

General Terms and Conditions of Sale of hGears

§ 1

Scope of the General Terms and Conditions of Sale and Form

- (1) Pursuant to the following provisions, these General Terms and Conditions of Sale ("**Sales GTC**") shall apply to all contracts and business relations (hereinafter referred to as "**Contracts**") of hGears AG, Schramberg or any of its affiliated or subsidiary companies, in particular hGears Schramberg GmbH, Schramberg, hGears Padova S.p.A., Padova, Italy and hGears Suzhou Co., Ltd., Suzhou, China (hereinafter each respectively referred to as "**hGears**") with its customers (hereinafter referred to as "**Customer**") concerning the sale and/or delivery of existing, to be manufactured or to be produced movable Goods ("**Goods**") by hGears. hGears' obligations under the Contracts hereinafter referred to as "**hGears' Service(s)**". The Sales GTC shall only apply if the Customer is an entrepreneur ("**Unternehmer**" according to § 14 German Civil Code ("**BGB**")), a legal entity under public law or a special fund under public law. Insofar as these Sales GTC do not directly alter statutory provisions or exclude their application, the relevant statutory provisions shall complement the Sales GTC.
- (2) These Sales GTC shall also apply to future Contracts without hGears having to refer to them again in each individual case. If hGears amends the Sales GTC and the amended version is provided to the Customer in text form or posted on the hGears website at www.hgears.com, the amended version last provided or posted at the time of the respective order shall apply to any future Contracts.
- (3) These Sales GTC shall apply exclusively; deviating, conflicting or supplementary general terms and conditions of the Customer shall only become part of the Contract if and to the extent that hGears has expressly agreed to their validity. This requirement of consent shall apply in any case, for instance even if hGears does not object to the Customer's general terms and conditions and/or performs the service with knowledge thereof.
- (4) Individual agreements made with the Customer in individual cases (including collateral agreements, supplements and amendments) shall in any case take precedence over these Sales GTC. For the content of such agreements, a written contract or the written confirmation of hGears shall be authoritative.
- (5) Legally relevant declarations and notifications by the Customer with regard to the Contract (e.g. setting of deadlines, notification of defects, withdrawal) shall be made in writing, unless a stricter form is prescribed by law. Insofar as these Sales GTC or the Contract require written form, written or text form (e.g. letter by post, e-mail,) shall be sufficient for this purpose.
- (6) References to the applicability of statutory provisions in these Sales GTC are for clarification purposes only. Even without such clarification, the statutory provisions shall therefore apply unless they are directly amended or expressly excluded in these Sales GTC.

§ 2

Conclusion of Contract

- (1) Offers of hGears are subject to change and non-binding and do not constitute an offer to conclude a contract.
- (2) An order placed by the Customer shall constitute a binding offer to conclude a contract. Unless otherwise stated in the order, hGears shall be entitled to accept this offer of contract within two (2) weeks after receipt by hGears.
- (3) The acceptance may be made either in writing (e.g. by order confirmation) or by implication (e.g. by performance or invoicing).
- (4) The Customer's offer shall specify the details of the respective order, in particular the type and scope of the services, Goods, remuneration and cost specifications. If the Customer does not determine these details, hGears may determine them itself at its equitable discretion.

§ 3

Performance Periods, Performance Dates and Debtor's Delay

- (1) A performance period (e.g. delivery period) or a performance date (e.g. delivery date) shall be agreed individually by the parties or otherwise be specified by hGears when accepting the order.
- (2) hGears shall be entitled to partial performance.
- (3) If hGears is unable to meet a binding performance deadline or a binding performance date for reasons for which hGears is not at fault (non-availability of the performance), hGears shall inform the Customer thereof and at the same time notify the Customer of the expected new performance deadline or the new performance date. If and to the extent hGears' Service is not available within the new performance period or on the new performance date, hGears shall be entitled to withdraw from the Contract in whole or in part. In case of withdrawal, hGears will refund any consideration already paid by the Customer for the part affected by the withdrawal. A case of non-availability of the service in this sense is, in particular, (i) the non-timely or non-contractual performance by hGears' suppliers, if hGears has concluded a corresponding purchase contract while exercising due commercial care and hGears is not at fault, (ii) if the delivery of Goods is economically impossible for hGears or (iii) if hGears' Services are economically unreasonable for hGears.
- (4) Whether hGears is in delay with its performance (e.g. delay of delivery) shall be determined in accordance with the statutory provisions. In any case, however, a written (cf. above § 1 para. 5 Sales GTC) reminder by the Customer shall be required. If hGears is in default of performance, the Customer may only claim for the direct costs caused by delay, capped by 5% of the delayed performance.
- (5) The statutory rights of hGears, in particular in case of an exclusion of the obligation to perform (e.g. due to impossibility or unreasonableness of performance and/or subsequent performance) shall remain unaffected.

