 <b>WALDASCHAFF</b> <small>LINGYUN INDUSTRIAL</small>	<b>TERMS AND CONDITIONS OF  PURCHASE FOR MACHINERY AND  EQUIPMENT FOR WALDASCHAFF  AUTOMOTIVE GMBH UND DER WA  PRODUCTION GMBH</b>	Version	2
		Date:	20.05.2026
		Responsible:	B. Dai
		Classification:	public

## 1. GENERAL PROVISIONS

- 1.1. These Terms and Conditions of Purchase for Machinery and Equipment ("TCME") apply to all orders, contracts, specification sheets and other agreements ("Supply Relationships") between Waldaschaff Automotive GmbH and WA Production GmbH ("WA") and its suppliers in connection with the manufacture and delivery of machinery and equipment (referred to as "Production Equipment") and commissioned activities in connection with Production Equipment, including the services required for this purpose.
- 1.2. Furthermore, the WA Code of Conduct, available at <https://waldaschaff.com/en/downloads-en/>, applies to all Supply Relationships between WA and its suppliers.
- 1.3. General terms and conditions of the supplier that conflict with or deviate from these TCME do not apply, even if they have not been expressly rejected or deliveries have been accepted without reservation while knowing of terms and conditions of the supplier that conflict with or deviate from these TCME.

## 2. ENTRY INTO AGREEMENT


- 2.1. Agreements and orders, as well as declarations relating thereto, must be made in writing, unless otherwise specified below. With regard to orders, the written form requirement is also deemed to have been met if the relevant declarations are transmitted via EDI.
- 2.2. Unless provided otherwise, orders shall be deemed to be confirmed by the supplier unless the supplier objects to the relevant order in written form within three working days after receiving it.

## 3. PERFORMANCE BENCHMARK

- 3.1. The supplier shall construct the Production Equipment in such a way that it complies with the provisions set out in the specification sheet and other documents contained in the order, the agreements and the specifications, with the current state of the art and with all relevant legal and official requirements. This includes, in particular, the applicable operating and approval regulations and the safety and testing requirements applicable at the time of acceptance.
- 3.2. The supplier shall deliver complete, operational Production Equipment comprising all components necessary for trouble-free operation—both to achieve the agreed performance data and to comply with any agreed quality guarantees and to ensure the contractually specified functionality. This also applies to necessary individual parts that are not expressly specified.
- 3.3. The supplier shall use only personally and professionally qualified personnel to perform the contractual services.
- 3.4. In addition, the supplier is obliged to procure all rights of use and licenses (e.g., software licenses) required for the intended use of the Production Equipment at its own expense and, if necessary, to grant WA corresponding sublicenses/rights of use in accordance with Section 23.3.
- 3.5. In addition, the supplier shall be responsible in particular for transport, customs clearance, packaging including return and disposal, assembly, setting up the Production Equipment, trial operation, insurance, and the necessary construction site equipment and safety measures. Furthermore, the supplier shall also be responsible for all other ancillary services necessary for the complete manufacture and ready-to-operate handover of the Production Equipment.
- 3.6. The supplier shall provide all certifications and approvals required for the Production Equipment in a timely and complete manner. If certifications or approvals are not granted or are delayed, the supplier shall be liable to WA for all resulting damages, unless the delay or refusal is not attributable to the supplier. Section 9.6 shall apply to delays caused by the supplier. If certifications or approvals are not granted, WA shall be entitled to withdraw from the agreement and claim damages in accordance with the statutory provisions. Further contractual and statutory claims by WA shall remain unaffected by this. Approvals relating to the operator must be obtained by WA. The supplier shall be obliged to actively support WA in obtaining such approvals at its own expense.

## 4. SUPPLY OF MATERIAL BY WA

- 4.1. In the event that WA provides the supplier with materials necessary for the construction or operation of the Production Equipment ("Supplied Materials"), the supplier shall be obliged to check these upon receipt for suitability and completeness at no additional cost to WA. The supplier shall notify WA immediately of any concerns. Any quantity discrepancies or other complaints regarding the Supplied Materials shall be noted on the delivery slip and submitted to WA immediately together with a photo and a description.

