

## General Conditions of Purchase

### **1. General – Scope of Application**

- 1.1 Our Terms and Conditions of Purchase apply exclusively; they apply, among other things, but not exclusively, to production materials and spare parts.
- 1.2 We do not accept any terms and conditions of the Supplier that conflict with or deviate from our Terms and Conditions of Purchase, unless we have expressly agreed to their validity in writing. Our Terms and Conditions of Purchase also apply if we accept the Supplier's delivery without reservation in the knowledge of the Supplier's terms and conditions conflicting with or deviating from our Terms and Conditions of Purchase.
- 1.3 All agreements made between us and the Supplier for the purpose of executing this contract must be set out in writing in this contract. Amendments and additions must be made in writing. The written form also includes electronic communication with a qualified electronic signature or EDI messages, insofar as legally permissible.
- 1.4 Our Terms and Conditions of Purchase apply vis-à-vis entrepreneurs pursuant to § 14 of the German Civil Code („BGB“).
- 1.5 These Terms and Conditions of Purchase also apply to all future orders and contractual relationships between the Supplier and us.

### **2. Offer – Offer Documents**

- 2.1. The Supplier is obliged to accept our order within a period of two (2) weeks.
- 2.2. We reserve property rights and copyrights to illustrations, drawings, calculations, and other documents; they may not be made accessible to third parties without our express written consent. They are to be used exclusively for production based on our order; after completion of the order, they are to be returned to us unsolicited. They must be kept confidential from third parties; in this respect, the provision of 11.5 will apply additionally.
- 2.3. We may, within the limits of what is reasonable for the Supplier, demand changes to the construction and execution of the delivery item. In this context, the effects, in particular with regard to additional and reduced costs as well as delivery dates, must be agreed upon mutually in a reasonable manner.
- 2.4. Upon request, preferably in writing, the Supplier must name its main subcontractors to us; we reserve a limited right of audit, which must be exercised announced and during normal business hours.
- 2.5. The Supplier undertakes to comply with recognized IT security standards in the management and transmission of quotations and production documents, at least equivalent to ISO 27001.

### **3. Prices – Terms of Payment – Invoices – Warranty**

- 3.1. The price stated in the order is binding. Unless otherwise agreed in writing, the price includes delivery “free domicile” (“frei Haus”), including packaging. The return of packaging requires a special agreement.
- 3.2. Unless otherwise stated in the order, statutory value added tax is included in the price.
- 3.3. Only properly issued invoices can be processed. The invoice must show the order number and date, the delivery note number and date, and the quantity of goods invoiced, as well as all information required by law. Incorrect or incomplete invoices must be corrected without undue delay; payment terms begin upon receipt of the correct invoice. The Supplier is responsible for all consequences arising from non-compliance with this obligation, unless they can prove that they are not responsible for them. Interest on arrears must be calculated in accordance with the statutory provisions of the BGB.
- 3.4. Unless otherwise agreed in writing, we will pay the purchase price within 14 days of delivery and receipt of a proper invoice, either with a 2% discount, or net within 30 days of receipt of a proper invoice.
- 3.5. In the event of a defective delivery, we are entitled to withhold payment in proportion to the value until proper performance has been rendered. In all other respects, we must be entitled to set-off and retention rights to the extent permitted by law.
- 3.6. Warranty and notification of defects: The warranty period is 24 months from the transfer of risk („*Gefahrübergang*“), unless longer periods are mandatory by law. Obvious defects must be reported in writing within five (5) working days, hidden defects within 14 days of discovery. Our statutory claims for defects remain unaffected.

### **4. Confidentiality – Data Security – Subcontractors**

- 4.1. The contracting parties undertake to treat as trade secrets any not-apparent commercial and technical details that become known to them through the business relationship. Drawings, models, templates, samples, or similar items may not be disclosed to unauthorized third parties or otherwise made accessible. The reproduction of such items is only permitted within the scope of operational requirements and legal provisions. Subcontractors must be obliged to comply accordingly. In all other respects, 11.5 and 2.2 apply.
- 4.2. The Supplier undertakes to comply with appropriate technical and organizational measures for the protection of confidential information, at least equivalent to ISO 27001. At the completion of the contract, all confidential documents must be deleted from all systems or destroyed within 30 days and the deletion must be confirmed to us in writing, unless this conflicts with statutory retention obligations.