§ 4

Delivery, Transfer of Risk

- (1) Unless otherwise agreed in writing between the Customer and hGears, delivery shall be Ex Works (Incoterms 2020) plant of the company on the part of hGears, which has concluded the Contract with the Customer ("**EXW hGears**"), which is also the place of performance for the delivery and any subsequent performance. In case of an agreed delivery address other than EXW hGears and at the expense of the Customer (including packaging), the Goods may be sold EXW hGears but delivered to that address (sale by delivery acc. § 447 BGB, "*Versendungskauf*"). hGears will commission a third party company with the transport. In this case, hGears shall inform the third party of the delivery dates requested by the Customer and shall provide the third party with the Goods packaged as agreed with the Customer and in accordance with its planning for timely delivery.
- (2) The quantities delivered may deviate from the ordered quantities by up to 10%. In the event of a short delivery, there is no entitlement to subsequent delivery of the difference in quantity. additional deliveries are to be remunerated in the same way as the ordered quantities.
- (3) In the case of an agreed sale by delivery, the Customer shall bear the packaging, transport costs from the plant hGears, and the costs of any transport insurance requested by the Customer. Any customs duties, fees, taxes and other public charges shall be borne by the Customer. It shall also be a sale by delivery within the meaning of § 4 para. 1 sentence 2 Sales GTC if hGears does not claim the costs of the transport from the Customer. hGears shall be entitled to determine the type of shipment (in particular transport company, shipping route, packaging) itself.
- (4) The risk of accidental loss and accidental deterioration of the Goods shall transfer to the Customer at EXW hGears. However, in the case of sale by delivery to a place other than the place of performance, the risk of accidental loss and accidental deterioration of the Goods as well as the risk of delay shall transfer to the Customer upon delivery of the Goods to the forwarding agent, the carrier or any other person or institution designated to carry out the shipment.
- (5) If the delivery of hGears is delayed for reasons for which the Customer is responsible, hGears shall be entitled to claim compensation for the resulting damage including additional expenses (e.g. warehouse and storage costs). For this purpose, hGears shall charge a lump-sum compensation in the amount of EUR 2.50 per square meter of storage space per calendar week or part thereof, commencing on the day following the end of the delivery period or the delivery date, or – in the absence of a delivery period and a delivery date – on the day following the notification by hGears that the Goods are ready for shipment. The proof of a higher damage and the legal claims (especially compensation of additional expenses, reasonable compensation, termination) of hGears shall remain unaffected. However, the lump sum is to be credited against further monetary claims. The Customer is allowed to prove that hGears has not suffered any damage at all or only a significantly lower damage than the above lump sum. If the delay according to sentence 1 lasts longer than four (4) months, hGears shall be entitled to invoice the Goods. If the delivery of hGears is further delayed for one (1) month after invoicing for reasons for which the Customer is responsible, hGears shall be entitled to scrap the Goods at the cost of the Customer.

