

## General Terms and Conditions (GTC) of Cenntro Automotive Europe GmbH

### A Scope of application, applicable law, place of jurisdiction, contract language

1. Unless the parties, which are both entrepreneurs within the meaning of Section 14 German Civil Code (BGB), have agreed otherwise in writing, all deliveries, services and offers made or provided by the suppliers of Cenntro Automotive Europe GmbH, and the suppliers of any affiliated companies of Cenntro Automotive Europe GmbH within the meaning of Section 15 et. seq. Joint Stock Companies Act (AktG) which have their registered offices in Germany (hereinafter referred to as: "Cenntro") are governed by these General Terms and Conditions (hereinafter referred to as "GTC"). They also apply to all future deliveries, services or offers made or provided to Cenntro, even if they are not specifically agreed on in each case. Unless otherwise agreed, these GTC are also an integral part of all contracts which Cenntro concludes with its suppliers regarding the deliveries they make and the services they provide.
2. The terms and conditions of the supplier and third parties do not apply even if Cenntro does not explicitly reject their application in the individual case. Even if Cenntro makes reference to a written document which contains or makes reference to the supplier's or a third party's terms and conditions, this does not constitute its agreement to the application of those terms and conditions.
3. The law of the Republic of Germany applies exclusively to the GTC and all legal relationships and contracts concluded between Cenntro and the supplier, excluding its conflicts of laws provisions and the UN Convention on Contracts for the International Sale of Goods (CISG).
4. Unless otherwise agreed, the contract language for the entire business- and legal relationship between Cenntro and the supplier is German.

### B Orders and contracts, sub-contracting

1. All offers made by Cenntro are non-binding, unless they have been expressly designated as binding or contain a specific lock-in period. If offers made by Cenntro do not explicitly specify a lock-in period, Cenntro is bound by the offer for a week running from the date of the offer. The receipt of the supplier's declaration of acceptance by Cenntro is decisive for timely acceptance. Cenntro does not waive the receipt of a declaration of acceptance pursuant to Section 151 German Civil Code.
2. Cenntro is entitled to change the scheduled time and place of the delivery and the type of packaging to be used at any time by giving a notification in writing or in text form, but at least 5 calendar days before the agreed delivery date. The same applies for changes to product specifications, provided that these can be implemented as part of the supplier's normal production process without significant additional costs accruing; in such cases, the notification period under the above paragraph will be at least 10 calendar days.

Cenntro will only reimburse additional costs if they are reasonable and can be proven. If these changes result in delays in deliveries which cannot be avoided using reasonable efforts as part of the supplier's normal production- and business operations, the originally agreed delivery date will be postponed accordingly. The supplier will notify Cenntro in writing or text form of any additional costs or delays in delivery which – according to its prudent estimation – are to be expected, in good time before the delivery date, but in any case within 3 working days of Cenntro receiving the notification in writing or text form pursuant to the above sentence 1 of this Section B No. 2 of these GTC.

3. The supplier is only entitled to delegate its delivery obligations towards Cenntro to a sub-contractor with Cenntro's express consent. Cenntro may only refuse this consent for a compelling reason, e.g. if the sub-contractor

is a competitor of Cenntro.

**C Prices, payment terms, invoice information, off-setting and retention**

1. The price stated in the order is binding.
2. In the absence of a written agreement stipulating otherwise, the price includes the delivery and transport to the shipping address stated in the contract, plus packaging and insurance of the goods.
3. If the agreement states that the price does not include packaging and/or insurance and the costs of the (borrowed) packaging and/or insurance has not been expressly defined, this must be calculated according to the verifiable cost price. Upon Cenntro's request, the supplier must take back the packaging at its own expense.
4. Unless otherwise agreed, Cenntro will pay the purchase price with a 3% discount within 14 calendar days (or net within 30 calendar days) of the delivery of the goods and receipt of a proper invoice which, in particular, complies with the applicable tax law requirements.
5. The order number, the article number, the volume of goods delivered, the shipping address and the relevant bank details must be specified in all contract confirmations, delivery papers and invoices of the supplier. If one or several of these pieces of information are missing or stated incompletely and this results in processing by Cenntro being delayed in the course of our normal business operations, the payment periods stated in Section C No. 4 of these GTC will be extended by the period of the delay. The information provided by the supplier pursuant to Section C. No. 5 Sentence 1 of these GTC are deemed correct and binding, if and to the extent that the supplier does not notify anything different in writing or in text form to Cenntro.
6. In the event of payment default, Cenntro must pay default interest at the rate of nine percentage points above the

base rate pursuant to Section 247 German Civil Code.

7. The supplier may only offset against Cenntro's claim if the counterclaim of the supplier is undisputed or has been established with legal effect. The supplier may only enforce a right of retention if this is based on claims arising from the same contractual relationship and such claims are also undisputed or have been established with legal effect.

