

## 1. Scope of Application

- 1.1 Our general terms and conditions of purchasing shall apply exclusively to all orders. These also apply to all future business relationships, even if the application of these conditions is not expressly agreed upon again for these relationships.
- 1.2 If the seller's terms and conditions of business conflict with or deviate from our general terms and conditions of purchasing, we shall not recognise them unless we have expressly agreed to their application in writing. Our general terms and conditions of purchasing shall also apply if we accept the delivery or service provided by the seller without reservation in the knowledge that the seller's conditions conflict with or deviate from our general terms and conditions of purchasing.
- 1.3 Subsidiary agreements, changes and additions to the general terms and conditions of purchasing and any other agreements must be made in writing. This also applies to the rescission of this written form requirement clause.

## 2. Offer

- 2.1 Offers and cost estimates provided by the seller are for us free-of-charge and non-binding unless expressly agreed otherwise in writing.
- 2.2 The offers must be drawn up by the seller on the basis of our request information. Deviations from our requests must be detailed explicitly in the offer.

## 3. Contract Conclusion and Contractual Amendments

- 3.1 Delivery contracts (order and acceptance) and delivery call-offs as well as any changes and additions to them must be made in writing. EDI, e-mail and fax also constitute written form.
- 3.2 If the seller does not accept the order within 1 week of receipt, we are entitled to revoke the contract. Delivery call-offs become binding at the latest when the seller does not object to them within 3 days of receipt. If we do not revoke the contract, every act of fulfilment by the seller shall constitute acceptance of the order. In the event that the seller does object to the contract, those parts of the delivery call-off that have not been contested shall become binding.
- 3.3 Within the bounds of what is reasonable for the seller, we can demand that changes are made to the delivery item in terms of design and execution. The ramifications of such modifications, in particular with regard to additional and reduced costs as well as delivery dates, shall be agreed appropriately by mutual consent. Changes proposed by the seller require our prior written approval.

## 4. Prices

- 4.1 The prices shown in our order and/or in our framework agreement are binding fixed prices and are exclusive of statutory VAT.
- 4.2 Unless agreed otherwise, the prices for deliveries within the European Union are understood as being Delivered At Place (DAP according to Incoterms® 2010) and for deliveries from other countries as being Delivered Duty Paid (DDP according to Incoterms® 2010) and include all additional delivery costs, in particular for transport, transport insurance, packaging and customs.
- 4.3 Price increases to the subject of the contract as well as any increase to the additional delivery costs require our prior written approval.

## 5. Delivery Dates and Terms, Delivery, Passing of Risk

- 5.1 The delivery dates and terms specified in our order or delivery call-off are binding and constitute dates of arrival. Receipt of the goods and the complete delivery documents at our agreed delivery point is of decisive importance for adherence to the delivery date or term. If "Free Carrier (FCA)" delivery has been agreed, the seller must provide the goods punctually taking into account the usual times for loading and shipping.
- 5.2 The seller shall undertake to notify us immediately in writing if circumstances arise or become apparent that indicate that the agreed delivery time cannot be adhered to. The seller must present suitable remedial measures to us and implement these immediately following agreement with us.
- 5.3 Should the goods be delivered earlier than the agreed delivery date, we reserve the right to refuse acceptance and to return the goods at the expense and risk of the seller. Should we nevertheless accept the premature delivery, the payment period of the incoming invoice shall commence as of the original delivery date.
- 5.4 Part deliveries or services as well as over- and underdeliveries are only permitted with our prior agreement.
- 5.5 A delivery note must be attached to every delivery detailing all the required information (e.g. order number, article number, our reference). Incomplete or missing delivery documents can result in delays and/or extra expenses with regard to the processing of the order. The additional costs that arise for us as a result shall be borne by the seller.
- 5.6 In the case of deliveries involving installation or assembly and in the case of performance-related services to be provided, the risk shall transfer to us following acceptance of the goods when they arrive at the delivery point specified in our order or delivery call-off.
- 5.7 The goods to be delivered must be packaged in a customary and appropriate manner. If we have not stipulated specific packaging, the seller should only use packaging consisting of environmentally-friendly materials that do not negatively impact on its ability to be recycled. Any loss of or damage to the deliveries as a result of the non-observance of this provision shall be borne by the seller.
- 5.8 In the case of ex-works deliveries, we reserve the right to specify a specific shipment method and the transport service provider. If we have not made any specifications in this regard, the seller must choose the most cost-efficient shipment method. Any additional costs that arise for us as a result of failure to observe this provision shall be borne by the seller.
- 5.9 Except where different evidence is provided, the values determined by us during the goods receipt checks shall be authoritative for quantities, weights and dimensions.
- 5.10 The seller can only claim that it has not received necessary documents that we were supposed to supply if it has sent us a written reminder about the documents and has not received them within an appropriate period of time.