§ 5 **Volumes**

- (1) Unless otherwise agreed between the Customer and hGears in a Contract or otherwise in writing, hGears is not obliged to provide a certain capacity and/or to deliver Goods in a certain volume. hGears remains free to confirm orders or call-offs based on the capacity available, even if the Customer and hGears conclude a framework agreement for a Good.
- (2) If the Customer submits a forecast, then, unless otherwise agreed in the Contract or otherwise in writing, the material release period shall be nine (9) months and the production release period shall be sixteen (16) weeks. hGears shall be entitled to manufacture all quantities of Products forecasted in the production release period and the Customer shall be obligated to purchase and take such quantities. hGears shall be entitled to purchase all raw materials and supplies necessary to produce the quantities of Products forecasted during the material release period, and the Customer shall be obligated to purchase and take such raw materials and supplies at hGears' request at hGears' purchase price plus 10% surcharge, if Customer fails for whatever reasons to purchase and take all the forecasted quantities of Products within the material release period.
- (3) If the Customer submits a forecast, but its orders remain below the forecasted quantities, the following applies in each case in addition to hGears' other rights: In case of reductions of more than 15% on an annual or monthly basis, hGears reserves the right to increase the selling price accordingly; and in case of reduction of more than 30% on an annual or monthly basis, the Customer shall pay hGears' costs and expenses for capacity reservation, in particular the depreciation cost, upon hGears' request.

§ 6 **Force Majeure**

- (1) "**Force Majeure**" means the occurrence of an event or circumstance that prevents hGears from performing one or more of its obligations under the Contract and which is beyond its reasonable control, could not reasonably have been foreseen at the time of entering into the Contract and could not reasonably have been avoided or overcome by hGears.
- (2) In the absence of proof to the contrary, hGears shall be presumed to have suffered Force Majeure in the following events (i) war (declared or undeclared, including the Ukraine war), hostilities, attack, acts of foreign enemies, extensive military mobilization; (ii) civil war, riot, rebellion and revolution, military or other seizure of power, insurrection, acts of terrorism, sabotage or piracy; (iii) currency and trade restrictions, embargo, sanctions; (iv) lawful or unlawful official acts, compliance with laws or governmental orders, expropriation, seizure of works, requisition, nationalization; (v) plague, epidemic, pandemic (including COVID-19 pandemic), natural disaster or extreme natural event; (vi) explosion, fire, destruction of equipment, prolonged failure of transportation, telecommunications, information systems or power; (vii) general labour unrest such as boycotts, strikes and lockouts, slowdowns, occupation of factories and buildings.
- (3) hGears shall promptly notify the Customer of a Force Majeure event and shall then be relieved from its obligation to perform its contractual obligations and from any liability for damages or

any other contractual remedy for breach of contract from the time the impediment makes it impossible for hGears to perform. If the notification is not made immediately, the release shall take effect from the time at which the Customer learns from the Force Majeure even or, at the latest, at which the notification is received by the Customer. If the effect of the asserted impediment or event is temporary, the consequences set forth above shall apply for as long as the asserted impediment prevents hGears from performing under the Contract. If the duration of the asserted impediment has the effect of substantially depriving the parties of that which they had a right to expect by virtue of the contract, either party shall have the right to terminate the Contract by giving notice to the other party within a reasonable time. Unless otherwise agreed, the parties expressly agree that the Contract may be terminated by either party if the duration of the hindrance exceeds 90 days. Customer is however no longer entitled to terminate the Contract, if hGears has announced the ability to deliver within a further 90 days at the latest.

§ 7 **Export**

- (1) In the case of deliveries abroad, 'hGears' performance shall be subject to there being no obstacles to performance due to national or international regulations, in particular export control regulations as well as embargoes or other restrictions. The Customer is obliged to provide all information and documents required for the export/transfer/import of the Goods. Delays due to export inspections or approval procedures shall extend delivery dates and delivery periods of hGears accordingly.
- (2) Insofar as required export/transfer/import approvals are not given, the Customer shall provide another place of delivery where no such permits are required. The delivery dates and delivery periods of hGears shall be extended accordingly (including a reasonable time for organising the change of the place of delivery) and the Customer shall reimburse hGears for all costs and expenses incurred in connection with the delivery to the new place of delivery. If the Customer does not designate a new place of delivery even after being requested to do so by hGears, hGears shall be entitled to invoice the Goods EXW hGears and to charge additional expenses or to scrap the Goods according to § 4 para. 5 Sales GTC. Respective claims for damages or reimbursement of expenses by the Customer are excluded, those of hGears remain unaffected.
- (3) All products subject to export restrictions shall be designated by hGears exclusively for use and retention in the country of delivery agreed upon with the Customer. If the Customer intends to re-export products, he is obliged to comply with the relevant export regulations. The Customer is prohibited from re-exporting products – individually or in system-integrated form – that are in violation of these provisions.

