding of confidentiality of data sent to us.

Imprint

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Quality Assurance Agreement (QAA)
OILES Deutschland GmbH
(hereinafter referred to as OILES)

and

-hereinafter referred to as "the Supplier"-

General Validity:

This QAA governs the cooperation between OILES and the Supplier in order to fulfil all quality requirements for processes and products, in order to ensure legal and contractual requirements are met, in particular for safety and the capacity for type approval. ISO 9000:2015, ISO 9001:2015 and IATF 16949:2016 are therefore relevant standards and are component parts of this QAA which apply in their entirety in the version valid at the time of concluding this contract¹. They establish direct mutual contractual obligations. This same is also true, including services, insofar as reference is made in this QAA to VDA 6.3 (2016) [*German Association of the Automotive Industry*].

As the more specific agreement, the QAA always takes priority over other contractual agreements. Supplementary or deviating agreements between OILES and the Supplier are included in Appendix 1 to this QAA. OILES' or the Supplier's General Terms & Conditions do not apply to this QAA. **The Supplier acknowledges that his obligations arising from this QAA also apply to all supply relationships with affiliated companies (§ 15 AktG) [*Stock Corporation Act*] of OILES.**

¹ We herewith refer to the fact that fulfilling all requirements of ISO 9001:2015 is a statutory part of European type approval legislation (Regulation 371/2010) and is therefore a prerequisite for the declaration of conformity for production in accordance with Article 12 of Directive 2007/46/EC.

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1 Fundamentals

As a manufacturer of safety- and function-relevant products for motor vehicles, OILES and the Supplier, irrespective of their position in the value-added chain, as relevant interested parties² towards customers and users of the end products are legally obliged³ and are jointly obliged in their own interests to prevent foreseeable failures and risks. The principle of error and risk avoidance must be applied to all assessments of impacts of individual processes⁴ and their interaction⁵ on the product and its potential risks.

2 Terminology

All terms in this QAA as well as in other agreed applicable documents have primarily been determined according to the definitions from the sets of rules referred to such as ISO 9000:2015/ISO 9001:2015/IATF 16949 and VDA [*German Association of the Automotive Industry*] standards in the currently valid versions.

Codes are recognized and common codes and standards in the global automotive industry, especially for the quality management system (IATF 16949 - 3.1), on the processes for product realization, testing, measurement and risk analysis such as IATF 16949:2016, APQP, QS 9000 (PPAP), VDA 4 Process Safety (FMEA), VDA 6.3 (2016), ISO 26262. They shall be consulted as a matter of priority for interpreting and applying this QAA.

Standards (e.g., DIN, ISO, SAE etc.) from recognized national and international standards organizations represent minimum standards. They cannot be used as state of the art of science and technology or as recognised rules of technology. They never replace the need for precise technical specifications.

Harmonised standards (EN standards) are European standards which form the presumption of conformity with European legislation. They are always binding as a normative component of type approval law. Test certificates issued by the Supplier according to harmonized standards (e.g., acceptance test certificates according to EN 10204 - 3.1) are accepted by OILES as such for the purposes of declarations of conformity.

Product safety (IATF 16949 - 4.4.1.1) is the legal requirement for the safety of products. In particular, Directive 2001/95/EC⁶, the Product Safety Act and EU Regulation 661/2009⁷ with their respective amendments or new regulations apply. Deviations from legal requirements are

² ISO 9001:2015 - 4.2

³ ISO 9000:2015 - 2.3.4.4

⁴ VDA 6.3 (2016) - 2.4

⁵ ISO 9000:2015 - 2.2.2; ISO 9001:2015 - 4.4.1

⁶ Regulation (EC) 661/2009 of 13.07.2009 concerning type-approval requirements for the general safety of motor vehicles, their trailers and systems, components and separate technical units intended therefor, Official Journal of the European Union of 31.07.2009 L 22/1

⁷ Official Journal of the European Union of 31.07.2009 L 200/1

not at the disposal of the contractual partners of this QAA. Applying safety regulations according to legal systems outside the European Union and the EEA requires special agreement.

Customer-related processes (ISO 9001:2015 - 8.2 and IATF 16949 - 8.2.3.) cover all communications between OILES and the Supplier, to ensure specification of and compliance with agreed specifications. All communication processes include the obligation to provide all significant information to the other contractual partner even when not requested (obligation to deliver) and to retrieve all the information required in order to perform the services due (obligation to collect).

