

General Purchasing Conditions

1. Area of application

- 1.1 The legal relations between the supplier and BAUERHIN and/or the subsidiaries and associated companies of the I.G. Bauerhin-Group and Partners acting on behalf of I.G. Bauerhin irrespective of their global locations (hereinafter individually or collectively referred to as - hereinafter referred to as "Purchaser" - are based on these conditions and any other agreement. These are complemented by the currently valid version of the quality assurance agreement.
- 1.2 These general conditions of purchase apply exclusively. The purchaser acknowledges opposing conditions or conditions of the supplier deviating from these purchasing conditions only if the purchaser agrees to their validity expressly and in writing. These purchasing conditions also apply if the purchaser unconditionally accepts or pays for the delivery in the awareness of conflicting or deviating general terms and conditions of business of the supplier.
- 1.3 These purchasing conditions apply also for all future business with the supplier, insofar as such business is of a similar nature.

2. Delivery contract, call-offs, changes to services

- 2.1 Delivery contracts (orders and acceptance), transactions and delivery call-offs require the written form.
- 2.2 The supplier is obliged to accept orders within one week. Delivery call-offs against an order or delivery schedule become binding if the supplier fails to raise objection within three working days of receipt.
- 2.3 If discrepancies exist between patterns and drawings or the specifications of the purchaser, the supplier is obliged to notify the purchaser without delay and to bring about clarification before the start of production.
- 2.4 Verbal agreements of any kind - including subsequent modifications and supplements - are only binding if they are confirmed by the purchaser in writing.
- 2.5 Delivery call-offs may also be made by remote data transmission or by machine-readable data media.
- 2.6 The purchaser may request changes in design and production of the items delivered, as far as this is reasonable for the supplier. The resulting effects, in particular with regard to increased or reduced costs and delivery time, must be taken into account accordingly.

3. Payment

- 3.1 Payment is due 60 days following contractual receipt of the goods and receipt of a correct and verifiable invoice, unless agreed otherwise. The definitive data for payment are the quantities, weights or other units as determined by the purchaser.
- 3.2 If early delivery is accepted, the due payment date is still calculated from the agreed delivery time.
- 3.3 In the event of incorrect delivery, the purchaser is entitled to withhold payment proportionally according to the value of the goods until proper completion of the order.
- 3.4 Payments do not constitute acknowledgement of the delivery or service as contractual.
- 3.5 Charges for very small or minimum quantities are not subject to payment, unless agreed otherwise.
- 3.6 The supplier is only entitled to rights of reconciliation if his counter-claims are established in law, undisputed or acknowledged by us. The supplier is only entitled to exercise a right of retention in the event of a counter-claim which is based on the same contractual relationship.
- 3.7 The supplier may only relinquish his claim against the purchaser, or have it collected by third parties, with the prior, written consent of the purchaser, unless this refers to claims which are established in law or undisputed. § 354a HGB (German Commercial Code) remains unaffected by this stipulation.

4. Delivery dates

- 4.1 Agreed delivery dates and times are binding. The dates specified in the delivery schedules are arrival dates, regardless of the agreed Incoterms. The receipt of the goods at the point of use by the purchaser is decisive for the compliance with the delivery date or time. If delivery "ex-works" has not been agreed, the supplier must provide the goods taking into account the usual time for loading and dispatch.
- 4.2 If the supplier realises that the agreed dates cannot be met, he must notify the purchaser to this effect immediately, stating the reasons and the expected duration of the delay.
- 4.3 The specified quantities must be observed in all cases, irrespective of legal or church holidays and national restrictions. If safety stocks are necessary in order to meet this requirement, the type and extent will be determined by the supplier on his own responsibility. Advance deliveries due to company holidays of the supplier must be agreed with the purchaser with regard to delivery dates and quantities.
- 4.4 If agreed dates are not met, the relevant legal regulations apply accordingly.
- 4.5 The acceptance of late deliveries or services without reservation does not constitute waiver of the compensation claims due to the purchaser on the grounds of late provision of deliveries or services. This applies until complete payment of the charge owed by the purchaser for the services in question.

- 4.6 The supplier may only make reference to the absence of necessary documentation to be provided by the purchaser if he has sent a written reminder regarding such documentation and has not received it within a reasonable period of time.
- 4.7 Force majeure, labour disputes, civil unrest, official measures and other unavoidable events relieve the purchaser for the duration of their existence from the requirement of timely acceptance. During such events, and for two weeks following their end, the purchaser is entitled to withdraw from the contract in whole or in part, insofar as these events are not of significant duration and the requirement is significantly reduced due to the necessary resulting alternative procurement of the goods or services.

