

§ 1 Scope of application

- (1) All of our business relationships with our business partners and suppliers are governed exclusively by our General Terms of Purchase. We do not acknowledge any supplier's terms that oppose or deviate from our terms of purchase unless we have expressly consented to their applicability in writing. Our terms of purchase apply exclusively even if we accept the supplier's delivery unconditionally while knowing of terms of the supplier that oppose or deviate from our terms of purchase.
- (2) Our General Terms of Purchase apply only toward companies pursuant to § 14 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*) – that is, toward individuals or legal entities who, when entering into the contract, act in exercise of their commercial or independent professional activity – toward legal entities governed by public law, and toward special funds under public law. Unless otherwise agreed for a specific case, they apply to all orders (even orders placed in the future). By confirming or performing the order without objections, the supplier acknowledges that it is bound by these terms.
- (3) By making the delivery or rendering the service based on these terms of purchase, the supplier acknowledges that the terms will also be agreed for all additional deliveries.
- (4) If the parties have entered into framework contracts or individual contracts, they will take priority. They will be supplemented by these terms of purchase unless they contain more specific regulations.

§ 2 Obtaining offers; Inquiry documents

- (1) Offers made by the supplier must be in writing or in text form.
- (2) Offers made by the supplier must completely describe the delivery object and/or the service to be rendered and must completely list and specify all the prices for the additional products and/or services that we will need in order to use the object of the delivery or service safely and efficiently.
- (3) Unless otherwise agreed, goods, services, and parts thereof that are not listed in the supplier's offer but are indispensable for safe and efficient operations or a proper use of the goods and/or service are deemed part of the object of delivery and/or service and owed by the supplier together with the delivery and/or service.
- (4) If the delivered goods entail any dangers or environmental hazards, or if they must be handled in a special way, the supplier shall expressly point this out in its offer in writing.
- (5) The offeror or supplier shall bear any costs incurred by working out offers or making visits even if the offer is based on our inquiry.

§ 3 Orders and contract formation; Documents

- (1) Our order is deemed binding when it has been made or confirmed in writing at the earliest. The supplier shall notify us if an order or any order documents contain obvious errors (such as typos and miscalculations) or are obviously incomplete, so they can be corrected or completed before acceptance; otherwise, the contract is deemed not entered into.
- (2) In cases of doubt: Agreements, promises, and side agreements made before the contract is entered into are effective only if we confirm them in writing.
- (3) For the order to be confirmed effectively, the supplier must confirm it in writing or in text form at the supplier's registered office and we must receive the confirmation within 5 calendar days. Unless otherwise agreed, we may withdraw our order if that deadline expires. Any claims asserted by the supplier based on an effective withdrawal that was made for that reason are ineffective.
- (4) For framework contracts, the call-offs will be made through individual call-off orders. Each call-off order must be accepted by the supplier at its registered office within 5 calendar days after it is received, unless the supplier has objected to the acceptance of the order in writing or text form within the aforementioned time limit. An objection for that purpose is effective only for one of the following important reasons:
 - (i) necessary raw materials or parts are not available in the worldwide procurement market,
 - (ii) delivery is legally impossible (due to an embargo, for example), or
 - (iii) the called-off order quantity lies outside of 120% of the middle of our forecast of the anticipated need that has been announced to the supplier for the order period.
- (5) Delivery call-offs can also be placed through remote data transmission.
- (6) Late acceptance will be deemed a new offer that requires our acceptance.
- (7) If the supplier accepts our order, but only with deviations, it must identify those deviations and highlight them in its order confirmation.

The supplier shall also notify us in writing or text form about any changes made to contract terms, order details, or order conditions.

The supplier shall notify us without undue delay, in writing or in text form, of any changes to or expansions of the contract scope whose necessity is recognisable only when the contract is performed. The changes/expansions will become legally effective only when we consent to them in writing.