 <b>WALDASCHAFF</b> <small>LINGYUN INDUSTRIAL</small>	<b>TERMS AND CONDITIONS OF  PURCHASE FOR MACHINERY AND  EQUIPMENT FOR WALDASCHAFF  AUTOMOTIVE GMBH UND DER WA  PRODUCTION GMBH</b>	Version	2
		Date:	20.05.2026
		Responsible:	B. Dai
		Classification:	public

- 4.2. The interface responsibility for integrating the Supplied Materials into the Production Equipment shall remain with the supplier. This shall also apply if the supplier obtains Supplied Materials from third parties on the basis of framework agreements concluded by WA with these third parties.
- 4.3. WA shall remain the owner of the Supplied Materials. Any processing or transformation of the Supplied Materials by the Supplier shall be carried out on behalf of WA. If the Supplied Materials are combined with items not belonging to WA, WA shall acquire co-ownership in proportion to the respective value of the Supplied Materials. If an item is classified as the main item, its owner shall acquire sole ownership. Insofar as the supplier acquires sole ownership, it shall transfer co-ownership to WA in proportion to its share. WA hereby accepts the transfer of ownership.
- 4.4. The provisions for combination specified in Section 4.3 shall also apply to mixing and blending. The supplier shall preserve and secure WA's property free of charge and with the diligence of a prudent businessman.

## 5. CHANGE MANAGEMENT

- 5.1. WA is entitled at any time to demand reasonable changes to the contractual services. This includes, in particular, extensions to the Production Equipment and the omission of individual components. The supplier shall inform WA immediately of the effects of the desired changes on the price and the schedule, taking into account the agreed conditions and submitting a calculation of the expected additional or reduced expenses and any production plans that may need to be adjusted. Minor changes, in particular those that do not require adjustments to the production plans, shall be made by the supplier at no additional cost to WA.
- 5.2. If the parties reach agreement on technical and commercial terms, the supplier shall implement the change in accordance with WA's instructions.

## 6. FREE AND OPEN-SOURCE SOFTWARE ("FOSS")


- 6.1. The use of FOSS in contractual Production Equipment is only permitted with WA's consent and if (i) all license requirements of the respective FOSS are complied with, (ii) no copyleft effect is triggered on newly developed or pre-existing proprietary software created in the course of the production of the Production Equipment, and (iii) the license-compliant use is confirmed in writing.
- 6.2. The supplier guarantees that FOSS will be used in accordance with the license and shall be liable for any violations, including the replacement of affected components and all resulting costs, expenses, and damages.

## 7. PERFORMANCE AND COOPERATION

- 7.1. The supplier shall provide its services in close coordination with WA and third parties commissioned by WA. Notwithstanding this, the services shall be provided under the sole responsibility of the supplier. The supplier shall have sole authority over the professional, personnel, and disciplinary matters of the employees deployed.
- 7.2. Before starting installation/assembly, the supplier shall inspect the installation site and check its suitability, taking into account any relevant conditions (e.g., foundations, connections). WA shall grant the supplier sufficient access to the installation site to enable proper inspection. If the supplier discovers any defects, WA must be informed immediately in writing – otherwise the supplier cannot later invoke defects that were apparent upon careful inspection.
- 7.3. The supplier shall inform WA regularly, at least once a week, about the progress of the work. WA is entitled to inspect relevant documents, materials, and work results during the suppliers' business hours. The supplier shall ensure that WA has the same rights vis-à-vis subcontractors.
- 7.4. If changes or improvements become apparent during the course of the project, the supplier shall inform WA in writing and obtain approval for implementation. Technically justified savings potential that has been demonstrably initiated by the supplier and approved by WA shall be credited equally to both parties; otherwise, the economic advantage shall lie solely with WA.

## 8. TECHNICAL APPROVAL, TRIAL OPERATION, AND COMMISSIONING PHASE

- 8.1. The supplier shall commence construction, manufacturing, and assembly work only after receiving written approval from WA. This approval shall be based on the requirements specified by WA in accordance with the applicable specification sheet. Insofar as the respective specification sheet provides for individual approval steps, such as construction confirmation, these shall also be complied with by the supplier and submitted for approval. The supplier shall request approval from WA in good time.

 <b>WALDASCHAFF</b> <small>LINGYUN INDUSTRIAL</small>	<b>TERMS AND CONDITIONS OF  PURCHASE FOR MACHINERY AND  EQUIPMENT FOR WALDASCHAFF  AUTOMOTIVE GMBH UND DER WA  PRODUCTION GMBH</b>	Version	2
		Date:	20.05.2026
		Responsible:	B. Dai
		Classification:	public