§ 8 **Consultations, Clarifications and Information**

- (1) Information provided by hGears on the Goods (e.g. weights, dimensions, utility values, load capacity, tolerances and technical data) as well as representations of the same (e.g. drawings

and illustrations) shall only serve to individualize the Goods. They are not binding and do not represent an agreed condition ("*vereinbarte Beschaffenheit*") unless this is expressly agreed.

- (2) Insofar as hGears provides advice, in particular technical advice, or clarification or information to the Customer before or after conclusion of the Contract, that hGears is not obliged to provide, hGears shall do so to the best of its knowledge. Unless expressly agreed otherwise, any advice, clarification or information given may not be relied on and may not lead to any obligation or (performance-related) collateral duty.

§ 9

Prices, Price Adjustments and Terms of Payment

- (1) Unless otherwise agreed in individual cases, 'hGears' current prices at the time of conclusion of the Contract shall apply, EXW hGears (see § 4 para. 1 Sales GTC), plus statutory value added tax.
- (2) If the agreed delivery time is more than four (4) months after the conclusion of the Contract and if the costs of the necessary raw materials have changed more than insignificantly since the conclusion of the Contract, then the parties shall agree on a respective price increase prior to delivery.
- (3) The basis for the business relationship and for the Contract is that the performance of the Contract is and remains economical for hGears. If the manufacturing costs for the Goods (e.g. energy, labour cost, general inflation, raw materials, purchased parts) increase beyond the usual level, the parties shall, at hGears' request, agree adequate price adjustments to pass on 100% of these cost increases on to the sales price within a maximum negotiation period of three (3) weeks.
- (4) If the parties do not find a solution within the negotiation period as set forth in above para. 2 or 3, hGears shall have a right of retention after the negotiation period has expired and hGears shall be entitled to refuse deliveries for the time being until the price adjustments have been agreed.
- (5) Deliveries are generally made against advance payment. If this is not legally valid, the payment is due and payable upon performance by hGears, unless otherwise agreed. However, hGears shall be entitled at any time, also within the scope of an ongoing business relationship, to render the services in whole or in part only against advance payment. hGears shall declare a corresponding reservation at the latest with the order confirmation.
- (6) Upon expiry of the payment period agreed upon in accordance with § 9 para. 2 Sales GTC or otherwise, the Customer shall be in default. During the period of default, interest shall be charged on the price at the applicable statutory default interest rate. hGears reserves the right to claim further damages for default. With respect to merchants, hGears' claim to the commercial due date interest rate (§ 353 German Commercial Code ("**HGB**")) shall remain unaffected.
- (7) If after conclusion of the Contract it becomes apparent (e.g. by filing for insolvency proceedings) that hGears' claim to the price is jeopardized by the Customer's lack of ability to pay, hGears shall be entitled to refuse performance in accordance with the statutory provisions and - if necessary after setting a deadline - to withdraw from the Contract (§ 321 BGB). In the case of contracts for the manufacture of non-fungible items (custom-made products), hGears

may declare its withdrawal immediately; the statutory provisions on the dispensability of setting a time limit shall remain unaffected.