Quality ability is the Supplier's ability to fulfil and provide evidence of agreed, presumed or customary quality requirements for products and production processes at each stage of the concretisation of a product. Validation of the quality ability for releasing the Supplier for series delivery is conditional on successful sampling according to VDA 2 (PPF) or QS 9000 (PPAP)⁸.

Sampling provides evidence that the Supplier has achieved the agreed quality for the respective product. Proof is provided by presenting the agreed documents as evidence (e.g., according to VDA 2 (PPF) or (PPAP) according to the former QS 9000).

Process parameters are variables which influence the process and are used for controlling and regulating processes.

3 Basics, Obligation to Participate, to Provide Information

3.1

The basis of the cooperation with OILES according to this QAA is sustainable, comprehensive quality ability of the Supplier based on his professional competence. The Supplier must provide a valid certificate for his quality management system (QMS) in accordance with ISO 9001:2015 in the currently valid version for the entire duration of the Supplier relationship⁹. A QMS in accordance with ISO 9001:2015 can only be accepted as a minimum requirement and as a step towards further development of the quality management system. In any case, the Supplier, together with OILES, must comply with the requirements of OILES' customers, in particular IATF 16949. Any further contractual or statutory provisions shall remain unaffected. The QMS must be documented¹⁰ and recorded. OILES must be notified immediately in writing of any loss of or restriction to the certificate. If the Supplier is not certified, the effectiveness of processes of his QMS must be proven according to ISO 9001:2015.

⁸ VDA 6.3 (2016) - P5.6.7 and P6.1

⁹ ISO 9001:2015 - 4.4.1

¹⁰ IATF 16949 - 7.5.1.1

3.2

The Supplier is jointly responsible for ensuring compliance with statutory product safety¹¹. Not achieving the Supplier's relevant obligations to participate and communicate is a breach of the obligation to reduce failures which is always an independent breach of duty of this QAA.

3.3

The Supplier shall fulfil additional OILES customers' requirements of its QMS (Customer Specific Requirements), which on notification by OILES become a constituent part of this QAA.

3.4

The short-term processing ability and provisional processing ability C_{mk} / C_{pk} must always achieve a value of > 1.67 . For long-term processing ability, a level of at least $C_{pk} > 1.33$ ¹² must be kept to. OILES is entitled to demand higher processing ability requirements in individual cases.

3.5

Unless something to the contrary has been agreed, the provisions of ISO 9001:2015 - 8.5.1¹³ apply to managing production and the provision of services.

3.6

Quality and processing data must be recorded by the Supplier¹⁴ and must be able to be evaluated. They must be presented to OILES at any time on request. The Supplier is not entitled to refuse performance.

4 Coordinators

4.1

OILES and the Supplier must appoint a Coordinator for each product which must be supplied: Coordinators are responsible process owners in terms of IATF 16949 - 5.1.1.3. Naming a coordinator multiple times for a number of products is permitted. The Coordinators are responsible for all measures and determinations according to this QAA. In particular, they determine quality plans, verification documents, including storage¹⁵ of same, and the interfaces for all services, measurements and tests conditional on them.

4.2

The Coordinator must be responsible for quality according to IATF 16949 - 5.3 and of that of a

¹¹ IATF 16949:2016 - 4.4.1.2 und IATF 16949 - 6.1.2.1

¹² VDA 6.3 (2016) - P6.4.1

¹³ "Management of production and services."

¹⁴ VDA 6.3 (2016) - P6.5.2

¹⁵ IATF 16949 - 7.5.3.2

Customer Delegate according to IATF 16949 - 5.3.2. He must have the required level of objective staffing resources at his disposal in a multidisciplinary¹⁶ manner.

4.3

The Supplier must appoint a Product Safety / Product Liability Representative, with the role of unconditionally eliminating safety-relevant failures, errors and incidents of any kind. The Supplier must name the Product Safety Representative (PSR) in writing to the following office:

OILES

Corporate Quality Management

Supplier Management

E-mail: ...

Unless otherwise agreed, the Coordinator has the role of a Product Safety Representative¹⁷ and must be named by OILES in this capacity to OILES' customers.