- 8.2. The assembly or conversion of the Production Equipment and its installation at the installation site shall only take place after WA has expressly approved and released delivery.
- 8.3. The supplier shall carry out a trial operation under series conditions on its own responsibility. The supplier shall check all functions and properties of the Production Equipment and remedy any defects or faults. If specified by WA, the trial operation shall be carried out with the temporary involvement of WA operating personnel after appropriate training. If supplementary tests or test methods are specified in the relevant specification sheet as part of the trial operation, these shall be implemented by the supplier in a binding manner.
- 8.4. During trial operation, the supplier shall be responsible for maintenance and troubleshooting and shall train and involve WA's maintenance personnel accordingly. Any damage caused by operating errors on the part of WA and attributable to a violation of the operating instructions communicated by the supplier shall only be borne by WA if WA is responsible for the violation.
- 8.5. If disruptions occur during the trial operation that interrupt or significantly impair its progress, the trial operation shall be extended by the duration of the disruption, unless WA is responsible for the disruption.
- 8.6. Neither the start nor the completion of the trial operation shall constitute a transfer of risk, acceptance, or the commencement of warranty periods. All changes to the Production Equipment or its mode of operation during the trial operation must be documented in writing by the supplier and communicated to WA.
- 8.7. The operational handover shall take place in accordance with the schedule agreed between the parties. From this point in time, the commissioning phase shall commence by WA under series conditions. The supplier shall provide evidence of the agreed functions, properties, and, if applicable, availability. Any defects occurring during the commissioning phase shall be remedied by the supplier at its own expense. During the commissioning phase, the supplier shall also provide the evidence specified in the respective specification sheet.
- 8.8. Neither the operational handover nor any other events during the commissioning phase shall result in the transfer of risk, acceptance, or the commencement of the warranty period.

## **9. ACCEPTANCE**

- 9.1. The prerequisite for acceptance is proof by the supplier that the production equipment has been installed in accordance with the agreement, the order, the specification sheet, and the associated documents.
- 9.2. In the event of minor defects that do not impair functionality, WA may declare acceptance subject to the immediate rectification of the defects. In this case, WA shall be entitled to retain a reasonable amount of the total price until the defects have been remedied. A reasonable amount is generally twice the cost of remedying the defect. The retention shall be offset against any securities pursuant to Section 13.5.
- 9.3. Acceptance shall be made in writing by means of a joint protocol. Payments shall not be deemed acceptance. The supplier shall notify WA in writing of readiness for acceptance, whereupon a joint appointment shall be agreed upon, at which WA's customers whose products are manufactured with the Production Equipment may also participate, subject to prior notification.
- 9.4. If acceptance is not granted for reasons for which WA is solely responsible, the Production Equipment shall be deemed accepted three months after the agreed or mutually agreed acceptance date, provided that it is demonstrably ready for acceptance and the supplier has given written notice.
- 9.5. Insofar as further acceptance steps, performance tests and/or final acceptances are defined in the respective specifications, these shall apply in addition to the above provisions and must be implemented by the supplier as a prerequisite for acceptance.
- 9.6. Upon acceptance, the risk of accidental loss or accidental deterioration of the production equipment shall pass to WA.

## **10. DELIVERY AND DELAY**

- 10.1. Unless otherwise agreed, deliveries shall be made to the agreed place of use in accordance with DDP Incoterms 2020 at the supplier's expense, including packaging, particularly collection and return of reusable packaging, as well as insurance. All costs incurred for customs duties or other fees or charges shall be borne by the supplier. Prior to submitting the offer, the supplier has the opportunity to inform itself about the structural conditions at the place of use by visiting the site and inspecting WA's planning documents.
- 10.2. The delivery date specified by WA in the order is binding. If the supplier can foresee that the agreed delivery date cannot be met, it must notify WA immediately in writing, stating the reasons for and the expected duration of the delay, and inform WA of the measures taken or planned to prevent a delay. The unconditional acceptance of a

 <b>WALDASCHAFF</b> <small>LINGYUN INDUSTRIAL</small>	<b>TERMS AND CONDITIONS OF  PURCHASE FOR MACHINERY AND  EQUIPMENT FOR WALDASCHAFF  AUTOMOTIVE GMBH UND DER WA  PRODUCTION GMBH</b>	Version	2
		Date:	20.05.2026
		Responsible:	B. Dai
		Classification:	public

delayed or deviating delivery does not constitute a waiver of WA's rights in this regard. The supplier shall compensate WA for any damage, costs, and expenses incurred as a result of delayed or deviating delivery in accordance with the statutory provisions. In the event of a delayed delivery, WA shall be entitled to withdraw from the agreement after the expiry of a reasonable period for subsequent performance. Further legal claims by WA shall remain unaffected.

- 10.3. If the supplier falls behind with contractually agreed individual deadlines/milestones, WA may claim a contractual penalty of 0.1% of the total net order value per working day, unless the supplier is not responsible for the delay. The contractual penalty for all individual deadlines is limited to a total of 5% of the total net order value. The supplier is entitled to prove that no damage has been incurred or that the damage is significantly lower than the agreed contractual penalty. In this case, the contractual penalty shall be reduced accordingly.
- 10.4. A working day is defined as any day from Monday to Friday, excluding public holidays and non-production days at the respective WA plant.
- 10.5. Each additional contractual penalty requires a new or additional default. Once the maximum limit specified in Section 10.3 has been reached, WA may terminate the agreement and claim damages for non-performance. Any further damages may be claimed independently of the contractual penalty, whereby the contractual penalty shall be taken into account.
- 10.6. WA is entitled to offset contractual penalties against the final payment. Furthermore, the statutory provisions regarding default apply.