## 6. Default in Delivery

- 6.1 If the agreed delivery date is not adhered to for reasons for which the seller is responsible, we are entitled at our discretion and without prejudice to further legal regulations to withdraw from the contract after an appropriate period of grace has elapsed and to procure a replacement delivery from a third party and/or to demand compensation on the grounds of non-fulfilment. We have the right to claim reimbursement of all additional costs that arise for us as the result of delayed deliveries or services for which the seller is responsible. Acceptance of the delayed delivery or service does not entail a waiver of claims for compensation.

## 7. Force Majeure

- 7.1 Force majeure, industrial disputes, civil disturbances, official measures and other unforeseeable, unavoidable and serious events release the contractual partners from their contractual obligations for the duration of the disturbance and to the extent of their effect. This also applies if these events occur at a time at which the affected contractual partner is in default. The contractual partners are obliged within the bounds of what is reasonable to provide the required information immediately and to adjust their obligations in line with the changed circumstances in good faith.
- 7.2 We are released from the obligation to accept the subjects of the contract either in whole or in part and entitled to withdraw from the contract to the extent that the delivery/service, because of the delay caused by force majeure and taking economic factors into account, can no longer be used at our premises or is no longer reasonable to us.

## 8. Invoice, Payment, Supplier Declarations

- 8.1 Invoices must generally be sent by post to the invoice address specified in our order or delivery call-off provided that no written agreement has been drawn up regarding electronic transmission procedures between both partners.
- 8.2 The invoice generally falls due when the goods have been received or the service provided in due form and upon receipt of complete order/delivery documents, quality certificates and a verifiable and correct invoice.
- 8.3 An invoice is only regarded as being correct if it contains all the information required for invoice verification (e.g. order number, article number, our reference) as well as the statutory mandatory information. In the event of missing or incorrect data we are entitled to return the invoice to the seller and to demand the provision of a corrected financial document.
- 8.4 A service is only regarded as having been provided when, in addition to the goods receipt and/or the service accepted by us and the delivery and invoice documents, the documents we additionally requested in the order are submitted to us correctly and in their entirety.
- 8.5 In the event of a non-verifiable or incorrect invoice, the invoice payment period shall commence upon receipt of the corrected financial document. In the event of missing order/delivery documents and quality certificates, the invoice payment period shall commence upon receipt of the missing documents.
- 8.6 The payment shall be made within 14 days with a 3% discount, at the latest within 30 days strictly net, unless otherwise expressly agreed in writing between the partners.
- 8.7 If early deliveries are accepted, the invoice due date shall be determined by the delivery date originally agreed.
- 8.8 We only make down and/or advance payments in exceptional cases and only against a bank guarantee unless otherwise agreed in writing. The bank guarantee must be provided by the seller and the costs that accrue for this are also borne by the seller.
- 8.9 Payment is made by bank transfer or cheque.
- 8.10 A payment is regarded as having been made as soon as we instruct our bank to effect the transfer to the seller or the check has been sent to the seller.
- 8.11 In the event of a defective delivery and/or service, we are entitled to withhold a proportionate part of the payment until the contract has been duly performed.
- 8.12 We are entitled to exercise offsetting and retention rights to the extent allowed under the law.
- 8.13 Without prior written agreement from us that may not be refused unreasonably, the seller is not entitled to assign its claims to third parties or to have them collected by such parties. In the event of extended reservation of title, this agreement is deemed to have been given. If regardless of this the seller assigns its receivable against us to a third party without our agreement, the assignment is nevertheless valid. We can, however, at our discretion make payment with discharging effect to the supplier or the third party.
- 8.14 The seller shall undertake before effecting delivery to submit a supplier declaration or at least once a year a long-term supplier declaration in accordance with (European Community) Directive 1207/2001 upon our request.

## 9. Notice of Defects

- 9.1 We must notify the seller immediately in writing of any defects in the delivery as soon as they are detected in the normal course of business. In this respect the supplier waives the right to object on the grounds of late notification of defects.

## 10. Materials Provided

- 10.1 Materials, containers, special packaging, measurement equipment and devices/tools provided by us for the services to be rendered by the seller shall remain our property. When such materials are processed, combined or mixed, we shall acquire co-ownership of the new product based on the value of the materials provided relative to the value of the total product. The seller does not have a right of retention to the materials provided for any reason whatsoever. The seller must insure the materials provided within the agreed scope and in the absence of an agreement within the customary scope.