§ 10 **Retention of Title**

- (1) hGears shall retain title to the Goods sold until full payment of all present and future claims arising from the Contract ("*Eigentumsvorbehalt*") and an ongoing business relationship with the Customer ("*Kontokorrentvorbehalt*").
- (2) The Goods subject to retention of title may neither be pledged to third parties nor assigned as security before full payment of the secured claims. The Customer shall immediately notify hGears in writing if an application for the opening of insolvency proceedings is filed or if third parties (e.g. seizures) have access to the Goods belonging to hGears.
- (3) In case of breach of contract by the Customer, in particular in case of non-payment of the purchase price due, hGears shall be entitled to withdraw from the Contract in accordance with the statutory provisions and/or to demand surrender of the Goods on the basis of the retention of title. The demand for return does not constitute a declaration of withdrawal from the Contract; rather, hGears is entitled to demand only the return of the Goods and to reserve the right of withdrawal. If the Customer does not pay the due purchase price, hGears may only assert these rights if hGears has first unsuccessfully set the Customer a reasonable deadline for payment or if a withdrawal without setting a deadline would be permissible according to the statutory provisions.
- (4) Until revoked in accordance with c) below, the Customer is authorized to resell and/or process the Goods subject to retention of title in the ordinary course of business. In this case, the following provisions shall apply in addition.
 - a) The retention of title shall extend to the products resulting from the processing, mixing or combining of the Goods at their full value, in which case hGears shall be deemed to be the manufacturer. If in case of processing, mixing or combining with Goods of third parties their right of ownership remains, hGears shall acquire co-ownership in proportion to the invoice values of the processed, mixed or combined Goods. Otherwise, the same shall apply to the resulting product as to the Goods delivered under retention of title.
 - b) The Customer hereby assigns to hGears by way of collateral all claims against third parties arising from the resale of the Goods or the product in total or in the amount of hGears' co-ownership share, if any, in accordance with the preceding paragraph.
 - c) The Customer shall remain authorized to collect the claim in addition to hGears. hGears undertakes not to collect the claim as long as the Customer meets its payment obligations towards hGears, there is no deficiency in its ability to pay and hGears does not assert the retention of title by exercising a right according to paragraph 3. If this is the case, however, hGears may demand that the Customer discloses the assigned claims and their debtors, provides all information necessary for collection, hands over the relevant documents and informs the debtors (third parties) of the assignment. Furthermore, hGears is entitled in this case to revoke the Customer's authorization to further sell and process the Goods subject to retention of title.

- (5) If the realizable value of the securities exceeds the claims of hGears by more than 10 %, hGears shall release securities of hGears' choice upon the Customer's request.

§ 11

Claims for Defects of the Customer

- (1) The statutory provisions shall apply to the Customer's rights in the event of material ("Sachmangel") and defects of title ("Rechtsmangel") (including wrong delivery and short delivery as well as improper assembly, defective assembly, operating or operating instructions), unless otherwise stipulated below.
- (2) The special statutory provisions for supplier's recourse pursuant to §§ 445a, 445b, 478 BGB shall remain unaffected in the case of final delivery of the unprocessed Goods to a consumer, even if the consumer has processed them further.). Customer's claims arising from supplier's recourse shall be excluded if the defective Goods have been further processed by the Customer or another entrepreneur in the supply chain, e.g. by incorporation into another product. Customer's claims for damages arising from supplier's recourse shall be subject to Sec. 11 below.
- (3) Insofar as the quality has not been agreed, it shall be assessed in accordance with the statutory regulation whether a defect exists or not (§ 434 para. 3 BGB). However, hGears shall not be liable for public statements of the manufacturer or other third parties (e.g. advertising statements) that the Customer has not indicated to hGears as being decisive for the purchase.
- (4) If the Goods meet the agreed specifications, they are considered free of defects.
- (5) hGears is not responsible for the design or development of the Goods or for ensuring that the Goods are fit for purpose for the Customer. The assumption of development responsibility by hGears requires an express agreement.
- (6) The Customer's claims for defects shall be subject to the Customer having complied with its statutory obligations to examine the Goods and having given notice of defects (§§ 377, 381 HGB). In the case of Goods intended for further processing or installation, an inspection must be carried out in any case before processing or installation. If a defect becomes apparent upon delivery, inspection or at any later time, hGears shall be notified thereof in writing without delay. In any case, hGears shall be notified in writing of obvious defects within five (5) calendar days from delivery and defects not apparent upon inspection within the same period from discovery.
- (7) If a defect or a possible defect becomes apparent during the processing or treatment of the Goods or if a case of damage or a possible case of damage which could be (partly) caused by a defect in the Goods becomes apparent, the Customer shall notify hGears immediately by telephone while the Goods are still being processed or treated. The Customer shall also immediately give hGears the opportunity to comment on any discontinuation or continuation of the processing. In addition, the information must be sent to hGears in writing within two (2) calendar days after discovery of the defect.
- (8) If the Customer fails to provide a timely and proper notice of defect in accordance with the above § 11 para. 6 and/or 7 Sales GTC, hGears shall not be liable for the defect not reported and/or not reported in a timely or proper manner.

