

Terms & Conditions of Purchasing

of affiliated EJOT Group Companies - hereinafter referred to as "EJOT" -

1. Area of application

- 1.1 These Terms & Conditions of Purchasing shall apply to business owners, legal entities under public and private law and special funds under public law.
- 1.2 All purchase orders are processed exclusively on the basis of the terms and conditions below and any other agreements. In addition to these Terms & Conditions of Purchasing, any specifications, drawings, descriptions, standards and other documents, and in particular agreements of confidentiality and compliance agreements stipulated between EJOT and the Supplier are applicable, as well as the "EJOT Quality Assurance Agreement for Suppliers", as amended. Supplier's contradictory or additional terms and conditions, or terms deviating from the EJOT Terms & Conditions of Purchasing not expressly acknowledged by EJOT in writing, are not valid.
- 1.3 These Terms & Conditions of Purchasing shall also apply to any future purchase order and contractual relationship between EJOT and the Supplier, unless agreed to the contrary.
- 1.4 As far as the terms "delivery", "Supplier" or "delivery item" are used in these Terms & Conditions of Purchasing, such terms shall also refer to services not consisting of the delivery of an item; in these Terms & Conditions of Purchasing, "delivery" is used as a synonym for "service".
- 1.5 The parties to the contract shall either jointly document any verbal agreements, e.g. in the form of negotiation records, or immediately confirm them in detail and in written form.

2. Purchase order

- 2.1 Generally, the agreement is concluded by EJOT's purchase order (offer) and Supplier's confirmation (acceptance) in text form (also via fax, email, or Web portal). The Supplier shall confirm any individual purchase orders immediately after receipt.
- 2.2 Delivery schedules and call-offs do not require explicit confirmation by the Supplier. Any call-offs within a separately defined and binding period of taking delivery of shipments shall be deemed accepted, unless the Supplier objects to them immediately upon receipt.
- 2.3 If the Supplier does not accept the purchase order within 2 weeks of its receipt, EJOT shall be entitled to cancel it.
- 2.4 To the extent that can reasonably be expected of the Supplier, EJOT may require changes to be made to the subject matter of the contract. In this case, the parties shall amicably agree upon any effects, in particular in respect of reasonable increase or reduction of costs.
- 2.5 Modifications or amendments to the purchase order by the Supplier (amending acceptance) shall only take effect if immediately confirmed by EJOT in text form (also via fax, email, or Web portal).

3. Payment

- 3.1 The payment shall be due within 30 days after the receipt of the invoice.
- 3.2 If deliveries arriving too early are accepted, the due date will be subject to the agreed delivery date. In case of faulty delivery, EJOT has the right to retain payment for the faulty part of the delivery until due fulfillment.
- 3.3 Without EJOT's previous consent in writing, which must not be refused without justification, the Supplier has no right to assign its claims against EJOT or have them collected by third parties. In case of extended reservation of title, the consent is considered given. If, in violation of Sentence 1, the Supplier assigns its claim against EJOT without EJOT's consent, the assignment will be nevertheless valid. However, EJOT can at its own choice and with discharging effect perform services to the Supplier or to the third party.

4. Delivery dates, delays in delivery

- 4.1 Stipulated deadlines and dates are binding. Agreed delivery dates, unless otherwise expressly agreed, shall be the dates of receipt by the receiving department specified in the purchase order. The Supplier shall be obliged to provide the goods in such timely manner as to meet the delivery dates.
- 4.2 If the Supplier can foresee that the goods cannot be delivered within the agreed period of delivery, the Supplier shall immediately notify EJOT in writing and before by phone, giving the reasons for the delay and naming the expected delivery date, as far as possible. This shall not affect any claims in respect of such delay in delivery.
- 4.3 Failure to meet the agreed delivery date for reasons for which the Supplier is responsible shall entitle EJOT, notwithstanding any further rights, to claim damages after a reasonable period set for the Supplier to make subsequent delivery has expired. In addition, EJOT shall have the right to withdraw from the contract. By accepting any delayed delivery or performance, EJOT will not waive the right to any legal or contractual claim for compensation.
- 4.4 In the event of repeated delays in delivery, EJOT shall, upon prior written warning, have the right to terminate the contractual relationship in its entirety with immediate effect

5. Long-term and call-off purchase contracts, price adjustments

- 5.1 Unlimited contracts and contracts with a term of more than 6 months (long-term contracts) can be terminated by both parties at any time giving 3 months' notice.
- 5.2 If a major change in the cost of labour, material or energy occurs in the course of a long-term contract, each of the parties to the contract shall have the right to demand adequate adjustment of the price having regard to these factors.