5 Product Requirements Document, Functional Specifications Document

The requirements for the product which must be developed, manufactured or supplied by the Supplier must be defined by the Coordinators with appropriate application of Section IATF 16949 - 8.2 (Requirements for Products and Services) by OILES and the Supplier. As a rule, the basis for this is a Product Requirements Document drawn up by OILES in accordance with OILES' customers' requirements or the Product Requirements Document of OILES' customer, which the Supplier converts into a Functional Specifications Document with its evaluation of producibility and feasibility¹⁸ in agreement with OILES.

6 RASI Matrix, Maturity Level Validation, Functional Safety

6.1

OILES and the Supplier must define their interface responsibilities for all components in a RASI matrix (R = Responsibility [= technical responsibility for the technical implementation of agreed specifications], A = Approval [confirmation of fulfilment of specifications at a defined interface], S = Support [= cooperation in confirming agreed parameters at a defined interface], I = information) for all components according to the agreement.

6.2

All determinations and outcomes including test equipment from applying the RASI matrix in-

¹⁶ IATF 16949 - 3.1

¹⁷ IATF 16949 - 5.3.1 ff.

¹⁸ IATF 16949 - 7.1.3.1; IATF 16949 - 8.2.3.1.3

cluding agreed changes in ongoing project development must be recorded by Coordinators. This also includes all measures to exclude interference causing failures and errors and recording the effectiveness of the exclusion in a reproducible manner.

6.3

The RASI matrix serves in the context of the Project Management Plan¹⁹ for determining milestones (for orientation: VDA volume "Maturity Level Assurance for New Parts"). It must be adjusted and continued by the Coordinators in mutual agreement according to the progress of the project or at the request of the OILES' customer.

6.4

The processes which must be defined by Coordinators according to ISO 26262 apply to the RASI matrix for Supplier products relevant to functional safety of vehicles. The outcomes of confirmation measures (audit, review, assessment including their work products) must be recorded and documented by Coordinators. ISO 26262, Chapter 8:14 (proven-in-use argument) applies to carry-over components. Unless otherwise agreed, the Supplier's Coordinator assumes the role of Functional Safety Manager according to ISO 26262. If agreements with OILES' customer are required, in particular on the basis of a Development Interface Agreement (DIA) in accordance with ISO 26262, the Supplier must participate in the DIA on request by OILES.

Information: *Functional safety according to ISO 26262 is addressed for all products with electrical and/or electronic components which may have a direct or indirect influence on control systems in the vehicle. Experiences from the respective products must be introduced here.*

7 Field Failure Analysis

Insofar as OILES requests this, the Supplier must carry out the field failure analysis in agreement with OILES, in accordance with the VDA volume "Field Failure Analysis" valid at the time of concluding the contract, where this is required according to contract or VDA 6.3 (2016). The evaluation must be completed to VDA's "Field Failure Analysis" - audit standard.

8 Development

8.1

Unless something to the contrary has been agreed, the requirements²⁰ and processes according to ISO 9001:2015 - 8.3/IATF 16949 - 8.3 apply to development services. These record all

¹⁹ VDA 6.3 (2016) - P2

²⁰ Including the statutory requirements for the product and the requirements of the country of destination provided these have been specified by OILES

inputs²¹ in a product development plan, process steps, milestones (maturity level assurance including failure analysis according to Clause 7) and measures according to APQP including inspection planning, test equipment planning and risk analysis²². Special characteristics²³ with reference to the product and the production process must also be determined by the Supplier as part of the presentation of development results²⁴, irrespective of OILES' regulations. Together with the Part Submission Warrant (PSW) or an equivalent Supplier declaration, these complete confirmation of the series production capability of the product (in particular function, reliability, safety, VDA 6.3 (2016) - P.3.3; P4.1). The handover from development process to production is determined²⁵ by the Coordinators.

8.2

The determination concerning the RASI matrix (Number 6) and the maturity level assurance apply for development accordingly²⁶.

9 Prototypes

Insofar as development and/or production of prototypes is agreed, OILES and the Supplier must conclude special agreements in accordance with IATF 16949 - 8.3.4.3.

10 Initial Sample Test Report (ISTR)

10.1

Unless something to the contrary has been agreed, initial sampling must be carried out on the basis of the Functional Specifications Document (Item 5) in accordance with version of VDA 2 (PPF) as amended at the time the contract was concluded. The production process and product approval must be completed after OILES has approved the initial sample test report (ISTR). The ISTR determines the agreed quality of the product which must be delivered. At the request of OILES, reference or limiting samples including associated documentation must be deposited with OILES and/or provided to OILES' customer.