**D Quality, time of delivery and delivery, transfer of risk, assignment**

1. The supplier must comply with the latest state of the art, all safety regulations and other relevant statutory or official regulations and the agreed technical data with regard to its deliveries. For materials (substances, preparations) and objects (e.g. goods, parts, technical devices, empties) which, due to their nature, properties or condition, may pose a risk to the life, body or health of humans, to the environment as well as to other objects and which therefore, due to statutory provisions, require special treatment with regard to packaging, transport, storage, handling and disposal, the supplier will provide a fully completed safety data sheet in accordance with the applicable Ordinance on Hazardous Substances to Cenntro together with the offer. If changes are made to the materials or items or to the legal framework, the supplier will provide Cenntro with updated data sheets without being requested to do so.
2. The delivery time stated in the order (delivery deadline or schedule) is binding. Premature deliveries are not permitted, unless otherwise agreed.
3. The supplier must inform Cenntro without delay in writing or in text form if circumstances occur or become evident which mean that the delivery schedule cannot be complied with.
4. If the day by which the delivery must be made can be determined according to the contract, the supplier will enter into default at 12 midnight on this day; Cenntro does

not have to issue any warning.

5. In the event of default on delivery, Cenntro will have all the resulting statutory rights without restriction (including the right of withdrawal and a claim to damages instead of performance) after the expiry of a reasonable grace period for performance which Cenntro has set in writing or in text form.
6. In the event of delays in delivery, subject to having issued a warning or a proviso to the supplier in writing or text form in the individual case, Cenntro may demand a contractual penalty of 0.5% of the contract price for each week commenced of delivery default, but limited to a total of 5% of the contract price. Any contractual penalty paid will be credited towards the default damages which the supplier must pay. Cenntro expressly reserves the right to enforce the contractual penalty at any time until the final payment is made.
7. The supplier is not permitted to make partial deliveries, unless otherwise expressly agreed.
8. If shipping to Cenntro has been agreed, the risk will transfer to Cenntro when the goods are handed over to Cenntro at the agreed place of destination during the opening hours.
9. The supplier is not entitled to assign its claims under the contractual relationship to third parties without the prior written consent of Cenntro.

#### **E Retention of title**

1. Cenntro retains title or the copyright in all orders and contracts as well as any drawings, diagrams, calculations, specifications and other documents which have been provided to the supplier. Without the express consent of Cenntro, the supplier is not entitled to make them accessible to third parties, or disclose them, or use or duplicate them, or allow them to be used or duplicated by third parties. The supplier must return these documents and any copies thereof in full to Cenntro upon

Cenntro's request if they are no longer required by the supplier for its ordinary business operations or if negotiations do not result in the conclusion of a contract. In such cases, any copies of such documents which the supplier has made must be destroyed, apart from those documents which must be retained according to statutory retention obligations and data which is saved as part of the usual back-up procedures.

2. Tools, equipment and models which Cenntro has provided to the supplier, or which are made for the purposes of the contract and are charged to us separately by the supplier will remain the property of Cenntro or become Cenntro's property. They must be marked as the property of Cenntro by the supplier, stored carefully, protected against damage and losses of any kind and only used for the purposes of the contract. The supplier will inform Cenntro without undue delay of any non-minor damage and losses to these items. Upon request, the supplier must surrender these items to us in a proper condition if they are no longer required by the supplier to perform the contracts concluded with Cenntro.
3. Retention of title clauses in favour of the supplier only apply if they relate to Cenntro's payment obligations for the respective products in which the supplier has retained title. Any broader or longer retention of title clauses are excluded.

#### **F Guarantees**

1. In the event of defects (whether they are legal or material defects), Cenntro has the statutory guarantee rights without restriction. However, the guarantee period is 36 months, unless otherwise expressly agreed.
2. Any deviations in terms of quality or quantity (material defects) are deemed to have been notified in a timely manner if Cenntro notifies them to the supplier within 7 working days of the receipt of the goods by Cenntro. Any latent defects are deemed to have been notified in a timely manner if the notification is made to the supplier

within 5 working days of the defect being discovered.

3. Cenntro does not waive its guarantee claims by accepting the goods or by approving designs or samples of the supplier's goods.
4. The statute of limitations for the guarantee claims stops running when the supplier receives the written notification of the defect until such time as the supplier rejects such claims or declares the defect to have been remedied or otherwise refuses to continue negotiations on the claims. If substitute goods are delivered or the defect is rectified, the guarantee period will start to run again for any parts which have been replaced or which have been repaired.
5. Cenntro is entitled to withhold an amount of at least 5% of the agreed remuneration as collateral for guarantee claims until the expiry of the guarantee period, provided that the supplier has not provided other collateral with the same value according to Sections 232 et. seq. German Civil Code.
6. In the event of fraudulent concealment or falsification of defects, or if certain characteristics have been guaranteed or warranties given, further claims of Cenntro due to defects are unaffected.

#### **G Liability, product liability, insurance**

1. The supplier's liability on the merits and in terms of the amount is governed by the statutory provisions, unless otherwise stated in Section F (concerning guarantees) and in this Section G (concerning product liability).
2. The supplier is fully liable for all claims asserted by third parties for personal injury or property damage, regardless of their type or legal basis, which are attributable to a defective product which it has supplied. The supplier is also obliged to fully release Cenntro from any liability which may arise from this. If Cenntro is obliged to recall goods from third parties due to a defect in a product delivered by the supplier, the supplier will bear all the costs associated with the recall.