### **5. Delivery Time – Delay – Force Majeure**

- 5.1. The delivery time specified in the order is binding. The decisive factor for compliance with the date of delivery is the receipt of the goods by the customer. If, in exceptional cases, delivery is not agreed to be “free domicile,” the Supplier must provide the goods in good time, taking into account the usual time required for packaging and shipping.

- 5.2. The Supplier is obliged to inform us without undue delay in writing if circumstances arise or become apparent to them which indicate that the agreed delivery time cannot be met.
- 5.3. In the event of a delay in delivery, we are entitled to the statutory claims. In particular, we are entitled, after the fruitless expiry of a reasonable time period, to demand damages in lieu of performance ("*Schadenersatz statt der Leistung*") and withdrawal from the contract. If we claim damages, the Supplier has the right to prove to us that they are not responsible for the breach of duty.
- 5.4. Force majeure: In the event of force majeure, mutual obligations are suspended to the extent necessary to eliminate the cause. If the disruption lasts longer than 60 days, each party is entitled to terminate the contract in whole or in part. Delivery times are extended accordingly; the party affected by the force majeure must inform the other party without undue delay and examine reasonable remedial measures.

## **6. Transfer Of Risk – Documents – Labeling**

- 6.1. Unless otherwise agreed in writing, delivery will be made "free domicile".
- 6.2. The Supplier is obliged to state our order number accurately on all shipping documents and delivery notes; if they fail to do so, we are not responsible for any delays in processing.
- 6.3. The Supplier must package and label goods in such a way as to ensure proper identification and processing; special labeling requirements (e.g., hazardous goods) must be observed. Transport insurance must be maintained by the Supplier, unless otherwise agreed in writing.

## **7. Quality – Documentation**

- 7.1. The Supplier complies with technology codes of practice ("*anerkannte Regeln der Technik*"), the relevant laws, regulations, regulations on environmental protection and accident prevention, regulations on packaging, the safety regulations and the agreed technical data for its deliveries. For the initial sample inspection, reference is made - insofar as relevant and applicable - to the Automotive Industry Association ("*VDA*") document "*Sicherung der Qualität von Lieferungen – Lieferantenauswahl – Produktionsprozess und Produktfreigabe – Qualitätsleistung in der Serie*", ("*Assuring the Quality of Deliveries - Supplier Selection - Production Process and Product Release - Quality Performance in Series Production*"), Frankfurt am Main, 1998. The quality of the delivery items must be constantly checked by the Supplier; the contracting parties must inform each other about possibilities of quality improvement.
- 7.2. The Supplier must record in its quality records for all products when, how, and by whom the defect-free manufacture of the deliveries was ensured. The retention period of 15 years applies only insofar as this is required by law or is product-specific. The Supplier must keep digital evidence safe and submit it to us within 10 working days upon request. The retention period may be shortened if the Supplier can rule out any risk to life and health when using the products. Sub-suppliers must be obliged to comply accordingly. As a guide, reference is made to the VDA publication "*Nachweisführung - Leitfaden zur Dokumentation und Archivierung von Qualitätsforderungen*" ("*Verification - Guideline for documentation and archiving of quality claims*"), Frankfurt am Main, 1998.

- 7.3. Insofar as authorities are competent to demand insight into our production process and test documents for the purpose of verifying certain requirements, the Supplier agrees to grant the same rights in its own business and to provide all reasonable support in this regard.
- 7.4. Audit rights: We are granted reasonable, pre-announced audit rights at Suppliers and relevant sub-suppliers; emergency audits are permitted in cases of concrete suspicion. The scope of the audit and the confidential treatment of the results must be agreed in advance; the costs of regular audits are generally borne by the Purchaser, unless a significant defect is found, in which case the Supplier bears the audit-related costs.