6. Delivery, transport, packing, passing of risk

- 6.1 Unless otherwise agreed, delivery shall be made DDP, as defined in the current version of the Incoterms. Here, the risk passes to EJOT when the goods have been delivered to the agreed receiving department. This also applies if due to a special arrangement, shipping charges are to be borne by EJOT.
- 6.2 Partial shipments shall only be permitted upon separate agreement.
- 6.3 Unless otherwise agreed, all charges for transport and packing as well as any ancillary costs shall be borne by the Supplier. These costs shall also include the cost of disposing of the packaging.
- 6.4 As far as transport is effected at the expense of EJOT, EJOT's shipping instructions shall be observed. When in doubt, shipment shall in each case be made at the lowest cost.
- 6.5 Each shipment shall be accompanied by a delivery note in duplicate and attached in a marked position. Data specifically indicated when placing the purchase order shall be included in all correspondence.

7. Ownership of material, documentation and manufacturing equipment

- 7.1 Material provided by EJOT shall remain the property of EJOT and shall be stored, identified and managed at no charge. Use of such material shall only be permitted for purchase orders placed by EJOT.
- 7.2 Before the start of any manufacture, the Supplier shall inspect the material provided for visible defects and execute an identity check. During manufacture, the Supplier shall perform additional checks as far as these have been specifically agreed with EJOT or are required in accordance with the Supplier's quality management system. If the Supplier detects any quality defects in the material provided by EJOT, EJOT shall be informed immediately in order to coordinate further measures.
- 7.3 In any case, materials provided by EJOT shall be processed for EJOT. To the extent that the value of materials provided by EJOT exceeds the value of the processing and, if applicable, the value of the remaining components of the newly manufactured articles, the newly manufactured articles shall become the property of EJOT or else, EJOT will become a co-owner at the rate of the value of the material provided in proportion to the value of the overall result.
- 7.4 Any drawings, descriptions and other technical documents (documentation) provided by EJOT to the Supplier shall remain the inalienable, material and intellectual property of the individual or party who or which has been entitled to it before handover of the documentation. Upon completion of the order, the documentation shall be returned without special request. Ownership of the documentation prepared in accordance with its specifications shall be transferred to EJOT, if EJOT so desires.
- 7.5 Tools, moulds, models, samples, drawings, standard sheets, templates, patterns, other manufacturing equipment etc. provided or paid in full by EJOT as well as objects manufactured in accordance with such tools, moulds, models, etc. and confidential data must neither be passed on to third parties nor used for other than the contractual purposes without EJOT's written consent. They must be kept safely by the contractual party. If the Supplier violates this duty, EJOT may demand that they are handed over, irrespective of any other rights.
- 7.6 Any information gained in connection with contract performance must not be made available to third parties by the Supplier, unless such information is in the public domain or has become rightfully known in any other way.

8. Quality

- 8.1 In respect of its deliveries, the Supplier shall comply with the respective statutory requirements, the state-of-the-art technology, the safety regulations, and the stipulated technical data. Any changes to the delivery item are subject to EJOT's previous consent in writing.
- 8.2 Independent of this, the Supplier shall constantly monitor the quality of the delivery items. The contractual parties shall keep each other updated about options for an improvement in quality.
- 8.3 The inspection documents must be retained for at least 15 years and submitted to EJOT on demand. The Supplier shall bind any subsuppliers accordingly as far as legally permitted. Commissioning subsuppliers is subject to EJOT's previous consent in writing.
- 8.4 As far as authorities responsible for vehicle safety, exhaust emission standards etc. demand insight into EJOT's production processes and inspection documents for the purpose of checking the compliance with certain requirements, the Supplier shall, at EJOT's request, grant those authorities the same rights and give them all reasonable support.