- (8) For safety-relevant parts in delivery objects that are particularly identified in the technical documents (with an 'x', for example) or are specified by a special agreement with the supplier, the supplier shall also set forth in special records how, when, and by whom the delivery objects were examined regarding the characteristics that must be documented and the results of the required quality tests. Those testing documents must be kept for us for 10 years and submitted to us at no charge if needed. The fee for this is contained in the remuneration for the main service owed by the supplier that forms the subject matter of the contract. If the statutory possibilities allow, the supplier shall obligate any sub-suppliers to the same extent.
- (9) We may demand that the suppliers submit the certificates of origin and quality for the delivery objects, in German or English, at no charge.
- (10) The supplier shall send us a notification in written or text form that specifies and requests the documents that we must supply.
- (11) If the supplier must provide material samples, testing logs, quality documents, or other documents, either in accordance with the contract or as an ancillary obligation, the delivery and/or the service will be deemed incomplete unless those documents are also handed over in their entirety.

§ 4 Changes

The supplier shall change the construction or design at our request if it could reasonably be expected to do so. The supplier shall implement the changes within a reasonable period. The supplier shall inform us in writing no later than 14 calendar days after the change inquiry about the effects of the change (especially regarding prices, delivery deadlines, and capacity commitments). The parties shall agree on reasonable regulations in this regard. If no notification is made within the specified period, the originally agreed conditions (especially prices, delivery deadline, and capacity commitments) will continue to apply.

§ 5 Prices; Packaging

- (1) The prices listed in our orders are fixed prices, even for delivery contracts with longer terms. They exclude follow-up requests of all types. Prices must be acknowledged by us in writing. All prices are understood as including statutory VAT unless this is shown separately.
- (2) Unless otherwise agreed, the price includes all services and ancillary services owed by the supplier (such as assembly and installation) as well as all ancillary costs (such as proper packaging and transport costs, including any transport and liability insurance).
- (3) The supplier shall pack the objects to be delivered exclusively in environmentally friendly packaging material or environmentally friendly containers so that transport damage can be prevented. The packaging of the respective shipment is included in the price unless we have agreed otherwise with the supplier in writing. The supplier shall dispose of any waste that arises during delivery or assembly by that party.
- (4) Only the supplier shall bear the price risk, especially the calculation risk and risk of changes in raw material prices and/or changes of purchase costs for needed services. To clarify: Unless otherwise expressly agreed, such purchase costs and/or raw material cost changes do not entitle the supplier to claim any price adjustment or stop delivery and do not constitute an instance of force majeure and/or frustration of contract.

§ 6 Payment; Setoff; Assignment of claims

- (1) After a delivery is made, invoices must be submitted in a simple copy using the proper form along with all associated documents and dates after a delivery. They must contain our part numbers, sign and number of the crates, vessels, etc., the number of the calculated objects – listed by variety – gross and net weights, date of the order, and our order number and tax ID number. If invoices refer to goods of different orders, the quantity belonging to each order must be listed separately. If the supplier fails to do so, we will not be liable for any delays in the processing or payment.

The supplier shall always include our order number in other letters.

- (2) The agreed price is due for payment within 30 calendar days after complete delivery and performance (including any agreed acceptance) as well as receipt of a proper invoice. If we make a payment within 14 calendar days, the supplier shall grant us a 3% discount on the net amount of the invoice. For a bank transfer, the payment is deemed made on time if our transfer order is received by our bank before the payment period expires; we are not responsible for delays on the part of the banks participating in the payment procedure.
- (3) Payments are not deemed acceptance or waiver of any notices of defect and do not constitute acknowledgement of the fulfilment in accordance with a contract.
- (4) If prepayments are agreed, they are due when the supplier has provided a directly enforceable guarantee to secure the payment from one of the German credit institutes or banks connected to the deposit protection funds.

- (5) We do not owe any maturity interest. Delay in payment is regulated by the statutory provisions.
- (6) We are entitled to rights of setoff and retention, and the right to object to an unfulfilled contract, to the statutory extent. The right to deduct a discount remains to that extent. In particular, we may retain due payments if we are still entitled to claims against the supplier arising from incomplete or defective services.