## 11. Tools

- 11.1 Irrespective of other agreements, we acquire full or co-ownership of tools to the extent to which we have participated in the proven costs for the tools required to manufacture the delivery item. The tools become our (joint) property upon payment. They shall be retained by the seller on a loan basis. The seller is only authorised with our consent to dispose (in the legal or factual sense of the term) of the tools, to move the location of the tools or to render them inoperable permanently. The tools must be labelled by the seller as being our (joint) property. The seller shall bear the costs for maintaining, repairing and replacing the tools. Replacement tools are our property according to our share in the original tools. In the event of co-ownership of a tool, we have a pre-emptive right to the co-ownership share of the seller. The seller must only use tools that are (jointly) owned by us to manufacture the delivery items. Following termination of the supply, the seller must return the tools to us immediately upon request. In the case of jointly owned tools, upon receipt of the tool we must reimburse the seller for the fair value of its co-ownership share. On no account does the seller have a right of retention. The obligation to surrender possession of the tools also applies to the seller in the event of an insolvency application against it or in the event of a longer-term interruption to the supply. The seller must insure the tool within the agreed scope and in the absence of an agreement within the customary scope.

## 12. Performance of Work

- 12.1 Persons relating to the seller or persons working on behalf of the seller who execute work on our factory premises in order to fulfil the contract must observe the provisions of the respective work regulations; the regulations for entering and leaving plants must be adhered to. The liability for accidents that these persons may suffer on the factory premises is excluded provided that we did not cause these either intentionally or as a result of gross negligence.

## 13. Retention of Title

- 13.1 Retentions of title that go beyond a simple retention of title, in particular an extended or prolonged retention of title of the seller, are hereby expressly rejected. In individual cases, they require our prior written agreement. Should, however, a situation arise whereby subcontractors enforce property rights, co-ownership rights or liens on our premises or have levies of execution implemented, we will claim against the seller for all damages that arise from this.

## 14. Purchase of Replacement Parts

- 14.1 Irrespective of the term of the contract, the seller shall undertake upon our request to manufacture the delivery item for the use of replacement parts for our customers and in fact for the duration of 15 years after the seller has finished supplying the goods.
- 14.2 The seller must ensure that its subcontractors also comply with Clause 14.1.
- 14.3 The above-mentioned provisions do not apply to machines and non-production-related delivery items.

## 15. Quality and Documentation

- 15.1 For its deliveries, the seller must adhere to the recognised rules of technology, the safety provisions and the agreed technical data. Changes to the delivery item as well as to the production and delivery site require our prior written agreement. For the first sample inspection, please refer to VDA Volume 2 "Production Process and Product Approval (PPA)" and/or the QA 9000 Manual "Production Part Approval Procedure (PPAP)" as amended. Any additional quality agreements made with the seller shall also apply. Irrespective of this, the seller must continuously review the quality of the delivery items. The contractual partners shall inform each other mutually about options for improving quality.
- 15.2 If the type and scope of the inspections as well as the inspection tools and methods are not firmly agreed between the seller and ourselves, we are prepared, upon the request of the seller and within the bounds of its knowledge, experience and capabilities, to discuss the inspections with it to determine the required state of the inspection technology in each case.