10.2

If OILES must carry out initial sampling according to QS 9000 (PPAP) at the request of one of its customers, the Supplier is obliged to participate accordingly. The Part Submission Warrant

²¹ IATF 16949 - 8.3.3.1

²² VDA 6.3 (2016) - P32.4

²³ IATF 16949 - 8.3.3.3

²⁴ IATF 16949 - 8.3.5.2

²⁵ VDA 6.3 (2016) - P4.8

²⁶ IATF 16949 - 8.3.3.1. lit. c

(PSW) is the Supplier's binding and independent declaration of compliance with all conditions of QS 9000 (PPAP), in accordance with the agreed stage of submission.

10.3

At OILES' request, the Supplier must carry out new initial sampling of the product in accordance with triggering criteria according to VDA 2 (PPF) for all changes to products or production processes.

10.4

All measuring equipment used in connection with initial sampling must be listed in the Initial Sample Test Report and the declaration of conformity for the measuring equipment manufacturer must be enclosed.

11 Change Management, Component History

11.1

Any intended change²⁷ to the product or to production process by the Supplier or one of its sub-suppliers is subject to change management²⁸ agreed by the Coordinators. OILES must be informed of this immediately, and in all details to such an extent that OILES and OILES' customer can assess the effect of the intended change on the product which must be manufactured by OILES or its application by OILES' customer. The Supplier is not entitled to such an assessment. IATF 16949 - 8.5.6.1.1 applies for temporary changes. On request by OILES, the Supplier must carry out new sampling, FMEA's or other tests and must provide²⁹ full evidence thereof. OILES' consenting does not affect the Supplier's sole responsibility. Until OILES has decided on a change, the Supplier must apply³⁰ for a special release or deviating approval in individual cases.

11.2

If OILES requires changes, then the Supplier must make these changes. The Supplier cannot make the implementation of the changes dependent on a cost regulation.

11.3

Each joint determination, in particular the current status of revisions of drawings and index³¹ must be recorded by the Coordinators in a parts history for the components (VDA 2 (PPF) Table 1 No. 19) and must be mutually confirmed in writing. The format of the parts history and the type of communication between OILES and the Supplier must be agreed. In each phase of

²⁷ ISO 9001:2015 - 8.2.4/IATF 16949 - 8.5.6

²⁸ VDA 6.3 (2016) - P2.5 and P6.1.5

²⁹ VDA 6.3 (2016) - P6.1.5

³⁰ IATF 16949 - 8.7.1.1

³¹ VDA 6.3 (2016) - P6.1.5

product realization, the parts history is the document controlled by the Coordinators which determines the final status of the agreement between OILES and the Supplier. The accuracy of the parts history can only be refuted or disproven through proof of forgery.

12 Releases

12.1

Releases by OILES require fulfilment of all agreements made with documentary proof from the Supplier as a prerequisite. OILES relies on the Supplier's particular expertise for the product which must be supplied and OILES bases the correctness and completeness of all details from the Supplier on the integrity of its declarations. A release by OILES therefore in no cases constitutes the legal transaction of a consent, approval or acceptance by OILES. It does not limit the comprehensive responsibility of the Supplier for its declarations and the trust placed therein.

12.2

The provisions of IATF 16949 - 8.6.1 apply to Supplier releases. At the request of OILES, the Supplier must provide OILES with all documentary information or must allow OILES to inspect such information, while maintaining its legitimate confidentiality interests.

13 Supplier Management, Incoming Goods Inspections

13.1

The Supplier may only use subcontractors who have sufficient ability to provide quality according to the conditions imposed and according to this QAA. The Supplier must monitor subcontractors in accordance with IATF 16949 - 8.4.1 and IATF 16949 - 8.4.2.4; IATF 16949 - 8.6.4. The Supplier applies this QAA accordingly in his supplier management. At the request of OILES, the Supplier must prove appropriate application thereof by the subcontractor. He must notify OILES immediately of any planned changes by or to subcontractors and must obtain OILES' approval.

13.2

Irrespective of this, the Supplier shall endeavour to ensure that OILES can audit a sub-supplier in accordance with this QAA. If the subcontractor declines to do this, OILES may demand the Supplier to immediately cease purchasing products or services for OILES products from this source or to carry out and provide documentary evidence of a 100 % inspection of all products supplied by this Supplier.

