

Terms and Conditions for the Delivery of Control Units

1. Scope, Order of Priority

- 1.1. These Terms and Conditions for the Delivery of Control Units ("**Terms and Conditions**") only apply to business transactions with companies, legal entities under public law and special funds under public law.
- 1.2. The delivery of control units ("**Delivery**") and the performance of related customization services ("**Customization**"; Delivery and Customization collectively "**Contract Services**") by Vector North America Inc. ("**Vector**") to the customer shall be governed exclusively by the Terms and Conditions of Vector. Vector's quote to customer for requested Contract Services, including the Deliverables resulting therefrom, is an offer by Vector issued to customer for customer's acceptance upon issuance of a purchase order or other order document. Fulfillment of Vector's quote accepted by the customer is expressly conditioned upon customer's corresponding acceptance of these Terms and Conditions. The customer's standard terms and conditions of purchase or business shall only apply to the extent that Vector has expressly consented to them in signed writing; this requirement of signed consent shall in particular also apply even if Vector performs the Contract Services without reservation despite being aware of the customer's terms and conditions of purchase or business.
- 1.3. The specific content and scope of the Contract Services, including any control units and other deliverables to be provided pursuant to the same (collectively "**Deliverables**"), as well as the price payable for them will be set forth in the Individual Contract. "**Individual Contract**" means any mutually corresponding declarations, made expressly or impliedly, insofar as they relate to the Contract Services. Individual Contracts are formed, in particular, but not limited to, through Vector's quote(s) and/or order confirmation(s) on the one hand and the corresponding purchase order(s) on the other.
- 1.4. Unless these Terms and Conditions expressly provide otherwise, in the event of any inconsistencies between these Terms and Conditions and the provisions of the Individual Contract, the following order of precedence shall apply, whereby the first-mentioned contractual part shall take precedence over the contractual parts mentioned thereafter:
 - (1) The Individual Contract
 - (2) These Terms and Conditions

2. Quality, Intended Use, Test Obligation, Acceptance

- 2.1. The agreed quality of the control unit is exclusively determined by the technical specifications described in the Individual Contract. The control unit is only suitable for series use in a vehicle or other system of the customer (collectively "**Customer System**") if this is expressly agreed in the Individual Contract. A defect-free Customer System is the prerequisite for the control unit to have the agreed quality and suitability.
- 2.2. Unless the parties have expressly agreed that the control unit must be suitable for use in series production, the customer may only use it in prototype applications for evaluation and development purposes ("**Prototype Control Units**"). In this case, customer and Vector do not agree on a specific quality for the use of the Prototype Control Units in series production, nor do they expect the Prototype Control Units to be suitable for such use. The customer acknowledges that Prototype Control Units, although basically functional, have not been sufficiently tested and/or verified as to be made available on the market for purposes other than evaluation or development; this shall apply regardless of whether or not they are integrated in the Customer System. In particular, Prototype Control Units may behave unpredictably and may not provide all functions and/or meet all quality requirements which are necessary according to the state of the art in science and technology to ensure safe use.
- 2.3. It is the sole responsibility and risk of the customer to test the interactions between the control unit and the parameterization, configuration and/or software used by the customer for the control unit, the Customer System as well as the environmental and other conditions to which the control unit and the Customer System possibly may be exposed, according to the state of the art in science and technology. This applies in particular before using the control unit in areas that pose a risk to life, limb or property or that could lead to considerable financial losses.
- 2.4. The customer's acceptance of the Deliverable shall be deemed to occur five (5) business days after the date the Deliverable is received by the customer from Vector ("**Acceptance**"), unless prior thereto the customer returns the Deliverable to Vector, along with a Notice of Rejection to Vector, setting forth in reasonable detail the Deliverable's noncompliance with the Documentation and/or the terms of the Individual Contract.