9. Defects of quality

- 9.1 Goods must meet the agreed specifications and any regulations they can be reasonably expected to meet in view of their intended use; as a minimum, however, they must meet mandatory legal requirements, be state-of-the-art and comply with safety-related regulations applicable at the time of delivery. The Supplier shall warrant that the contractual items are free of defects and meet the above-mentioned requirements.
- 9.2 Acceptance of delivery shall be made with reservation to an inspection for accurateness and suitability. EJOT shall immediately notify the Supplier of defects in delivery as soon as they have been detected in the due course of business. In this respect, the Supplier shall waive the defence of any late notification of defects.
- 9.3 In the event of any defects in delivery or performance, EJOT shall, at its option, be entitled to demand free supplementary performance (either a remedy of the defect or a replacement). This shall also apply to deliveries for which inspection is limited to sampling.
- 9.4 If supplementary performance is unsuccessful, EJOT shall have the right to withdraw from the contract in whole or in part without compensation, or to demand a reduction in price, claim damages or demand reimbursement of futile expenses.

- 9.5 If the Supplier is in default with the supplementary performance and if EJOT would in consequence of non-fulfillment suffer a damage in an amount of more than 5 times the purchasing price of the object of purchase, EJOT is entitled according to this contract, irrespective of any other statutory regulations on execution by substitution, to rectify the defect itself by way of execution by substitution and to demand the Supplier to reimburse EJOT for the necessary costs incurred.
- 9.6 If as a result of defective delivery, an incoming inspection is required which exceeds the usual scope of such inspection, the Supplier shall bear the costs.
- 9.7 The Supplier shall bear the cost and risk of returning, sorting out or scrapping defective contractual items.
- 9.8 The Supplier shall bear all costs related to the replacement of or remedial work to the defective contractual items, particularly the costs of testing, transport, infrastructure, labour and material and the costs for disassembly and assembly. These also include the cost of any required replacement and/or repair of products equipped by EJOT with defective contractual items, as well as the cost of handling and settling warranty claims (additional material cost).
- 9.9 EJOT shall also have the right to claim reimbursement of expenses pursuant to paragraphs 9.4 to 9.8, if damages are claimed owing to a defect of quality.
- 9.10 In case of defective deliveries, EJOT's claims based on the Product Liability Act, tort, and agency without specific authorisation are not affected by this section 9.
- 9.11 In the absence of any agreement to the contrary, the right of action in respect of claims for defects of quality shall be limited to 36 months after the passing of the risk.
- 9.12 If the Supplier meets the supplementary performance obligation by providing a replacement, the limitation period in respect of the product supplied as replacement shall start anew, unless, at the time of supplementary performance, the Supplier has expressly reserved the right to make a replacement for reasons of fair dealing, to avoid disputes or in the interest of continuing the supply relationship.
- 9.13 For its deliveries, the Supplier complies with the applicable legal regulations of the European Union and the Federal Republic of Germany. This includes all relevant regulations and directives. The Supplier shall inform EJOT about relevant changes in the product, its supply availability, usage or quality attributable to legal provisions, particularly the REACH Regulation EC 1907/2006, and shall coordinate appropriate measures with EJOT in each individual case. The same applies as soon and insofar as the Supplier recognises that such changes will occur.

10. Defects of title

- 10.1 The Supplier warrants that all deliveries will be free of any third parties' rights and that no third parties' patents or other industrial property rights will be infringed upon by the delivery and use of the goods in the country of the agreed place of delivery and, as far as the Supplier has been informed, in the intended countries of use.
- 10.2 The Supplier shall warrant for claims which, with the delivery items used in compliance with the contract, are the result of a violation of patent rights and applications for patent right ("patent rights"), where at least one from the patent rights family has been published by the European Patent Office, in the Supplier's home country, or in either the Federal Republic of Germany, France, Great Britain, Austria, or the USA.
- 10.3 The Supplier shall hold EJOT harmless from all claims based on the use of such patent rights provided the Supplier is directly liable by operation of law.
- 10.4 This does not apply as far as the Supplier manufactured the delivery items pursuant to drawings or models provided by EJOT, or equivalent other descriptions or information received from EJOT, and as far as the Supplier does not know about or cannot be expected to be aware of the patent rights violation occurred in connection with the product developed by the Supplier.
- 10.5 The contractual parties agree to inform each other immediately in text form and previously by phone of any risks of violation and purported violations, and to endeavour to proceed against any respective claims jointly.
- 10.6 At EJOT's request, the Supplier shall announce to EJOT the application number to inform EJOT about Supplier's use of its own and others' published patent rights.
- 10.7 If the use of the delivery item as provided in the contract is impaired by any third parties' patent rights, the Supplier shall, without prejudice to its other contractual or legal obligations, be obliged, at its own expense and after consultation with EJOT, to either obtain the right from the person or body authorised to dispose of that particular patent right to let EJOT use the delivery items as provided in the contract without limitation and at no additional costs, or the Supplier shall modify the parts of the service relevant to the trademark right in such a way that they are no longer covered by the extent of protection but meet contractual provisions just the same.
- 10.8 The right of action in respect of claims for defects of title shall be limited to 36 months after the passing of the risk.