- (9) If the delivered item is defective, hGears has the choice to either provide subsequent performance ("Nacherfüllung") by remedying the defect (rectification, "Nachbesserung") or by delivering a non-defective item (replacement, "Ersatzlieferung"). hGears' right to refuse subsequent performance under the statutory conditions shall remain unaffected.
- (10) hGears shall be entitled to make the subsequent performance owed dependent on the Customer paying the purchase price due.
- (11) The Customer shall give hGears the time and opportunity required for the subsequent performance owed, in particular to hand over the Goods complained about for inspection purposes. In the event of a replacement delivery, the Customer shall return the defective item to hGears in accordance with the statutory provisions. The subsequent performance shall neither include the removal of the defective item nor re-installation.
- (12) hGears shall bear its own expenses necessary for the purpose of subsequent performance, in particular transport, travel, labour and material costs. The Customer shall bear its own respective expenses and costs. If a Customer's notice of defect is unjustified, hGears may demand reimbursement of the costs incurred as a result of the unjustified request for rectification of the defect, unless the lack of defectiveness was not apparent to the Customer.
- (13) intentionally left blank
- (14) The Customer's statutory claims for damages or reimbursement of futile expenses due to defects shall not be governed by the above provisions, but by § 12 Sales GTC.

§ 12

Liability for Damages

- (1) hGears' liability for a breach of contractual and non-contractual obligations shall be in accordance with the statutory provisions, whereby liability for damages and reimbursement of expenses - irrespective of the legal grounds - shall be subject to the restrictions set forth in the following paragraphs.
- (2) hGears shall only be liable for damages if hGears has caused such damages intentionally or by gross negligence or if hGears has negligently breached a material contractual obligation (cf. para. 3). hGears shall be liable in the event of a breach of material contractual obligations due to simple negligence only for the foreseeable damage typical for the contract at the time of the conclusion of the Contract. Liability for damages caused by the breach of non-essential contractual obligations due to simple negligence is excluded.
- (3) "hGears **Material contractual obligations**" within the meaning of the above para. 2 are obligations that protect the Customer's legal positions material to the Contract, which the Contract is intended to grant to the Customer according to its content and purpose; furthermore, material contractual obligations are obligations whose fulfilment makes the proper execution of the Contract possible in the first place and on whose fulfilment the Customer has regularly relied and may rely.
- (4) To the extent permitted by applicable law hGears shall not be liable to Customer, whether under any provision of the Contract, in tort, contract or otherwise, for any consequential, indirect, punitive, exemplary or incidental damages, losses or expenses (including, without limitation, lost profits and lost business opportunities). Further, hGears' aggregate liability under the Contract (including, without limitation under warranties, indemnities or misrepresentation)

shall be limited to the amount of the insurance coverage by hGears or to the overall Contract volume, whichever is less.

- (5) The exclusion of liability and the limitation of liability according to before para. 1-4 shall not apply insofar as hGears has fraudulently concealed a defect or has assumed a (quality) guarantee. Furthermore, the exclusions and limitations of liability shall not apply to damages to life, body or health or in other cases of mandatory unlimited liability.
- (6) The above liability provisions shall also apply in case of breaches of duty by or in favour of persons whose fault hGears is responsible for according to statutory provisions.

§ 13

Statute of Limitations

- (1) Claims for damages by the Customer (i) under the Product Liability Act, (ii) for damage to life, body or health and (iii) for damage resulting from intent or gross negligence shall be subject exclusively to the statutory limitation periods. In all other respects, the statute of limitations for claims by the Customer shall be governed by the statutory provisions, unless otherwise provided below.
- (2) In deviation from § 438 para. 1 no. 3 BGB, the general limitation period for claims arising from material defects and defects of title shall be one (1) year from delivery.
- (3) Special statutory provisions on the limitation period (in particular § 438 para. 3, § 444 and § 445b BGB) shall remain unaffected.
- (4) The above limitation periods shall also apply to contractual and non-contractual claims for damages of the Customer subject to the regular statutory limitation period (§§ 195, 199 BGB) which are based on a defect of the Goods, unless the application of the regular statutory limitation period would lead to an earlier limitation period in the individual case.