3. Regulatory Requirements, Approval Procedures

Unless expressly agreed otherwise in the Individual Contract, the customer is solely responsible for ensuring that all regulatory requirements of the respective target market regarding market access of the control unit are met vis-à-vis the competent authorities. Accordingly, it is the customer's responsibility to take all measures required by the respective prescribed approval procedure (e.g. self-declaration procedure, certification

procedure) for the approval and operation of the control unit and its provision on the market, regardless of whether the control unit is integrated in the Customer System or not.

4. Intellectual Property, Rights of Use

- 4.1. Vector unconditionally reserves all intellectual property rights in technical specifications, drawings and other documents (collectively "**Documentation**") as well as the intellectual property rights in the control unit, the control unit software and the underlying know-how.
- 4.2. The customer may only use and pass on the Documentation and the control unit software if this is expressly agreed in the Individual Contract and these Terms and Conditions. In particular, the customer may not modify, reverse engineer, decompile or disassemble the control unit software. This shall not apply to the extent that mandatory law provides otherwise.
- 4.3. Vector will deliver the control unit software together with the associated control unit not as source code, but solely as object code. Vector grants the customer the non-exclusive, non-transferable, worldwide and perpetual right to parameterize and configure the control unit software and to use the control unit software for prototype applications for evaluation and development purposes of the customer as an integral part of the control units that Vector has delivered together with the control unit software.
- 4.4. To the extent that suitability of the control unit for series use is expressly agreed in the Individual Contract, the customer will be entitled to exercise the aforementioned rights also for series use and to distribute the control unit software as an integral part of the control units that were delivered together with control unit software.
- 4.5. The customer may have the rights stated in Section 4.3 exercised by Customer Contractors for a limited period of time and for the specific purpose of integrating the control units into the Customer System. "**Customer Contractors**" means third parties who (a) have been engaged by the customer for the purpose of performing services; (b) are subject to confidentiality obligations that are as restrictive as those agreed between the customer and Vector; (c) are not Competitors of Vector; and (d) have been bound by the customer to return or destroy the control unit software to the customer after performance of the services. "**Competitors**" are companies and other legal entities that offer products or services, which in terms of their characteristics and intended use, are from a purchaser's perspective substantially interchangeable with products or services offered by Vector, or that would easily be able to become a supplier of such products or services within a short period of time.
- 4.6. If Customization is agreed upon in the Individual Contract, Vector will grant the customer with respect to (a) the customized control unit software, the rights of use

that are set forth in Sections 4.2 to 4.4; and (b) other results of the Customization, the non-exclusive, non-transferable, worldwide and perpetual right to use such results and the associated Documentation to the extent necessary for the use of the control unit that is the subject of the Customization.

- 4.7. Notwithstanding any provisions to the contrary in the Terms and Conditions, the customer may use control unit software based on AUTOSAR Specifications and/or AUTOSAR Software Implementations only for Automotive Applications and/or Derived Applications. This applies regardless of whether the control unit software was customized for the customer or not. **"Automotive Applications"** means use-cases related to engine-powered, land-based, non-railed vehicles, such vehicles intended for primary transportation purposes. **"Derived Applications"** means use-cases that are neither an Automotive Application nor in a field of use of products or services that falls into the categories of ultra-hazardous activities including, but not limited to, aerospace and aviation, nuclear power, chemical and/or biological reactors, petrochemical industry or military (except for military marine transportation vessels).
- 4.8. The Contract Services may contain open source software and/or other third-party software (collectively **"Third-Party Software"**), which is subject to specific license terms (**"Third-Party Terms"**). To the extent required by the Third-Party Terms, the Third-Party Terms shall, in the event of any inconsistencies, apply in addition to and take precedence over the Terms and Conditions and the Individual Contract; Section 1.4 shall not apply in this respect. In this case, Vector will make reference to the Third-Party Software and the applicable Third-Party Terms and will provide or otherwise make available the Third-Party Terms to the customer together with the Contract Services.