#### **11. PRICE, PRICE ADJUSTMENTS, AND PAYMENT TERMS**


- 11.1. The agreed price is a fixed price and does not include value added tax (VAT). The supplier is not entitled to adjust the price or charge additional costs of any kind without the prior express written consent of WA.
- 11.2. The individual payments shall be agreed in an individual payment plan and made by WA within 60 days of fulfillment of the conditions specified in the payment plan and receipt of a proper invoice. For payments made within 14 days of receipt of the invoice, WA is entitled to deduct a 3% discount from the invoice amount. Payments do not constitute a statement regarding the quality of the contractual performance, nor do they restrict WA's rights.

#### **12. INVOICING**

- 12.1. Invoices must be issued exclusively to WA, Am Bärnth 2, 97839 Esselbach, Germany, and sent to buchhaltung@waldaschaff.com. They must comply with the applicable legal provisions. In particular, invoices must include the VAT identification number or tax number, the quantity and type of Production Equipment invoiced and the price per unit/invoice unit, the date of the order and delivery of the Production Equipment, the supplier number assigned to the supplier by WA, and the specific order number. For partial deliveries, the individual item number must be specified. Invoices must also include the number and date of the delivery note. All other documents required for tax purposes must be enclosed.
- 12.2. Invoices issued by the supplier shall only become due if the requirements set out in Section 12.1 of these TCME have been met and the order has been delivered in full. Incorrect or incomplete deliveries shall entitle WA to withhold a corresponding amount of the payment until proper performance has been rendered.
- 12.3. Unless otherwise agreed, invoices shall be paid in euros by bank transfer or credit transfer. WA is entitled to offset its own due claims against the supplier or an affiliated company of the supplier within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG) against claims of the supplier. Statutory rights of set-off remain unaffected by this. The supplier is entitled to offset its own claims that are undisputed, recognized, or legally established.

#### **13. SURETY AND RETENTION**

- 13.1. If the individual payment plan stipulates that WA must make a down payment before delivery of the Production Equipment or individual components, the supplier shall, unless otherwise agreed, be obliged to provide a surety bond for the down payment before it falls due, including interest, a guarantee free of charge to WA, unlimited, directly enforceable and irrevocable, issued by a credit institution or credit insurer licensed in the EU or the EEA in favor of WA ("**Down Payment Surety**").

 <b>WALDASCHAFF</b> <small>LINGYUN INDUSTRIAL</small>	<b>TERMS AND CONDITIONS OF  PURCHASE FOR MACHINERY AND  EQUIPMENT FOR WALDASCHAFF  AUTOMOTIVE GMBH UND DER WA  PRODUCTION GMBH</b>	Version	2
		Date:	20.05.2026
		Responsible:	B. Dai
		Classification:	public

- 13.2. The Down Payment Surety shall secure the proper and complete repayment of the down payment made, including VAT and any interest from the date of payment, if the supplier fails to fulfill its contractual delivery obligation or fails to do so in full.
- 13.3. The Down Payment Surety shall be issued in the amount of the agreed down payment plus a security surcharge of 10% to cover any interest and costs. The original surety document must be handed over to WA no later than 5 working days before the due date of the down payment.
- 13.4. The Down Payment Surety shall be returned to the supplier on a pro rata basis to the extent that WA either (i) acquires ownership of the Production Equipment or individual components thereof through delivery or performance by the supplier or (ii) otherwise receives a valuable increase in assets.
- 13.5. If agreed in the order/upon conclusion of the agreement, the supplier shall provide WA, upon signing the agreement, with a free, unlimited, directly enforceable surety from a credit institution or credit insurer licensed in the EU or EEA for 10% of the total order value including VAT ("**Performance Surety**"). The Performance Surety shall secure all claims of WA arising from the agreement, including damages, contractual penalties, and claims for repayment of overpayments, in each case including interest. If the total order value increases by at least 10% as a result of changes in performance, WA may demand a corresponding adjustment of the surety amount.
- 13.6. To secure warranty claims, WA is entitled to withhold 5% of the total order value (gross) from the final payment. The supplier may replace this retention with an unlimited, directly enforceable guarantee issued free of charge to WA by a credit institution or credit insurer licensed in the EU or EEA. Unused securities shall be returned after expiry of the warranty or guarantee period, unless outstanding claims remain. Expired claims do not entitle the supplier to retain payment.