## **8. Defect Inspection – Liability for Defects**

- 8.1. We must notify the Supplier without undue delay in writing of any defects in the delivery as soon as they are discovered in the normal course of business; we will give notice of defects („*Mängelrüge*“) without undue delay. In this respect, the Supplier waives the objection of late notification of defects („*verspätete Mängelrüge*“). The legal consequences are governed by the statutory provisions of the BGB.
- 8.2. We are entitled to the full statutory claims for defects; in any case, we are entitled to demand that the Supplier remedy the defect or deliver a new item at our discretion. The right to compensation, in particular the right to compensation in lieu of performance („*Schadenersatz statt der Leistung*“), is expressly reserved.
- 8.3. We are entitled to remedy the defect ourselves at the Supplier's expense if there is imminent danger („*Gefahr im Verzug*“) or particular urgency. The Supplier bears the costs of testing if a defect is found; in the case of justified defects, the Supplier also bears the costs of dismantling and installation, provided this is customary in the industry.
- 8.4. The limitation period is 24 months, calculated from the transfer of risk. The warranty period is 24 months from the transfer of risk, unless longer periods are mandatory by law; the limitation period begins with the transfer of risk. In the event of subsequent performance, the limitation period does not begin anew, except in the case of replacement delivery for the defective item.
- 8.5. In the event of defective deliveries, our claims arising from all other possible legal bases, such as tort, product liability law, and agency without authority („*Geschäftsführung ohne Auftrag*“), remain unaffected by this 8 and are reserved.

## **9. Product liability – Indemnification – Liability Insurance Coverage**

- 9.1. Insofar as the Supplier is responsible for product damage, they are obliged to indemnify us against claims for damages by third parties, provided that the basis for the claim is based on fault or a breach of duty on the part of the Supplier. Indemnification upon first request will only be granted upon presentation of a legally binding title or after appropriate examination of the claim.
- 9.2. Within the scope of its liability for damage within the meaning of subsection (1), the Supplier is also obliged to reimburse any expenses in accordance with §§ 683, 670 BGB and §§ 830, 840, 426 BGB arising from or in connection with a recall campaign carried out by us. Recall measures must be coordinated; the distribution of costs is based on fault-based liability. The Supplier must actively cooperate in the recall and provide the necessary information within five

(5) working days. We will inform the Supplier of the content and scope of the recall measures to be carried out, as far as possible and reasonable, and give him the opportunity to comment. Other legal claims remain unaffected.

- 9.3. The Supplier undertakes to maintain product liability insurance with a minimum coverage of € 10 million per person and property damage; claims arising from product liability remain unaffected by this. After conclusion of the contract and once a year thereafter, the Supplier must provide us with proof of insurance, including policy numbers and details of the deductible; the sum insured must be adjusted in the event of an increase in risk or upon justified request.
- 9.4. Further indemnification provisions: The Supplier's indemnification obligation applies to all expenses incurred by us as a result of or in connection with claims by third parties, insofar as such claims are based on a fault or breach of duty on the part of the Supplier. We may reject unjustified claims after prior consultation; in such cases, the Supplier has no indemnification obligation.
- 9.5. The limitation period for claims arising from product liability is governed by the statutory provisions; other claims will become time-barred in accordance with the periods specified in 8, insofar as this is legally permissible.

## **10. Property Rights**

- 10.1. The Supplier guarantees that no third-party rights are infringed in connection with and/or as a result of its delivery. This applies in particular to property rights and property right applications, at least one of which from the property rights family has been published either in the Supplier's home country, at the European Patent Office, or in one of the following countries: the Federal Republic of Germany, France, Great Britain, Austria, or the USA.
- 10.2. Upon request, the Supplier must submit a freedom to operate (FTO) certificate or equivalent clearance documents prior to series delivery; known licensing agreements, third-party rights, or other risks must be disclosed.
- 10.3. If a third party asserts claims against us for infringement of property rights, the Supplier is obliged to indemnify us against justified claims, provided that the basis for the claim is based on fault or a breach of duty on the part of the Supplier. Exemption upon first request will only be granted upon presentation of a plausible justification for the claim; we will review the claim without undue delay and are entitled to defer payments until clarification has been provided.
- 10.4. Supplier's obligation to indemnify us applies to all necessary expenses incurred by us as a result of or in connection with a claim by a third party, provided that the claim meets the conditions specified in subsection 10.3.
- 10.5. The limitation period for claims arising from infringements of property rights is five (5) years from the date of knowledge, up to a maximum of ten (10) years from the conclusion of the contract; claims arising from fraudulent concealment remain unaffected.
- 10.6. The contracting parties undertake to inform each other without undue delay of any risks of infringement or alleged cases of infringement that become known and to give each other the opportunity to reject such claims by mutual agreement.