5. Warranty

- 5.1. During the Warranty Period (as defined below), Vector warrants that the Deliverables shall operate in substantial compliance with the Documentation. Warranty claims by the customer under this Section 5.1 shall be valid only if the customer returns the Deliverable that does not operate in substantial compliance with the Documentation to Vector prior to the expiration of the Warranty Period, along with a written Notice of Warranty Claim setting forth in reasonable detail the Deliverable's noncompliance with the Documentation. Vector shall comply with its warranty obligations under this Section 5.1 solely in the manner provided in Section 5.2 (Sections 5.2.1-5.2.3 inclusive). Vector will not have any warranty obligations for faults, damages, or other consequences arising from normal wear-and-tear, or if the Deliverable is rendered defective, in whole or in part, by external causes, including catastrophes, power failures, over-voltage on interfaces, environmental extremes, or improper use, maintenance, or application by the

customer or any third party, or for any claimed defect that arises as a result of, any accident, misuse, neglect, alteration, or improper repair or maintenance, or installation, or use contrary to Vector's printed warnings, instructions, recommendations, or Documentation. No warranty claims may be made, and Vector shall have no liability to the customer whatsoever, for any defects or latent defects in the Deliverables after the expiration of the Warranty Period.

5.2. To the extent that Vector is obligated to subsequent performance, the following shall apply:

5.2.1. Vector will provide subsequent performance either by remedying the defect ("**Remedy**") or, at Vector's reasonable discretion, by rendering Contract Services which are free from defects ("**Replacement**").

5.2.2. If the control unit software is not executable due to defects, and if this prevents its serial use at the customer's site, Vector will, upon customer's request, provide a workaround solution before final subsequent performance. Vector will remedy any other defects in the control unit software by delivering an update, bug fix or other measures at the time scheduled by Vector for proper version maintenance.

5.2.3. In case of defective Third-Party Software, Vector will be obliged to subsequent performance only to the extent that updates, bug fixes or other measures for the subsequent performance are available to Vector and Vector is authorized to pass on such measures to the customer.

5.3. "Warranty Period" means the twenty-four (24) month period, commencing upon Acceptance of the Deliverable under Section 2.4 hereof and continuing uninterrupted until its expiration. Remedy, Replacement, or revisions, or modifications made to, or derivatives created for, the Deliverables shall not extend or toll the Warranty Period, whether the same are made or created by Vector, the customer or any third party.

5.4. Vector does not represent or warrant that the operation of the Deliverables will be uninterrupted or error free or conform to any reliability or performance standards beyond the corresponding Documentation. Vector does not represent or warrant that the Deliverable will be compatible with: (a) future products of Vector, the customer, or the OEM end-customer; or (b) any system, provided that this shall not apply to a Customer System if it is expressly stated in the Documentation that the Deliverable is compatible with such Customer System.

5.5. LIMITATION OF WARRANTY AND DISCLAIMER. THE ABOVE WARRANTY IN SECTION 5.1 IS EXCLUSIVE AND NO OTHER WARRANTY OR REPRESENTATION, WHETHER WRITTEN OR ORAL, IS EXPRESSED OR IMPLIED RESPECTING THE CONTROL UNITS OR OTHER DELIVERABLES OR THEIR CONTRACT SERVICES.

VECTOR SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ANY WARRANTY FROM VECTOR, WHETHER GRANTED PURSUANT TO AN INDIVIDUAL CONTRACT, OR THESE TERMS AND CONDITIONS, OR BY LAW, SHALL BE VOID IF THE CONTROL UNIT OR OTHER DELIVERABLE IS MODIFIED AFTER ACCEPTANCE.

6. Confidentiality

The customer is obliged to take all necessary measures to prevent third parties from gaining knowledge of the know-how underlying the control unit and/or the control unit software, and/or the associated documents, data and other information (collectively "**Confidential Information**") and to maintain the confidentiality of the Confidential Information. Unless otherwise agreed in writing, the term "**Third Party**" shall also include all of the customer's group companies. The confidentiality obligations under this Section 6 shall not apply to information that must be disclosed in order to comply with mandatory law or a binding court or governmental order provided that the customer, to the extent permitted by law, immediately notifies Vector of such disclosure. In this case, only that part of the information that must be disclosed may be disclosed, and the customer shall take appropriate measures to limit disclosure as far as legally permissible and to maintain the confidentiality of the Confidential Information in all other respects.