#### 14. TRANSFER OF OWNERSHIP


- 14.1. Unrestricted ownership of the means of production and all associated materials, components, technical documents, and documentation shall be transferred to WA no later than upon full payment of the total price.
- 14.2. In the event that WA makes advance or partial payments without providing security, the supplier shall transfer proportionate (co-)ownership of the respective parts of the means of production or of the materials and raw materials not yet installed (collectively referred to as "**Production Materials**") in proportion to the payments made in relation to the total price – concurrently with each respective payment.
- 14.3. The supplier undertakes to clearly label the Production Materials owned or co-owned by WA in accordance with Section 14.2 in its warehouse as the property of WA and to store them separately from other goods. The supplier shall store these items with the care of a prudent businessman and, in particular, shall take adequate precautions against loss, damage, theft, fire, and water. WA is entitled to obtain information about the inventory and labeling of the items at any time and to inspect the supplier's warehouse management during the supplier's business hours.

#### 15. PRODUCTION AND CHANGES IN PRODUCTION

- 15.1. The supplier undertakes to notify WA immediately in writing of the production site on which the ordered Production Equipment is manufactured and of any planned changes to this production site. The production sites must not be changed without WA's prior written consent. WA shall not unreasonably withhold such consent.
- 15.2. All costs arising from the changes mentioned above shall be borne by the supplier.

#### 16. QUALITY AND SUBCONTRACTING

- 16.1. The supplier shall use state-of-the-art technology in the development and manufacture of the Production Equipment and shall comply with all quality standards and applicable legal requirements. In particular, the supplier shall ensure that the legal requirements relating to production, special quality, conformity assessments, labeling, and accompanying documentation/information are met. Furthermore, the relevant provisions of the specification sheet shall apply. Unless otherwise instructed by WA, the supplier shall inspect the Production Equipment prior to delivery and document the results of this inspection in a suitable form to ensure that the Production Equipment is delivered free of defects.
- 16.2. Requirements in accordance with IATF16949:2016 or equivalent certification standards in their currently valid version are deemed to be agreed. Any additional customer-specific requirements communicated to the supplier must be taken into account and complied with by the supplier. If this information is not publicly available, it must be requested from WA and will be provided by WA.

 <b>WALDASCHAFF</b> <small>LINGYUN INDUSTRIAL</small>	<b>TERMS AND CONDITIONS OF  PURCHASE FOR MACHINERY AND  EQUIPMENT FOR WALDASCHAFF  AUTOMOTIVE GMBH UND DER WA  PRODUCTION GMBH</b>	Version	2
		Date:	20.05.2026
		Responsible:	B. Dai
		Classification:	public

- 16.3. The supplier must keep records, in particular of quality inspections, which shall be made available to WA upon request, and shall demonstrate to WA upon request the effectiveness of its quality assurance system.
- 16.4. The supplier undertakes to notify WA immediately in writing if it plans to commission a subcontractor. The subcontractor may only be commissioned if WA has given its prior written consent.
- 16.5. Suppliers and subcontractors of the supplier must be subject to obligations comparable to those of these TCME to ensure compliance with the supplier's obligations towards WA are guaranteed at all times. In the event that the supplier engages third parties, the supplier shall remain fully responsible for the production equipment and delivery. The supplier is obliged to establish and maintain a documented quality assurance system that is appropriate in terms of type and scope and corresponds to the latest state of the art. The supplier must have at least an ISO9001:2015 certificate, which must be renewed regularly.

#### 17. CONTACT AND PROJECT COORDINATION


- 17.1. WA and the supplier shall each appoint a contact person to coordinate cooperation and make any necessary decisions throughout the entire duration of the project. WA must be notified in advance of any changes. The supplier shall ensure that a new contact person is adequately trained and shall bear all costs arising therefrom.
- 17.2. WA may refuse or request the replacement of a contact person for good cause, e.g., in the event of a lack of qualifications or insufficient guarantee of constructive cooperation.
- 17.3. If required by the nature of the service, the supplier shall provide a professionally qualified site manager. Section 17.2 applies accordingly.