§ 14

Property Rights

- (1) hGears shall retain title and copyright to all offers and cost estimates submitted by hGears as well as to all drawings, illustrations, calculations, brochures, catalogues, models, tools and other documents, aids and data made available to the Customer. The Customer may not make these items and data accessible to third parties, disclose them, use them itself or through third parties or reproduce them without the express consent of hGears, neither as such nor in terms of content or in extracts.
- (2) Upon hGears' request, the Customer shall return such items in their entirety to hGears and destroy any copies made if they are no longer required by the Customer in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. The Customer undertakes not to remove manufacturer's information, in particular copyright notices, or to change them without the prior consent of hGears.

§ 15

Set-off, Right of Retention

The Customer may only offset or derive a right of retention from counterclaims that have been acknowledged and not disputed by hGears, or have been established by a court of law.

§ 16

Compliance

- (1) The Customer undertakes to perform the Contract in compliance with all legal requirements. The Customer shall at all times comply with all applicable laws, ordinances, regulations, and governmental and official requirements, in particular those relating to money laundering, corruption, import and export control export control, criminal law, tax and customs regulations, as well as labour and social security obligations, including the minimum obligations, including the Minimum Wage Act.
- (2) The Customer assures that he has not committed or will not commit any unlawful and/or impermissible acts, nor has he supported or will he support such acts, either directly or indirectly, in connection with the conclusion or within the scope of the performance of this Contract. He is obligated to inform hGears immediately in writing if he learns of a possible violation of sentence 1.
- (3) If the Customer seriously and culpably violates a provision of this § 16 and if this makes it unreasonable for hGears to adhere to the Contract, hGears shall be entitled to withdraw from the Contract or to terminate the Contract, in each case with immediate effect or with a period of notice determined by hGears. hGears shall also have such a right if it is informed of facts which give rise to a reasonable suspicion of a not merely insignificant breach of the provisions set forth in this § 16, and the Customer is not in a position to dispel such suspicion within a reasonable period of time set by hGears on the basis of provable facts. The prerequisite for hGears to exercise its rights in this case is also that hGears can no longer reasonably be expected to adhere to the Contract.

§ 17

Confidentiality

- (1) The Customer undertakes not to disclose to third parties or use for his own purposes any business, operational or technical matters, processes and information entrusted to him or otherwise becoming known to him which relate to hGears or hGears group companies and which are only accessible to a limited group of persons and which hGears does not wish to become known to the general public. This applies in particular to hGears' strategic plans, customer and other contractual relationships, financial statements, marketing strategies, plans or analyses of market potential and investment opportunities, information on the hGears' sales, profits, performance, financing, personnel and human resources planning.
- (2) The Parties acknowledge that as a result of the stock exchange listing of hGears AG certain Confidential Information that is considered price sensitive may qualify (in whole or in part) as inside information according to article 7 Regulation (EU) No 596/2014 of the European

Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC ("the Market Abuse Regulation").

§ 18

Governing Law and Place of Jurisdiction

- (1) These Sales GTC and the contractual relationship between hGears and the Customer shall be governed by the substantive law of the Federal Republic of Germany, excluding the law on conflicts of law and international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.
- (2) Exclusive - also international - place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is the registered office of the company on the part of hGears, which has concluded the Contract with the Customer. However, hGears shall also be entitled in all cases to bring an action at Stuttgart, Germany or at the place of performance of the obligation to perform in accordance with these Sales GTC or a prior individual agreement or at the general place of jurisdiction of the Customer. Overriding statutory provisions, in particular on exclusive jurisdiction, shall remain unaffected.

§ 19

Severability Clause

Should any provision of these Sales GTC be or become invalid, the Sales GTC shall nevertheless remain in force in all other respects. hGears and Customer are obligated to reach an agreement in due form that corresponds to the meaning and purpose of the invalid provision. The same shall apply if a provision proves to be unenforceable or if a gap arises that requires regulation.

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