7. Price, Retention of Title, Packing, Disposal

- 7.1. The price is ex works plus the respective applicable statutory value added tax and is payable in the currency specified in the Individual Contract. Customs duties and other public charges levied on the basis of cross-border Contract Services shall be borne by the customer.
- 7.2. The price is due upon the provision of the Contract Services. All support services as well as travel costs, travel time and incidental expenses will be invoiced separately on a time-and-material basis.
- 7.3. To secure payment for the control units and other Deliverables sold, and other Contract Services provided, by Vector to the customer, the customer hereby grants to Vector a purchase money security interest in and to all control units and other Deliverables sold by Vector to the customer and any derivatives or work product to the foregoing. The security interest in the foregoing shall secure the price to be paid by the customer to Vector under the Individual Contract. The customer hereby authorizes Vector to file financing statements, without notice to the customer, with all appropriate jurisdictions to perfect or protect Vector's interest and rights hereunder.
- 7.4. Vector is only obligated to take back packaging or already used control units if this is expressly agreed upon in the Individual Contract or provided for in a mandatory legal regulation. To the extent that Vector is obliged to take back the packaging or

already used control units, the costs related thereto shall be reimbursed separately. Such costs shall include, but are not limited to, the costs for organization, collection, storage and disposal of the packaging and/or control units.

8. Set-Off, Rights of Retention

The customer shall not be entitled to offset any counterclaims unless such claims have been finally determined by a court or are not disputed by Vector.

9. Liability and Indemnification

- 9.1.** If software, norms, standards and/or specifications, in particular AUTOSAR Specifications, are integrated or implemented in the control unit software, which have not been developed by Vector (collectively "**Third-Party Developments**"), Vector shall not be liable for any intellectual property infringements resulting from the Third-Party Developments, unless Vector had knowledge of such infringements.
- 9.2.** Vector shall not be liable to the customer for any loss, damage, expense or liability arising in connection with: (a) the use or operation of the Deliverable with or in a system, provided that this shall not apply to a Customer System if it is expressly stated in the Documentation that the Deliverable is suitable for its use or operation with or in such Customer System; (b) the use or operation of the control unit or other Deliverable outside of its specifications; (c) any modification to the control unit or other Deliverable after Acceptance; or (d) Vector having conformed the control unit or other Deliverable to the specifications made by, received from, or required by the customer or the OEM end-customer.
- 9.3. INDEMNIFICATION.** AS AN EXPRESS CONDITION TO INSTALLING AND/OR USING THE DELIVERABLES AND CONTRACT SERVICES, CUSTOMER AGREES TO INDEMNIFY VECTOR AND ITS AFFILIATES FROM AND AGAINST (a) ANY AND ALL THIRD PARTY CLAIMS AND DAMAGES INCURRED BY VECTOR, INCLUDING ATTORNEY'S FEES RELATED THERETO, THAT ARISE OR RESULT FROM AUTHORIZED OR UNAUTHORIZED USE OR MISUSE OR OPERATION OF THE VECTOR PRODUCT BY CUSTOMER OR BY ANYONE TO WHOM CUSTOMER PROVIDED THE DELIVERABLES AND/OR CONTRACT SERVICES AND (b) ANY DAMAGES WHATSOEVER INCURRED BY VECTOR THAT REPRESENT CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFIT, LOSS OF BUSINESS, A DIMINUTION IN VALUE OF VECTOR OR ITS BUSINESS, EXEMPLARY DAMAGES, OR PUNITIVE DAMAGES ARISING OUT OF, OR IN CONNECTION WITH ANY INFRINGEMENT OF VECTOR'S INTELLECTUAL PROPERTY RIGHTS BY CUSTOMER'S USE OF DELIVERABLES AND CONTRACT SERVICES OUTSIDE OF THE SCOPE OF PERMITTED USE SET FORTH IN THESE TERMS AND CONDITIONS OR AN INDIVIDUAL CONTRACT.