#### 18. WARRANTY AND LIABILITY FOR DEFECTS

- 18.1. The Supplier warrants that the Production Equipment is free from defects, is suitable for the intended purpose agreed on in the contract, and complies and will continue to comply with the agreed specifications and the purpose requirements set out in Sections 2 and **Error! Reference source not found.** of these TCME. The warranty period is 36 months from the date of acceptance, unless other periods are provided for by law.
- 18.2. Unless otherwise agreed, the supplier shall be liable for all liabilities, damages, costs, expenses (including court and legal fees) and losses incurred by WA as a result of the delivery of defective Production Equipment or any other breach of the supplier's obligations. Insofar as the applicable statutory provisions provide for liability for fault, these statutory requirements shall remain unaffected.
- 18.3. If a defect is discovered, WA may, at its discretion, demand that the supplier remedy the defect ("**Repair**") or replace the defective Production Equipment ("**Replacement Delivery**"). In this case, the supplier shall bear not only the costs of Repair and/or Replacement Delivery, but also the costs of transport, travel, labor, installation, dismantling, and removal, as well as materials. The supplier shall also compensate for any other damage and costs for which compensation is owed in accordance with Section 18 of these TCME, including the costs of damaged other parts and components and the costs and expenses reasonably incurred by WA in assessing the defect (e.g., investigation and analysis, costs of external service providers or specialists of WA or the customer), unless the supplier is not responsible for the defect in question.
- 18.4. If the supplier fails to fulfill its obligation to provide subsequent performance within a reasonable period of time set by WA, or if the setting of a deadline is not required by law, WA shall be entitled to remedy the defect itself or have it remedied by a third party at the supplier's expense, to reduce the remuneration, or to withdraw from the contract. WA may also demand compensation for damages or reimbursement of frustrated expenditures, unless the supplier is not responsible for the defect. In urgent cases, WA may, with the consent of the supplier, which may not be unreasonably withheld, remedy the defect itself or have it remedied by a third party. WA's right to self-remedy remains unaffected.
- 18.5. In the event that WA is held liable by third parties, either in or out of court, for death or damage to property or personal injury attributable to a defect in the Production Equipment or other misconduct on the part of the supplier, the supplier shall indemnify and hold WA harmless from all liabilities, damages, costs, expenses (including court and legal fees) and losses.
- 18.6. All legal or contractual claims of WA remain unaffected by the provisions contained herein.

#### 19. TERMINATION AND WITHDRAWAL

- 19.1. WA is entitled, subject to Section 19.4, to terminate the delivery relationship in whole or in part at any time until completion of the Production Equipment.

 <b>WALDASCHAFF</b> <small>LINGYUN INDUSTRIAL</small>	<b>TERMS AND CONDITIONS OF  PURCHASE FOR MACHINERY AND  EQUIPMENT FOR WALDASCHAFF  AUTOMOTIVE GMBH UND DER WA  PRODUCTION GMBH</b>	Version	2
		Date:	20.05.2026
		Responsible:	B. Dai
		Classification:	public

- 19.2. The right to extraordinary termination for good cause remains unaffected. Such a reason shall be deemed to exist in particular if WA justifiably refuses to grant approval in accordance with Section 8 after two attempts, or if the financial circumstances of the supplier or the value of a security deteriorate significantly after conclusion of the contract, or if the fulfillment of the contract is foreseeably at risk and the supplier fails to provide either complete performance or suitable security within a reasonable period of time.
- 19.3. In the event of termination for good cause for which the supplier is responsible, only those services shall be remunerated which have been rendered in accordance with the contract, are verifiable, complete, and are reasonably usable by WA.
- 19.4. If termination occurs without good cause, WA shall reimburse the supplier for any expenses incurred up to that point that are directly related to the order, including non-cancellable obligations, but not exceeding the contract value. No further claims for performance or damages shall be accepted.
- 19.5. WA expressly reserves all statutory rights of termination and withdrawal as well as any claims for damages.
- 19.6. WA shall retain the rights of use for work performed up to the date of termination.

## 20. INSURANCE

- 20.1. Taking into account the risks associated with its services and means of production, the supplier shall ensure and maintain adequate global insurance coverage, as is customary in line with automotive industry standards (in particular with regard to operating equipment, public liability, and product liability), with respect to its obligations under the relevant agreement and shall provide proof of such insurance upon request by WA.

## 21. TECHNICAL DOCUMENTATION AND RECORDS

- 21.1. Ownership rights and copyrights to any drawings, illustrations, calculations, and other documents ("**Documentation**") provided by WA to the supplier shall remain with WA and shall only be made available to the supplier temporarily for the duration of the supply relationship. The Documentation may not be used for purposes other than the project, reproduced or made accessible to third parties without WA's prior written consent.
- 21.2. The documentation must be returned to WA unsolicited upon completion of the project, at the latest upon expiry of the warranty period. WA may demand the return of the documentation at any time, particularly after termination of the agreement.
- 21.3. The Supplier shall provide WA, at the latest by the time of handover ready for operation in accordance with Section 8.6, with all documents produced for the installation and operation of the production equipment, in particular technical documentation including a maintenance plan and all other documents for operation, maintenance, and repair, in accordance with WA's specifications in the quantity agreed in the specifications and in English and German. These documents shall be updated immediately in the event of changes to the production equipment and are a prerequisite for acceptance in accordance with Section 9. The cost of these documents shall be included in the purchase price.