11. Supplier's liability/right of termination

- 11.1 As far as EJOT or a third party suffers a loss owing to the delivery of defective parts or imperfect execution of a service or other infringement of contractual rights, the Supplier shall be liable to pay damages.
- 11.2 The Supplier shall be liable for any measures taken by EJOT or EJOT's customers for the purpose of averting a damage (e.g. product recall) as far as the damage has been caused by a fault of the product delivered by the Supplier.
- 11.3 If EJOT is liable under law without any fault on their part, which liability cannot be excluded with regard to third party claimants, the Supplier shall be liable to EJOT insofar as Supplier would have direct liability.

11.4 If the delivery is intended for the automotive sector and the Supplier is or should be aware of this fact, the Supplier is obliged to take out product liability insurance for all deliveries and services for a sum insured adequate to cover risks in the automotive industry in respect of property damage and bodily injury including cost of product recall coverage, and to maintain such coverage for a minimum of 15 years after delivery. The type and extent of insurance coverage including the naming of the third party liability insurer shall be demonstrated to EJOT in adequate form. Deviations shall be reviewed and agreed in each individual case.

11.5 EJOT has the right to terminate the delivery contract without notice for good cause.

12. Liability to be assumed by EJOT, force majeure

12.1 Any claims for damages for whatever cause in law can only be asserted against EJOT for intent, gross negligence by legal agents or executives and for culpable breach of essential contractual obligations. In the event of any culpable breach of essential contractual obligations, EJOT shall only be liable for any reasonably foreseeable damage inherent to such contracts.

12.2 This limitation of liability shall not apply in cases in which EJOT has mandatory liability for physical injury or property damage under the Products Liability Act, and for loss of life, bodily harm or injury to health.

12.3 Acts of God, industrial disputes, disturbances, official measures, non-arrival of deliveries from suppliers and other unpredictable, unavoidable and serious events will release EJOT from its duty to perform for the duration of the disturbance and to the extent of its effect. The parties to the contract undertake to immediately provide, within the limits of reasonableness, any information necessary and adapt their obligations in good faith to the changed circumstances. This is also applicable where these events occur at a time when EJOT is in default.

13. Confidentiality

13.1 The Supplier shall treat as confidential all commercial or technology-related information which is not obviously made known to it in the course of the business relations.

13.2 The Supplier shall not hand over or otherwise make available drawings, models, templates, samples and similar objects to unauthorized third parties. The reproduction of such items is permitted only in the frame of operational requirements and copyright regulations.

13.3 The obligation does not apply to documents and information which are generally known, or which were already known to the contracting party on receipt and where the contracting party was not under obligation of secrecy, or where they are subsequently disclosed by a third party who is authorised to pass on such documents or information, or where the documents or information are developed by the receiving contract party without exploitation of EJOT's documents or information.

13.4 The Supplier shall not use the fact of the business relation for PR purposes unless previously agreed by EJOT in writing.

14. Place of performance, place of jurisdiction and applicable law

14.1 The place of performance for delivery of the goods shall be the place of destination named by EJOT. The place of payment shall be the principal office of the EJOT company with which the delivery contract has been concluded.

14.2 The place of jurisdiction for any legal disputes, including summary bill enforcement and cheque proceedings, shall be the place of business of the EJOT company placing the order. In its own discretion, EJOT may also bring suit against the Supplier at its place of business.

14.3 The contractual relationship is exclusively subject to the laws of the Federal Republic of Germany under exclusion of the conflict of laws regulation. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG - "Viennese sales law") dated 11. April 1980 is excluded.

14.4 If a provision of these Terms & Conditions of Purchasing and additional agreements concluded by the parties to the contract is or becomes invalid, the validity of the remaining stipulations shall not be affected.