9.4. LIMITATION OF LIABILITY. WITH THE EXCEPTION OF LIABILITY FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR CUSTOMER'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 9.3 HEREOF, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PURSUANT TO AN INDIVIDUAL CONTRACT, OR THESE TERMS AND CONDITIONS, OR BY LAW, FOR ANY AMOUNT REPRESENTING DIRECT DAMAGES IN EXCESS OF THE LESSER AMOUNT OF (A) THE TOTAL PRICE ACTUALLY PAID BY THE CUSTOMER TO VECTOR UNDER THE CORRESPONDING INDIVIDUAL CONTRACT GIVING RISE TO THE CLAIM, OR (B) \$ 50,000 (FIFTY THOUSAND DOLLARS). NEITHER PARTY SHALL BE LIABLE TO THE OTHER PURSUANT TO AN INDIVIDUAL CONTRACT, OR THESE TERMS AND CONDITIONS, OR BY LAW, FOR ANY AMOUNTS REPRESENTING LOSS OF PROFIT, LOSS OF BUSINESS OR INCIDENTAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, OR OTHER DAMAGES OF THE OTHER PARTY, INCLUDING COSTS OR DAMAGES RELATED TO DEVELOPMENT/PRODUCTION DELAYS OR STOPPAGES AND PRODUCT DELAYS, PRODUCT RECALLS OR PRODUCT LIABILITY.

IF APPLICABLE LAW PREVENTS ENFORCEMENT OF THIS SECTION 9.4, THEN THIS SECTION SHALL BE DEEMED MODIFIED TO PROVIDE THE MAXIMUM LIMITATION OF LIABILITY AS IS ALLOWABLE UNDER APPLICABLE LAW.

9.5. In the internal relationship between the parties, customer acknowledges and agrees to bear all damages and expenses incurred by third parties arising from product liability and/or manufacturer's liability, unless Vector is liable under Section 9, in which case Vector's liability shall be allocated pro rata, subject to Vector's limitations of liability.

10. Force Majeure

Each party shall be released from responsibility for non-performance of its respective contractual obligations to the extent that such non-performance is caused by Force Majeure. For the purposes of these Terms and Conditions, "**Force Majeure**" shall mean circumstances beyond the control of the party claiming the existence of Force Majeure, including, but not limited to, epidemics, war, terrorism, natural disasters, shortage of components or raw materials. Each party undertakes to inform the other party immediately of the occurrence of Force Majeure. In this case, the dates and deadlines for the performance of the aforementioned obligations shall be adjusted by mutual agreement or, if mutual agreement cannot be reached, shall be automatically extended by a period equal to the duration of the Force Majeure event plus a reasonable period for the resumption of performance of these obligations.

11. Data Protection

11.1. In the course of performing the contract, the parties shall comply with all applicable data protection regulations.

- 11.2.** The parties will also impose data protection obligations on their employees and any subcontractors they may employ in accordance with the applicable data protection regulations.

12. Applicable Law, Jurisdiction

- 12.1.** These Terms and Conditions and the Individual Contracts will be interpreted in accordance with and governed by the laws of the United States of America and the State of Michigan, without regard to its conflicts of law principles and excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 12.2.** The courts having jurisdiction over Vector's principal place of business will have sole jurisdiction for any disputes arising directly or indirectly from this contractual relationship.

13. Requirement of Writing, Severability Clause

- 13.1.** Amendments or additions to these Terms and Conditions and/or Individual Contracts must be made in writing in order to be effective. The same applies in particular with regard to amendments and additions to this written form clause.
- 13.2.** If individual provisions of these Terms and Conditions and/or an Individual Contract are legally invalid, the validity of the remaining provisions shall remain unaffected. In this case, the parties are obliged to replace an invalid provision with a valid provision that comes as close as possible to the economic purpose of the invalid provision. The same applies in the case of unintended loopholes.