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- 15.3 In the case of vehicle parts that have been especially marked in the technical documents or by way of separate agreement, the seller must also note in special records when, how and by whom the delivery items were checked with regard to the quality test requiring documentation. The inspection documents must be retained for ten years and submitted to us if required. Should the law prescribe a longer retention period, the statutory period shall be authoritative. The seller must also obligate upstream suppliers to the same extent and as far as the legal framework allows.
- 15.4 As far as authorities that are responsible for vehicle safety, exhaust regulations or similar request access from us to the production process and the inspection documents to review specific requirements, the seller agrees upon our request to grant these authorities the same rights on its business premises and to provide all reasonable support.
- 16. Industrial Property Rights of Third Parties**
- 16.1 The seller shall be liable for claims that arise when the delivery items have been used in accordance with the contract as a result of the infringement of property rights and property right applications (protective rights), of which at least one from the family of property rights is published either in the homeland of the seller, by the European Patent Office or in one of the following countries: the Federal Republic of Germany, France, Great Britain, Austria or the USA.
- 16.2 The seller shall indemnify us and our customers from all claims arising from the use of such property rights.
- 16.3 This shall not apply if the seller has manufactured the delivery items in accordance with drawings, models or other similar descriptions or information we have provided and does not know or, in connection with the products it has developed, does not have to know that property rights are being infringed as a result.
- 16.4 Provided the seller is not liable in accordance with Clause 16.3, we shall indemnify it from all claims brought by third parties.
- 16.5 The contractual partners shall undertake to inform each other immediately of infringement risks of which they become aware and alleged cases of infringement and to give each other the opportunity to combat any corresponding claims mutually.
- 16.6 The seller shall disclose upon our request the use of its own published and unpublished property rights and property right applications to the delivery item and of licensed property rights and property right applications to the delivery item.
- 17. Damages and Product Liability/Liability Insurance**
- 17.1 Provided that seller liability does not arise from the other provisions of these General Terms and Conditions of Purchasing, the seller shall be held liable in all cases for any damage/loss we incur either directly or indirectly as the result of a faulty or delayed delivery, as a result of the infringement of official safety provisions or for any other legal reasons that can be attributed to the seller.
- 17.2 Liability for damages only ever applies if the seller is at fault for damage/loss that it itself has caused.
- 17.3 If, based on no-fault liability vis-à-vis third parties, claims are made against us contingent upon culpability under non-modifiable law (e.g. product liability law), the seller shall intercede on our behalf to the extent that it would be directly liable. The principles of § 254 BGB (German Civil Code) shall apply accordingly to the settlement of damages between ourselves and the seller. This also applies if a claim is brought directly against the seller.
- 17.4 The obligation to pay compensation is excluded to the extent that we have effectively limited the liability on the seller's part vis-à-vis our customer. Here we will make all reasonable effort to agree liability restrictions to the extent that is legally permissible also in favour of the seller.
- 17.5 Claims made by us are excluded to the extent that the damage can be attributed to infringements of operating regulations, maintenance and installation regulations perpetrated by us, unsuitable or improper use, defective or negligent treatment, natural wear and tear or faulty repairs.
- 17.6 The seller shall be liable for measures taken by us to prevent damages (e.g. recall action) insofar as it is legally obligated.
- 17.7 We will inform the seller immediately and comprehensively if we would like to claim against it in accordance with the above-mentioned provisions. We must give the supplier the opportunity to investigate the claim. The contractual partners shall agree on the measures to be taken to reduce the damage, in particular in the event of settlement negotiations.
- 17.8 The seller shall undertake to take out insurance against all of the above-mentioned product liability risks including the risk of recall costs in an appropriate amount, however at least in the amount of 5 million euros, and to submit the insurance policy to us upon request. For all other cases, the legal provisions shall apply.
- 17.9 The seller guarantees that all deliveries and services comply with the latest technology, the relevant legal provisions and the provisions and guidelines of authorities, trade and expert associations. It guarantees that the goods at the time of delivery have the specified and either expressly or tacitly stipulated properties in accordance with the contract and none exhibit defects that would impair their use, consumption or processing.
- 18. Liability for Defects**
- 18.1 In the event that we are supplied with defective goods, we can, if the respective legal prerequisites and those listed below are in place and unless otherwise agreed, in particular demand the following:
- a) Before production begins (processing or installation) we must first give the seller the opportunity to separate out the defective goods and to rectify defects or make a subsequent (replacement) delivery unless this is unreasonable for us. If the seller cannot carry this out or if it does not fulfil this immediately within the time frame set by us, we are entitled to withdraw from the contract without setting another deadline and send back the goods at the cost and risk of the seller. In urgent cases we can rectify the defects ourselves or have this work carried out by a third party without the obligation to set a grace period. The seller shall be liable for any costs that arise as a result. If the same goods are repeatedly delivered in a defective state, we are entitled, after issuing a written reminder, to also withdraw from the part of the scope of supply that has not been fulfilled, without then being subject to claims arising from the seller.