5. Prices, packing, dispatch

- 5.1 The agreed prices are fixed prices. They include the cost of packing, freight and transport to the dispatch address or point of use specified by the purchaser, unless otherwise agreed.
- 5.2 Unless otherwise agreed, the goods to be delivered must be packed properly and in the usual way. The designation of the packaging must be in accordance with VDA Series 2 / VDA Standard 4903.
- 5.3 Palettes and containers will be returned by means of the exchange process, provided that these are the property of the supplier.
- 5.4 The purchaser reserves the right to nominate the transporter or carrier bindingly on behalf of the supplier.

6. Defect reports

- 6.1 A goods receipt check will be carried out by the purchaser only with regard to obvious defects, transport damage, completeness and identity of the goods. The purchaser will report such defects immediately. The purchaser reserves the right to carry out a further goods receipt check. The purchaser will also report defects as soon as these are established during the normal course of business. The supplier to this extent waives the objection of late defect reporting.
- 6.2 The supplier undertakes to check defect reports within 24 hours, and to give notification of the resulting measures in the form of an 8-D report.

7. Quality

- 7.1 The quality management system must conform at least to the requirements of DIN EN ISO 9001:2000. The supplier will confirm such certification at the request of the purchaser.
- 7.2 The supplier must comply with the laws, ordinances and official requirements prevailing in the Federal Republic of Germany, together with the technical regulations, standards and directives in the version valid at the time of contract conclusion of the relevant order. The deliveries and services must in particular comply with the accepted rules of safety technology, the accepted rules of the technology, the applicable DIN and accident prevention regulations, the safety regulations and the agreed technical data, the requirements of applicable environmental protection regulations and the resulting legal ordinances. If the place of manufacture and/or sales area are located outside the Federal Republic of Germany, the local legal ordinances, and in particular their environmental regulations, must be observed.
- 7.3 Changes to the goods supplied require the prior, written agreement of the purchaser. In all cases, new sampling is required in accordance with the relevant agreed procedure.
- 7.4 The initial sampling must be carried out in accordance with the PPAP (QS 9000). The data must also be entered into the IMDS database (the guideline is available on request). Deliveries must take place only after written approval or on the basis of a construction pattern release. A construction pattern release does not replace sampling in accordance with the PPAP.
- 7.5 The supplier should make use of SPC (statistical process control) as a means of control of the supplier production processes.
- 7.6 The purchaser is entitled to check the quality management and the processes of the supplier by means of audits.
- 7.7 The quality assurance agreement concluded between the contract partners also applies.

8. Defect liability

- 8.1 The supplier gives his assurance that the deliveries or services comply with the agreed specifications, and are not subject to defects which might reduce or nullify their value or suitability for the usual or contractually intended purpose.
- 8.2 The purchaser is entitled to the legal defect claims without restriction. The purchaser is in all cases entitled, at his own discretion, to require from the supplier either rectification of defects or the delivery of new goods. The right to compensation for damages, and in particular the right to compensation for damages instead of performance of the service, is expressly reserved.
- 8.3 Defect claims - on whatever legal grounds - expire 36 months following delivery. Longer contractual or legal expiry periods remain unaffected. The expiry period begins on the transfer of risk.
- 8.4 If the supplier fulfils his subsequent fulfilment obligation by means of replacement delivery, the expiry period for the goods supplied as replacement begins again following their delivery, unless the supplier has made express reservation on subsequent fulfilment that the replacement delivery is made solely for reasons of goodwill.

- 8.5 If the supplier does not begin immediately with the rectification of the defect following the request of the purchaser, the purchaser is entitled in urgent cases, and in particular to prevent acute danger and/or to avoid unreasonably high damages, to undertake such rectification himself, or have it carried out by third parties, at the cost of the supplier.
- 8.6 If costs, in particular transport, shipping, work costs, material costs or costs for goods receipt checks in excess of the normal extent, are incurred by the purchaser as a result of the defective delivery of the contract goods, the supplier is responsible for these costs.
- 8.7 Any delivery of goods by supplier is in compliance with all applicable legal obligations, e.g. Directive (EC) No. 1907/2006 (REACH).

The supplier shall inform us without delay about changes concerning the delivered products, their availability and their quality, especially resulting from REACH, and agree on suitable measures on a case-by-case basis. The same applies, once and as far the contracting partner detects or should have detected that such changes could occur.

A legal obligation of the purchaser (downstream user) to pre-register or register the delivered goods does not exist.