## 22. SPARE PARTS

- 22.1. The supplier shall provide WA with a spare parts catalogue free of charge for all spare as well as wear and tear parts available for the Production Equipment, including all relevant order data.
- 22.2. The supplier undertakes to supply WA with spare as well as wear and tear parts manufactured by the supplier at the agreed conditions for a period of 10 years after acceptance. If equivalent or higher-quality parts are available, delivery of these or notification of suitable sources of supply shall suffice.
- 22.3. Should circumstances arise that jeopardize the supply of spare parts, the supplier shall inform WA immediately.
- 22.4. The warranty and liability provisions in Section 18 shall apply to spare as well as wear and tear parts delivered. The warranty and any guarantee periods shall commence upon delivery of the respective parts.

## 23. INTELLECTUAL PROPERTY RIGHTS

- 23.1. The supplier must ensure that in connection with the delivery of Production Equipment and with the production process and the intended use of the Production Equipment by WA or customers of WA, no rights, patents or other property rights of third parties, including property right applications (collectively "**Industrial Property Rights**"), are infringed in Germany or other countries, particularly in the European Union, the USA, Canada, Mexico, and Japan. At WA's request, the supplier shall be obliged to confirm that a proper intellectual property rights search has been carried out and to provide evidence of this by submitting suitable documents.



**TERMS AND CONDITIONS OF  
PURCHASE FOR MACHINERY AND  
EQUIPMENT FOR WALDASCHAFF  
AUTOMOTIVE GMBH UND DER WA  
PRODUCTION GMBH**

Version	2
Date:	20.05.2026
Responsible:	B. Dai
Classification:	public

23.2. In the event that WA is held liable by third parties for infringements of property rights, the supplier shall indemnify and hold WA harmless from and against any and all claims by third parties and reimburse WA for any expenses, damages, and costs (including legal costs) incurred by WA, unless the cause was not within the supplier's sphere of control or organization. This shall apply in particular if the supplier has manufactured the Production Equipment in accordance with detailed drawings or models provided by WA and is not aware or, in connection with the products developed by it, does not need to be aware that this infringes any property rights.

23.3. Unless otherwise agreed, WA shall receive a non-exclusive, transferable, perpetual, irrevocable right of use that is unlimited in terms of location and extent of use and free of charge, for all types of use of individual and standard software belonging to or integrated into the Production Equipment. Permitted uses include, but are not limited to, the reproduction, loading, and execution of such software, as well as sublicensing, renting, or otherwise making it available to affiliated companies of WA.

**24. CHANGE OF CONTROL AND RESPONSIBILITY**

24.1. The supplier undertakes to inform WA immediately in writing of any changes in its shareholder structure. This obligation does not apply to listed companies (such as a German stock corporation or a limited partnership on shares).

24.2. In the event of a direct or indirect change in the shareholder structure of the supplier, WA shall be entitled to cancel its orders immediately. The right to cancel may be exercised within a period of four weeks from receipt of the aforementioned information. Such cancellation shall not entitle the Supplier to assert any claims for damages.

24.3. The supplier is not entitled to assign its claims against WA to third parties or have them collected by third parties unless WA has given its written consent. WA is not entitled to refuse its consent unreasonably.

**25. FORCE MAJEURE**

25.1. Events of force majeure include unforeseeable embargoes, natural disasters, riots, wars, epidemics and pandemics, sabotage, strikes, government and official measures, and other comparable unforeseeable events, provided that the event in question has a serious impact on the performance obligations and cannot be averted by appropriate and reasonable measures (such as preventive risk, material and supplier management) by the affected party. However, disruptions or interruptions in the supply chain that are caused by an event of force majeure that do not affect the supply relationship with WA, without additional events and considerations within the supply chain (in particular of a commercial nature), do not constitute force majeure within the meaning of this agreement.

25.2. In cases of force majeure, the affected party shall be released from its obligation to perform for the duration and to the extent of the effects of the force majeure. The supplier is obliged to notify WA immediately in writing if an event of force majeure occurs and must prove whether and how the specific event of force majeure affects the delivery relationship with WA. In such a case, the parties shall endeavor to adjust their performance obligations within the scope of what is reasonable for the duration of the force majeure.


25.3. If the performance disruption caused by force majeure lasts longer than two months, WA shall be entitled to terminate the agreement or withdraw from an order affected by force majeure without incurring any liability towards the supplier or any obligation to purchase raw materials or unfinished goods on the basis of the original order and production release.