- b) If the defect is not discovered until after production has started despite the fact that the obligation in accordance with point 9 has been observed, we can
- demand in accordance with § 439 BGB supplementary performance and reimbursement of the transport costs required to effect supplementary performance as well as of the dismantling and assembly costs, labour costs and material costs or
  - reduce the purchase price.
- c) In the event of a culpable breach that goes beyond the delivery of defective goods (e.g. in the event of a clarification, advisory or inspection obligation), we can demand compensation for the resulting consequential damage and for the consequential damage reimbursed to us by our customer by law in accordance with point 17. Consequential damage shall be defined as damage to legally protected interests other than the goods that we have ourselves suffered as a result of the delivery of defective goods.
- 18.2 Further claims regarding expenses and damages due to the delivery of defective goods arising from § 437 BGB or directly from the provisions specified therein shall remain unaffected unless these are contractually excluded.
- 18.3 The parts to be replaced by the seller must be provided immediately by us upon request and at the seller's expense.
- 18.4 The prescription period for claims for defects is 36 months unless a longer prescription period is provided by law. The prescription period shall commence with the delivery or service and/or when an acceptance is agreed or stipulated in law and starts to take effect upon acceptance. For supplementary performance carried out by the contractor, the prescription period shall recommence when the supplementary performance is made.
- 18.5 Claims for defects do not apply if the error can be attributed to the infringement of operating, maintenance and installation instructions, unsuitable or improper use, incorrect or negligent treatment and natural wear and tear as well as any interference with the delivery item perpetrated by ourselves or third parties without the prior agreement of the seller.
- 18.6 In the case of defective deliveries, claims made by us arising from the product liability law, tortious liability and actions performed without due authority shall remain unaffected by this section.
- 18.7 For the administrative expense of processing a defect complaint, we shall charge one-off lump-sum fees for each notification of defect; further costs shall remain unaffected by this.
- 19. Adherence to Minimum Wage (MILOG)**
- 19.1 The seller covenants for services and works that it will always pay the minimum wage to its employees promptly and in the full amount and shall adhere to the further regulations of MiLOG (the German law governing the minimum wage). It shall also undertake to ensure that any subcontractors it appoints also fulfil the obligations of MiLOG. On our request, the seller shall prove that the MiLOG regulations are being adhered to by providing suitable documentation.
- 19.2 Upon our first request, the seller shall indemnify us from all claims relating to services and works of third parties (in particular employees) that are based on an infringement of its obligations arising from MiLOG or of the obligations of the subcontractors he has appointed.
- 19.3 The seller shall also be liable to us for every case of damage or loss relating to services and works that arises as a result of the seller and/or the subcontractors it has appointed failing to adhere to the obligations of MiLOG.
- 20. Codes of Conduct/Compliance**
- 20.1 The seller shall adhere to the applicable laws and ordinances of the legal systems that apply in each case and shall also observe national habits and customs, traditions and other social norms.
- 20.2 The seller shall also undertake to adhere to our code of conduct for suppliers and business partners, which form the basis of every business transaction.
- 21. Conflict Minerals**
- 21.1 The Seller agrees to comply with the conflict minerals provisions of Section 1502 of the "Dodd-Frank Act" ("Damp-Frank Act") as defined by the Dodd-Frank Act. If conflict minerals are required in the course of manufacturing or for the function of the products delivered by the seller, their origin must be disclosed. Upon request, the seller must provide the documentation required by the Dodd-Frank Act on the use and origin of conflict minerals to us and our affiliates in full, free of charge and without delay.
- 22. Confidentiality**
- 22.1 The contractual partners shall undertake to treat all non-overt commercial and technical details that they become aware of as a result of the business relationships as business secrets.
- 22.2 Drawings, models, templates, samples and similar items must not be handed over to unauthorised third parties or otherwise made accessible. The duplication of such items is only permitted within the bounds of operational requirements and copyright regulations.
- 22.3 Subcontractors must also be obligated accordingly in writing.
- 22.4 The use of project information for advertising purposes is not allowed.
- 22.5 The seller may only advertise on the basis of the business relationship with our prior written agreement.
- 23. General Provisions**
- 23.1 If one contractual partner stops its payments or if insolvency proceedings with regard to its assets or an extra-judicial settlement procedure are applied for, the other party is entitled to withdraw from the part of the contract that has not been fulfilled.
- 23.2 The laws of the Federal Republic of Germany shall apply exclusively to the exclusion of conflict of laws. The application of the United Nations Convention of 11.4.1980 on Contracts for the International Sale of Goods (CSIG), the Haag Uniform Law on the International Sale of Goods, the uniform UN sales law or other conventions of the law governing sale of goods as amended are excluded.
- 23.3 The responsible court of our registered office is agreed as being the place of jurisdiction, including for actions arising from documents, bills of exchange and cheque proceedings.
- 23.4 The seller is hereby informed in accordance with § 33 I of the Federal Data Protection Act (BDSG) that we automatically process and save personal data in machine readable form and for tasks that result from this contract.
- 23.5 Should one provision of these conditions and of the additional agreements entered into be or become ineffective, this shall not affect the validity of the remaining provisions of the contract. The contractual partners are obliged to replace the ineffective provision with a provision that most closely approximates it in terms of economic success.

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