3. The supplier is obliged to take out and maintain at its own expense public liability insurance with a coverage of at least €10 million and which covers at least the conventional product liability risk. If it has a legitimate interest, Cenntro may also request greater coverage (e.g. extended product liability; cover for costs of product recalls, financial loss liability). Upon Cenntro's request, the supplier will provide Cenntro with a confirmation of insurance no more than 3 months old.

#### **H Industrial property rights**

1. The supplier warrants that no industrial property rights of third parties are infringed in countries of the European Union or other countries in which it manufactures or distributes products (or has them manufactured or distributed) in relation to its deliveries.
2. The supplier is obliged to indemnify Cenntro against all claims asserted by third parties against Cenntro on account of the infringement of industrial property rights referred to in Clause H. No. 1 of these GTC and to reimburse Cenntro for all necessary expenses in connection with such claims. This claim exists irrespective of any fault on the part of the supplier, unless the supplier proves that it is not responsible for the infringement of the property right and that it would not have been aware of this at the time of delivery even if it had exercised due care.

#### **I Spare parts**

1. Unless otherwise agreed, the supplier must keep spare parts for the products delivered to Cenntro in stock for at least 10 years after the delivery.
2. If the supplier intends to discontinue the production of spare parts for the products delivered to Cenntro, to sell them or give them away to third parties or to move them to another location, the supplier will inform Cenntro of this without undue delay upon the relevant decision being made, provided that this is permitted by law. If production is to be discontinued, this decision must be made at least

6 months before the production is due to be discontinued.

**J Term of contract, termination**

1. Unless the parties have agreed on a certain contractual term in the contract, the contract is deemed to have been concluded for an indefinite period.
2. Cenntro may terminate the contract extraordinarily with immediate effect for a compelling reason. Compelling reasons in this context include:
  - The supplier failing to make deliveries when due, or otherwise entering into default, or ceasing to make deliveries, or if insolvency proceedings are opened over the supplier, or an application to open similar proceedings according to the law is made, or other similar proceedings are opened, or the proceedings are not opened due to a lack of assets;
  - The supplier fails to discharge an obligation imposed upon it by contract or statute, despite the expiry of a reasonable grace period for performance or the issue of a warning;
  - The supplier's ownership and shareholding structure changes and it is not reasonable for Cenntro to continue the cooperation in view of the supplier's credit rating or reliability or for reasons relating to competition, for example if one of Cenntro's competitors acquires shares in the supplier company.
3. The exercise of the right to terminate does not affect any of Cenntro's other rights or claims.
4. Notices of termination must be given in writing. The receipt of the termination notice by the other party is authoritative.

**K Confidentiality**

1. The supplier must keep the terms of the order and all information and documents provided for this purpose (apart from any information which is in the public domain) confidential for a period of 5 years after the conclusion of the contract and only use them for the purposes of executing the order. The supplier will return this information and these documents to Cenntro promptly upon its request after the enquiries have been dealt with or after the order has been executed. They remain the property of Cenntro. Neither the information nor the documents may be provided or otherwise disclosed to third parties and may only be used for the purposes of making deliveries to third parties with the written consent of Cenntro.
2. Without the prior express consent of Cenntro, the supplier is not permitted to refer to the business relationship with Cenntro in any advertising materials, brochures, online or in other media and may not provide any delivery items which have been made for Cenntro.
3. The supplier must ensure that its sub-suppliers are committed to identical confidentiality obligations as those set out in this Section K of the GTC.

**L Partial nullity, loopholes**

If a provision of these GTC or a provision in another agreement is or becomes invalid or unenforceable, this does not affect the validity of the other provisions or agreements. Instead of the invalid or unenforceable provision, a legally permitted provision will apply which comes as close as possible to the economic purpose of the invalid or unenforceable provision. To close any loopholes which these GTC may contain, a valid provision is deemed to have been agreed which the contracting parties would have agreed on according to the economic objectives of the contract and the purpose of these GTC, had they known of this loophole.

**M Place of fulfilment, place of jurisdiction**

The place of fulfilment for both parties and the exclusive place of jurisdiction for all disputes which arise from this contractual relationship between the supplier (provided that the supplier is a merchant, a public law entity or a special fund under public law, or does not have any place of general jurisdiction within the Federal Republic of Germany) and Cenntro is the location of the registered office of the company belonging to the Cenntro group which has bought/ordered the goods forming the subject matter of the dispute. This does not affect any mandatory provisions of law stipulating an exclusive place of jurisdiction.

**Please note:**

The supplier acknowledges that Cenntro collects, uses, stores and processes data relating to the contractual relationship in accordance with the European General Data Protection Regulation (EU-GDPR) for the purposes of data processing as part of the negotiation, execution, settlement and termination of the contractual relationship. Cenntro reserves the right to transmit the data to third parties (e.g. insurers) if this necessary to perform the contract.

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