**26. CONFIDENTIALITY**

26.1. All information, documents, or data exchanged between the parties or provided by them, or which otherwise become known to the parties upon conclusion or execution of orders or related agreements, shall be considered confidential and may only be used for the purpose of executing the orders. The confidentiality obligation shall not apply to information that is publicly known at the time of disclosure, is already lawfully in the possession of the receiving party, or has been disclosed by third parties in a legally permissible manner.

26.2. Confidential information must be treated as confidential for the period from the provision or disclosure of the confidential information until three years after the end of the warranty period, must not be disclosed to third parties, and must be subject to at least the same measures that the receiving party takes to protect its own confidential information.

26.3. Confidential information may only be disclosed to sub-suppliers or subcontractors and customers who need this information to fulfill the agreements regarding the means of production with WA's express written consent and

 <b>WALDASCHAFF</b> <small>LINGYUN INDUSTRIAL</small>	<b>TERMS AND CONDITIONS OF  PURCHASE FOR MACHINERY AND  EQUIPMENT FOR WALDASCHAFF  AUTOMOTIVE GMBH UND DER WA  PRODUCTION GMBH</b>	Version	2
		Date:	20.05.2026
		Responsible:	B. Dai
		Classification:	public

provided that the respective recipient is subject to a confidentiality obligation comparable to this confidentiality obligation.

26.4. If a confidentiality agreement has been concluded between WA and the supplier, this confidentiality agreement shall take precedence over the provisions of this Section **Error! Reference source not found.** of these TCME.

## 27. COMPLIANCE

27.1. All legal provisions and industry standards applicable to the Production Equipment provided by the supplier must be observed; this also includes provisions relating to the supply chain and the provisions at the place of production and delivery, in the sales markets known to the supplier, and at the supplier's place of business.

27.2. If WA identifies a risk relating to compliance with regulations in the supply chain on the part of the supplier, WA is entitled to demand a contractual assurance that the supplier complies with all legal provisions in the supply chain, particularly with regard to human rights and the environment, and undertakes to provide training and further education in order to enforce this contractual assurance and carry out risk-based controls. The supplier undertakes to cooperate with WA in every respect to prevent violations of the supply chain requirements and to take appropriate corrective measures.

27.3. Any form of money laundering, corruption or bribery by the supplier, whether on the part of the giver or recipient and whether direct or indirect, is prohibited. Participation in human trafficking, child labour or forced labour will not be tolerated. Suppliers must not engage in business practices that violate human rights.

27.4. All applicable laws relating to minimum wages, working hours and occupational health and safety must be adhered to. Discrimination in hiring and employment must be prevented and combated. Employees' working conditions must at least comply with the International Labour Organization's (ILO) conventions.

27.5. The supplier undertakes to observe the legal standards of the country of manufacture, the country of the customer, and all countries of origin in its business operations and to take comprehensive aspects of environmental protection into account. The Code of Conduct adopted by WA takes precedence over the respective provisions of this Section 27.

27.6. Any breach of the principles contained in Section 27 of these TCME or in a Code of Conduct by the supplier or one of its suppliers and/or subcontractors entitles WA to terminate the relevant contract, without prejudice to any further rights. However, if it is possible to remedy the breach of duty, this may only be done after a reasonable period of time has elapsed without result. WA shall also be indemnified and held harmless from all claims, damages, costs, and expenses (including reasonable legal costs) in connection with a breach of duty.

## 28. DATA PROTECTION, DATA AND INFORMATION SECURITY

28.1. All applicable laws and regulations relating to the protection of personal data must be observed, including those concerning the processing of sensitive data. Additional agreements on the processing of such data shall be concluded where necessary.

28.2. The supplier shall be obliged to ensure the availability, integrity, and confidentiality of the information systems used by the supplier in the course of providing the services and of the data provided or made available to the supplier by taking appropriate technical and organizational measures in accordance with industry standards, e.g., in accordance with ISO/IEC 27001 ("Information technology – security techniques – information security management systems – requirements") or within the framework of certification according to the 'TISAX' ("Trusted Information Security Assessment Exchange") model of the German Association of the Automotive Industry (VDA). These requirements also apply to the supplier's communication with WA, regardless of the communication channel used.

## 29. MISCELLANEOUS

29.1. Any amendments or additions to these TCME must be agreed in writing to be valid. The same applies to any waiver of this requirement.

29.2. The entire legal relationship between the parties is governed exclusively by the substantive law of the Federal Republic of Germany. The UN Convention on Contracts for the International Sale of Goods (CISG) does not apply.

29.3. The exclusive place of jurisdiction is the competent courts in Aschaffenburg, Germany.

29.4. Any invalid provisions in the TCME shall not affect the validity of the remaining provisions; the invalid provisions shall be replaced by the parties with a provision that corresponds to the economic purpose of the original provision. The same applies in the event of a loophole.