9. Product liability

- 9.1 If the supplier is responsible for product damages, he is obliged to indemnify the purchaser against claims for compensation by third parties, on initial request, if the cause lies within his control or area of responsibility, and he himself is liable with regard to third parties.
- 9.2 In this context, the supplier is also obliged to reimburse any costs resulting from or in connection with a recall action carried out by the purchaser. The purchaser will notify the supplier - insofar as is possible and reasonable - of the content and extent of the recall measures to be applied, and will give him the opportunity to state his position. Other legal claims remain unaffected.
- 9.3 The supplier is obliged to take out adequate business and product liability insurance, and to maintain such insurance cover during the term of the contract and following expiry periods. If the purchaser is entitled to further claims for compensation for damages, these remain unaffected. The supplier must provide the purchaser on request with a copy of the valid insurance policy.

10. Proprietary rights of third parties

- 10.1 No proprietary rights of third parties within the Federal Republic of Germany may be infringed by the delivery or by its use by the purchaser. The purchaser will notify the supplier immediately of any claims by third parties. The purchaser will not himself acknowledge such claims. The purchaser authorises the supplier to this extent to conduct the dispute with the third party in court or out of court.
- 10.2 In the event of culpable infringement of the proprietary rights of third parties, the supplier will defend such claims by third parties, made against the purchaser by third parties on the grounds of infringement of proprietary rights by the deliveries and services of the supplier, at his own cost. The supplier indemnifies the purchaser against all claims resulting from the use of such proprietary rights, provided that he is responsible for such claims.
- 10.3 If the use of the delivery by the purchaser is impaired or restricted by existing proprietary rights of third parties, the supplier must, at his own cost, either acquire the corresponding approval or modify or replace the affected parts of the delivery, so that no proprietary rights of third parties stand in the way of the use of the delivery, and the delivery simultaneously complies with the contractual agreements.

11. Provision of materials and tools

- 11.1 Materials provided by the purchaser, of whatever type, remain the property of the purchaser. They may only be used for the intended purpose. In the event of processing or admixture, the purchaser acquires joint ownership of the new goods in relation to the value of the goods provided by the purchaser to the other processed items at the time of processing, and for the period of storage of the items by the supplier.
- 11.2 The supplier is obliged to check and store the materials provided with all due care and attention. Deviations (e.g. quantity, quality etc.) must be reported immediately to the purchaser. The supplier is liable for any loss or damage due to negligence or deliberate intent.
- 11.3 The purchaser reserves ownership of any tools provided; the supplier is obliged to use the tools only for the production of the goods ordered by the purchaser. The supplier is obliged to insure the tools belonging to the purchaser at the new/replacement value against fire damage, water damage and theft at his own cost.

12. Confidentiality

- 12.1 The supplier undertakes to handle all commercial and technical details not in the public domain which come to his knowledge by reason of the business relationship with all due confidentiality, and not to disclose such details to third parties.
- 12.2 Drawings, models, templates, samples and similar items may not be provided or otherwise made available to unauthorised third parties. They must be returned to the purchaser immediately on termination of the contract. The duplication or copying of such items is permitted only for purposes of commercial requirements and copyright stipulations.
- 12.3 The same obligations must be imposed on all subsidiary suppliers.

13. Conflict minerals

- 13.1 The contract partners agree to avoid the procurement and use of raw materials (conflict minerals within the meaning of the Dodd-Frank Act), which were obtained by illegal or ethically objectionable measures. The supplier undertakes in this respect to apply all due care to measures designed to determine the origin or source of conflict minerals.

14. Service Parts

- 14.1 After termination of the current model production of the vehicle involved, Seller shall sell to Purchaser Goods necessary for Purchaser to fulfill Purchaser's and its Customers service and replacement parts requirements for past model years at the prices then specified in the last Order for current model production plus any actual net cost differential for required unique packaging for the first five (5) years of past model service. For the following ten (10) years of past model service or such longer period as Purchaser's Customer requires service parts, the prices shall be as specified in the last Order for current model production plus any actual net cost differential for required unique packaging, plus any actual net cost differential for manufacturing costs as mutually agreed between Purchaser and Seller

15. General conditions

- 15.1 If a contract partner suspends payments or bankruptcy proceedings or out-of-court settlement proceedings are applied for against his assets, the other party is entitled to withdraw from the unfulfilled part of the contract.
- 15.2 This contract is subject exclusively to the law of the Federal Republic of Germany, and to the exclusion of UN purchasing law (Convention on the International Sale of Goods - CISG).
- 15.3 Place of fulfilment for the delivery obligation, unless expressly agreed otherwise, is the point of use or dispatch address specified by the purchaser. Otherwise the place of fulfilment is Gelnhausen.
- 15.4 Exclusive place of jurisdiction for all disputes arising from this contract is the Court of Gelnhausen responsible for the purchaser. The purchaser is however also entitled to bring action against the supplier at the court responsible for his head office.
- 15.5 If individual parts of these purchasing conditions prove to be invalid, this shall not affect the validity of the remaining parts. The contract partners undertake to replace the invalid condition with a valid condition which most closely approximates the originally intended content and commercial success.