13.3

To ensure the quality of procured products, the Supplier must monitor the scope of procurement and, in particular, perform and document incoming goods inspections³². The incoming goods inspection methods must be determined³³ in agreement with OILES (e.g., applying statistical methods according to IATF 16949 - 9.1.1.2) on a product-specific basis according to the functional and safety relevance of the bought-in component and its suitability for the Supplier's product. Special characteristics must be verified separately. They must be included in the production control plan, including the response plan.

13.4

Subcontractors' inspection certificates according to DIN EN 10204 by analogy are regarded as Supplier inspection certificates. The Supplier must ensure through a documented process that only failure-free bought-in products can enter into the further production process³⁴.

14 Suppliers of Directed Parts

14.1

If the Supplier is a Supplier determined by OILES' customer (directed Supplier), this QAA shall be regarded as an independent quality framework agreement with OILES. The product responsibility which the directed Supplier has assumed towards the joint customer (in particular for quality, warranty or guarantee and liability) will apply with the effect of a contract with a protective effect in favour of OILES. The provisions of IATF 16949 - 8.4.1.3 are directly applicable³⁵.

14.2

Directed Suppliers must ensure that products they must deliver to OILES correspond to the latest status of sample approved by the joint customer. They must provide OILES with all information and technical data required for using their products and, in their view, required for validation by OILES, under their own responsibility for completeness, in order to ensure failures and errors are prevented in the product which will be manufactured by OILES. They must notify OILES immediately of any change agreed with the joint customer. The same is true if the Direct Suppliers themselves or the joint customer have doubts about the agreements or technical specifications up until this time.

³² VDA 6.3 (2016) - P5.5

³³ ISO 9001:2015 - 8.4.2 lit. c

³⁴ VDA 6.3 (2016) - P5.1

³⁵ VDA 6.3 (2016) - P2.5 and P3.1

15 Failure Mode and Effects Analysis (FMEA)

In order to prevent impairment to quality occurring during series production, in particular safety-relevant impairments to quality and to limit the required testing expenditure in economic terms, completing an analysis of potential defects and their consequences is required. Appropriate precautions for secure processes must be taken where weak points are identified. The FMEA must be carried out and evaluated in accordance with VDA 4 (process safety).

The Supplier must permit inspection of the FMEA at any time upon request.

16 Special Characteristics, Product Characteristics

16.1

Special characteristics are product characteristics or production process parameters which may affect safety or compliance with regulations, fit, function, performance or further processing of the product³⁶. Special characteristics must be marked in drawings and documents in accordance with OILES' specifications.

16.2

The mechanical capability tests for special characteristics must be demonstrated in agreement with OILES for all special characteristics³⁷. A process FMEA must always be verified for special characteristics. OILES' may also request a system FMEA.

16.3

Special characteristics must be specially identified in the control plan and must be systematically monitored (SPC). OILES must be informed immediately of any deviation and of the corrective action taken.

16.4

The Supplier must determine and continuously verify the process capability for special characteristics and characteristics determined by OILES. If evidence for the capability of a characteristic cannot be provided, the Supplier is obliged to carry out a 100% inspection. OILES may require for heightened proofs of capability for special characteristics, as referred to under Number 3.4.

16.5

The Supplier must prove under their own responsibility whether additional characteristics must be defined in individual cases, in order to ensure product safety and the failure-free condition of a product during verification and failure-free status of the production process.

³⁶ IATF 16949 - 3.1.; VDA 6.3 (2016) - P6.2.3

³⁷ VDA 6.3 (2016) - P8

16.6

Monitoring product and production process parameters for special characteristics and all quality records must be stored by the Supplier for a period of 15 years on suitable data carriers or data systems for this purpose. Upon request, the Supplier must make this data available within 48 hours, in particular in cases of recalls, servicing actions or product liability cases. The Supplier's right to refuse performance is excluded.

16.7

If, for example, the Supplier is unable to maintain or ensure the legibility of data files and their storage due to closing down, the data files must be transferred to OILES or to a third party designated by OILES at the request of OILES. Any outsourcing of data stocks to third parties or to Cloud requires the express consent of OILES.

17 Control Plan

17.1

Without prejudice to individual agreements between OILES and the Supplier, the provisions of IATF 16949 - 8.5.1.1 apply to the control plan. The control plan must, unless something to the contrary has been agreed, contain at least the elements according to IATF 16949 - A.2.