10.7. The Supplier undertakes to inform us upon request of the use of published or unpublished proprietary rights and proprietary rights applications, both its own and licensed, in relation to the delivery item.

## **11. Retention of Title – Provision – Tools – Non-Disclosure**

- 11.1. We do not accept any retention of title by the Supplier. A retention of title is only binding if it has been agreed separately in writing by means of an individual agreement between the contracting parties. Qualified, temporary retentions of title may be permitted by individual agreement.
- 11.2. If we provide parts to the Supplier, we reserve ownership of these parts. Processing or restructuring by the Supplier is carried out on our behalf. If our reserved goods are processed with other items that do not belong to us, we acquire co-ownership of the new item in proportion to the value of our item (purchase price) to the other processed items at the time of processing.
- 11.3. If the item provided by us is inseparably mixed with other items not belonging to us, we acquire co-ownership of the new item in proportion to the value of the reserved item (purchase price) to the other mixed items at the time of mixing. If the mixing is carried out in such a way that the Supplier's item is to be regarded as the main item, it is agreed that the Supplier transfers proportional co-ownership to us; the Supplier holds sole ownership or co-ownership in safekeeping for us.
- 11.4. We retain ownership of specialized tools used to manufacture the procurement item; the Supplier is obliged to use the tools exclusively for the manufacture of the goods ordered by us. The Supplier must provide proof of insurance for the tools belonging to us and insure the tools at replacement value against fire, water, and theft damage. Proof of insurance must be provided annually. The Supplier assigns to us any claims for compensation arising from this insurance; we accept the assignment. Maintenance, inspection, and repair work must be carried out by the Supplier in a timely manner and at its own expense, unless otherwise agreed in writing; we must be notified immediately of any incidents.
- 11.5. The Supplier is obliged to keep all illustrations, drawings, calculations, and other documents and information received strictly confidential. They may only be disclosed to third parties with our express consent. The confidentiality obligation includes technical and organizational measures in accordance with ISO 27001 or comparable standards; it applies for the duration of the contractual relationship and for a further five (5) years after the completion of the contract, subject to statutory retention obligations. The confidentiality obligation expires if the manufacturing knowledge contained in the documents provided has become generally known.
- 11.6. Insofar as the security rights to which we are entitled pursuant to subsection 11.2 and/or subsection 11.3 exceed the purchase price of all our unpaid reserved goods („*Vorbehaltswaren*“) by more than 10%, we are obliged, at the request of the Suppliers, to release the security interests at our discretion. The release takes place proportionally and automatically if the security ratio falls below the required level; the calculation basis is the net purchase price.

**12. Our Liability**

- 12.1. Any claims for damages against us, regardless of their legal basis, can only be asserted in cases of intent or gross negligence on the part of our legal representatives or executive employees and in cases of culpable breach of essential contractual obligations (Cardinal Obligations, „*Kardinalpflichten*“). In the event of culpable breach of such Cardinal Obligations, we are only liable for reasonably foreseeable damage typical for this type of contract. These limitations of liability do not apply in cases of mandatory liability under the Product Liability Act and in cases of injury to life, limb, or health.
- 12.2. Cardinal Obligations within the meaning of this paragraph are, in particular: timely payment, timely acceptance/receipt, confidential treatment of documents provided, and provision of reserved material. The exclusion of liability does not apply in the event of a breach of essential obligations or intentional misconduct.

**13. General Provisions – Place of Jurisdiction – Place of Performance**

- 13.1. If a contractual partner suspends payments or if insolvency proceedings are initiated against their assets or an out-of-court settlement procedure is applied for, the other party is entitled to withdraw from the contract for the unfulfilled part.
- 13.2. The law of the Federal Republic of Germany applies exclusively. The UN Convention on Contracts for the International Sale of Goods is excluded.
- 13.3. If the Supplier is a merchant (“*Kaufmann*”), place of jurisdiction is generally our place of business; however, we are entitled to sue the Supplier at their place of business as an alternative. In the case of international Suppliers, we may optionally consider an arbitration clause to enable expedited proceedings.
- 13.4. Unless otherwise specified in the order, our place of business is the place of performance.