17.2

The control plan specifies recording and documentation of all production process parameters which are suitable for providing proof of a trouble-free production process in the Supplier's business³⁸. Testing and measuring equipment used by the Supplier must be suitable for the intended purpose and must be listed³⁹ in the control plan. At OILES' request, the Supplier shall immediately make this documentation available to the authorities as documentary evidence as proof for OILES (e.g., within the framework of proof of conformity with production in accordance with Article 12 of Directive 2007/46/EC, Annex X) or to ensure documentary evidence. The Supplier is not entitled to refuse performance.

17.3

The control plan must describe all verification processes for bought-in products which demonstrate compliance of bought-in products with the agreed quality. The test methods must be agreed with OILES.

17.4

Special characteristics must be designated as such in the control plan. Coordinators between OILES and the Supplier must determine in the control plan how to ensure compliance with the

³⁸ VDA 6.3 (2016) - P6.2.1

³⁹ VDA 6.3 (2016) - P6.4.2

requirements of the special characteristics, including measurement and testing⁴⁰ equipment and the methods and procedures for providing records and documents of these.

18 Production Equipment, Tools

18.1

OILES' customers production equipment (e.g., tools, fixtures, test equipment) must be marked using a classification determined by OILES. These production resources must be fully integrated into Supplier's maintenance activity. Further details must be regulated by a tool transfer agreement at the request of OILES.

18.2

OILES reserves the right to make provisions for tool management in accordance with VDA 6.1 - 14.4 by analogy, for example, for tool capability requirements as well as maintenance cycles, etc.

19 Measuring Equipment, Test Equipment Capability

19.1

The Supplier must ensure and document that only measuring equipment complying with the statutory provisions of the German Metrology Act is used. The Supplier must provide evidence of the declaration of conformity issued by the manufacturer for the measuring instrument for each measuring instrument used and guarantee the measurement stability of the measuring instrument used by him. OILES must be notified immediately of any change to or deviation from the measuring equipment used and these may only be used to monitor measurement inaccuracies with the consent of OILES.

19.2

The Supplier is obliged to conduct ongoing tests of test equipment's capability. He must describe the processes required for this and document and record completion thereof in an inspection schedule which conforms with the QM plan, according to defined inspection instructions for evidentiary proof of test equipment capability. DIN EN ISO 10012 applies.

⁴⁰ VDA 6.3 (2016) - P6.2.3

20 PPM Agreement (Target Agreement)

Through consistent and logical advance quality planning and monitoring series production with a focus on failure prevention and continuous improvement, the Supplier commits itself to the strategic quality goal of zero errors in the "zero error strategy".

Deviations from this require a written agreement in a product-specific quality assurance agreement. This does not affect the Supplier's obligation to make a zero-defect delivery.

Insofar as ppm agreements have been concluded with the Supplier, these take into account in particular production process-related fluctuations within the framework of agreed targets. They determine intervention limits and inspection scopes. They do not entitle the Supplier to deliver defective products.

21 IMDS

All material data must be entered in the IMDS (International Material Data System). The data must comply with relevant specifications. These may not be altered without OILES' consent.

22 Safety Data Sheets

22.1

The Supplier must provide product-specific safety data sheets at OILES' request. The safety data sheets must contain all national and European Union legal information and evidence which ensure authorised use and safe handling by OILES and/or third parties.

22.2

The Supplier must provide OILES with all instructions and information necessary for safe handling of the product by OILES and its customers, in particular with regards to handling, lining and shoring up and transporting, or for securing against influences from EMC, EDS etc., on the basis of its own competence.

23 Contingency Plans

The Supplier must prove to OILES that contingency plans exist, at least to the extent specified in IATF 16949 - 6.1.2.3, which ensure product safety and the supply of contractual products to OILES⁴¹.

⁴¹ VDA 6.3 (2016) - P3.4

24 Escalation Process, Supplier Evaluation

If the Supplier has problems guaranteeing the assured quality (e.g., critical errors, so-called "yard holds" and delivery stops at the customer's premises, notifications from customers about a special customer status (supplier classification) due to qualitative or delivery problems caused by the Supplier, warranty cases, actions in the field and recall actions, persistently poor quality performance), OILES reserves the right to accept the Supplier into the program "critical suppliers". This program comprises the following four escalation levels, into which the Supplier is classified by OILES:

Level 0: "Supplier is conspicuous"

Level 1: "Supplier causes major problems"

Level 2: "Supplier is critical – status "new business on hold"

Level 3: "Supplier is not suitable for OILES – status "business on hold".

Depending on the level, OILES may demand quality improvement measures from the Supplier at the Supplier's expense and carried out at the Supplier's premises. Measures and exit criteria for de-escalation are defined in a so-called Level sheet and are agreed with Suppliers.

De-escalation takes place once the exit criteria have been fulfilled and OILES has verified implementation of the corrective measures at the Supplier's site.

OILES reserves the right to issue guidelines for supplier evaluation.

25 Auditing

25.1

OILES is entitled to audit the Supplier itself at any time, or to have the Supplier audited by quality auditors (DIN EN ISO 19011) following advance notice in writing. OILES must inform the Supplier of the reason for the audit, the type of audit and the scope of the audit. If the tasks have not been delegated to the Coordinator, the Supplier must nominate a person responsible for preparation and implementation of the audit, who shall be present throughout the audit and during the subsequent coordination meeting. The responsible person represents the Supplier in the audit and shall provide the Supplier with all necessary authority to do so.

25.2

The Supplier must allow the audit to take place immediately if there is reason to believe that the degree of fulfilment could fall overall to below ≥ 90 or that the degree of fulfilment of a process element VDA 6.3 (2016) - P2-P7 or a process step E₁-E_n could be rated < 80 .

25.3

After each audit, the effects of the audit results and the resulting measures to be implemented by the Supplier within a reasonable period of time determined by OILES must be determined in a coordination meeting. At the request of OILES, the Supplier must provide appropriate proof and evidence of the implementation and effectiveness of corrective measures.

25.4

OILES may also request information, quality records and other documentation on the product and/or production processes at any time outside the scope of an audit, which may be the subject of an audit. The Supplier is not entitled to refuse performance in this respect.

26 Monitoring and Control of Defective Products

Products suspected of being defective or not classified must be kept in a storage area for blocked stock⁴². The storage area for blocked stock must be organised in such a way that removal from the storage area for blocked stock for other purposes is excluded. Any after-processing of blocked products requires the consent of OILES. Blocked products must be scrapped, if OILES request this. They may not be used for any other purpose, such as for spares or replacement parts on the grey market. The control of blocked products must be documented by the Supplier. The documentation shall be kept for a period of 15 years and handed over to OILES upon request.

27 Claim Management

27.1

The Supplier must set up and maintain a claim management system. He names an employee to OILES, responsible and accountable for all OILES' claims. If a staff member is not appointed, the Coordinator will be deemed to be responsible and accountable for this. Within the framework of the Supplier's claims organisation, we must ensure that all product and production process parameters are available immediately in order to be able to determine a risk period and in order to guarantee rapid handling of complaints, so that OILES can fulfil its own obligations of supplementary performance towards OILES customers. The Supplier's right to refuse performance is excluded.

27.2

Unless otherwise agreed or requested by OILES, the Supplier must immediately prepare and process an 8D report for each claim. The 8D Report must be signed by the person responsible

⁴² IATF 16949 - 8.7.1.2; VDA 6.3 (2016) - P6.2.4 and P6.2.5

for the claim and a competent employee in accordance with the “four eyes” principle (requiring a witness).

28 Traceability

28.1

Ensuring traceability⁴³ serves to isolate faulty or defective products in or from the value chain or in the field, and to limit damages. Labelling products and the methods of identification shall be defined with OILES in such a way that a “dirt point” and a “clean point” of the products supplied can be determined. Traceability includes the availability of the production process parameters of the process-accompanying tests to be assigned to the products in the entire manufacturing process (e.g., temperature, pressure, current, etc.) as well as the flow plan of the internal processes.

28.2

OILES reserves the right to set guidelines for ensuring traceability according to the requirements of OILES' customers and will coordinate their implementation with the Supplier.

29 Warranty and Guarantee

The Supplier shall also be liable within the framework of the warranty for such damages as OILES incurs as a result of claims by third parties (customers) insofar as the cause of the defect is the Supplier's failure.

This includes, in particular costs which OILES must bear towards its customer due to complaints of defective parts from the Supplier (including incidental warranty costs).

OILES and the customer shall initially bear the costs incurred themselves. The determination of the respective shares for assuming the costs depends on the system of the technical factor.

The procedure for forming the technical factor is as follows:

Components complained about are collected over a defined period of time. Afterwards, if necessary, with the participation of OILES' customer, the findings and analysis of components complained about will be examined.

Following the settlement between OILES and the customer according to the technical factor, the extent to which the Supplier is responsible for OILES' costs resulting from the settlement must be determined.

⁴³ VDA 6.3 (2016) - P6.1.4; IATF 16949 - 8.5.2

All costs incurred OILES as a result of the components delivered by the Supplier must be settled by the Supplier with OILES to this extent. This also applies to costs for the procurement of the components damaged in the field and expenses for analysing components damaged in the field by OILES. Settlement payments are always based on the causative side.

In general, suitable corrective and preventive measures must be introduced for optimisation, with the aim of avoiding field damaged components.

30 IT Security

30.1

The Supplier must maintain an information security management system on the basis of DIN/ISO IEC 27001 in the version applicable in each case and must organise infrastructure measures (ISO 9001:2015 - 7.1.3. lit. d) in such a way that security-relevant incidents are identified. Without prejudice to statutory regulations, the Supplier must document every security-relevant incident (in particular hacker attacks, Trojan horses, viruses, spying on domestic or foreign services or organisations) in their IT system and must store it there for ten years. He must report any internal or external security incident to OILES immediately. OILES and the Supplier jointly evaluate the possible effects of such incidents on the protection of trade secrets, confidentiality obligations towards third parties and information security, and must define corrective actions. If effective corrective actions cannot be taken securely, OILES is entitled to terminate electronic business transactions with the Supplier.

30.2

OILES is entitled to audit the effectiveness of IT security measures taken by the Supplier or to have them audited by a third party committed to confidentiality. OILES may require the Supplier to adjust its IT management if OILES is prompted to do so, in particular by customers or authorities. The obligations to provide information and to participate in accordance with § 8a ff of the Act to Increase the Security of Information Technology Systems (IT Security Act of 24.07.2015, Federal Law Gazette I, page 1324) exist directly as contractual obligations between OILES and the Supplier. At the request of OILES, the Supplier must submit the VDA questionnaire for IT assessment.

30.3

Non-compliance with the provision on IT security is always a violation of the confidentiality agreements and an independent breach of duty in accordance with § 280 paragraph 1 BGB [*Civil Code*].

30.4

Storage on an external server (cloud computing) is only permitted with the consent of OILES. The Supplier guarantees that OILES will be assured access to an external server. The documents and information must be surrendered to OILES without delay upon request, in particular for the purpose of defending against warranty or product liability claims. The Supplier is not entitled to refuse performance.

31 Duration and Termination

31.1

This QAA has been concluded for an indefinite period. It may be terminated by OILES and the Supplier with 12 months' notice. Termination does not affect the continued validity of this QAA for the duration of the Supplier's delivery obligations existing beyond the end of the period of notice or up until the end of the Supplier's delivery obligations founded in the QAA.

31.2

In any case of termination of the QAA, the obligations of confidentiality, of documentation, for publishing information and documents as well as IT security remain in force.

32 Miscellaneous

32.1

This QAA is subject to German law. The exclusive place of jurisdiction shall be the district court responsible for the registered offices of OILES. This also applies to legal disputes between overseas (*foreign*) affiliated OILES' companies and those of the supplier.

32.2

Changes, additions, termination or revocation of this QAA must be made in writing and signed by authorized representatives of OILES and the Supplier.

32.3

Should any provision of this QAA be or become invalid, the remaining provisions remain unaffected. In the event of the invalidity of a provision, OILES and the Supplier will agree on a valid provision which comes as close as possible to the original provision legally, economically and technically.

32.4

Agreement exists that this QAA was negotiated and concluded as an individual agreement, in

particular with regard to joint responsibility for failure prevention throughout the entire supply chain.

Butzbach, on

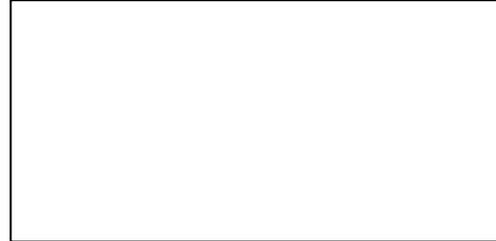
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OILES Deutschland GmbH

Supplier



Stamp



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