The supplier may assert rights of setoff or retention against claims arising from the contract and the associated extracontractual claims only if the counterclaim is due, uncontested, ready for a decision, or has become res judicata.

- (7) The supplier may assign claims against us only with our written consent, unless they are monetary claims.

§ 7 Delivery terms and deadlines

- (1) Delivery deadlines are bound by the delivery deadlines indicated in our order unless the supplier has objected to them within 5 calendar days after receipt, at the supplier's registered office, receipt by us being determinative for the deadline being met. In the event of contradiction, the parties shall agree on a delivery deadline acceptable to both parties without undue delay, in consideration of the (final) customer deadline specified to us. If the supplier realises that it will be unable to comply with an agreed deadline, for whatever reason, the supplier must notify us thereof without undue delay while specifying the reasons for and the anticipated duration of the delay. This applies even if the supplier is not responsible for the delays in delivery. If this obligation is breached, we are entitled to compensation by the supplier for the damage incurred thereby.
- (2) The deadline or time limit is deemed complied with if the goods arrive on time at our premises or the delivery location we have specified. If self-pickup has been agreed, the supplier shall provide the goods promptly in consideration of the normal time for loading and transport. If an inspection and acceptance procedure is necessary, the time of the acceptance is determinative.
- (3) The supplier shall perform the service it owes under the contract, keep suitable material and personnel resources ready, and contract relationships to suppliers and sources of raw materials constantly to comply with its obligation to perform and deliver. Reservations of self-delivery benefitting the supplier are excluded.
- (4) If the delivery or service is provided earlier than agreed, we may send it back at the supplier's expense or reject the performance, or reject the delivery. If we do not send the goods back that have been delivered prematurely, we will store them at the supplier's expense and risk until the delivery date.
- (5) If the supplier does not perform its service within the agreed delivery period or at all, or enters default, our rights – especially to withdrawal and damages – will be based on the statutory provisions. The regulations in para. (6) remain unaffected.
- (6) If the supplier defaults, we may – besides further statutory claims – demand liquidated damages amounting to 1% of the net price of the outstanding delivery or service, per complete calendar week, but as a whole no more than 5% of the net price of the outstanding delivery or service; further statutory claims, especially claims for damages, but under complete crediting to the liquidated damages, remain reserved for us. Further statutory and contractual claims – and in the scope of application of UN sales law (CISG), the rights on our part that result from this – remain unaffected.
- (7) If a delay in delivery, performance, or both is imminent or has already occurred, the supplier shall grant us all the relevant documents connected with the order relationship and give us the names of the subcontractors and suppliers in this regard. To that extent, however, the supplier shall not disclose any business secrets for the purposes of the German Act on Protecting Business Secrets – that is, information and/or data that is known only to a limited group of people, relates to our company, that has an economic value, and is identifiable.
- (8) If in the event of a delay in delivery or performance on the part of the supplier there is an objective reason for it, the supplier shall grant us the rights to contact all the subcontractors and suppliers directly who come into question, to avert a delay in delivery or performance arising from it or shorten it as much as possible.
- (9) In the cases of paras. (7) and (8), the entire responsibility for the order will remain with the supplier.

§ 8 Performance; Delivery; Transfer of risk; Delay in acceptance

- (1) The supplier shall bear the procurement risk for its services unless otherwise agreed for an individual case (restriction to inventory, for example).
- (2) The delivery will be made within Germany 'free domicile' and from outside Germany according to DDP Incoterms® 2020, always to the place indicated in the order. If the destination is not indicated and nothing to the contrary is agreed, the delivery must be made to our registered office in Nagold.
- (3) The delivery must include a delivery slip that specifies the date (issuance and shipping), content of the delivery (article number and quantity) as well as our order ID (date and number). If the delivery note is missing or incomplete, we will not be responsible for any resulting delays in processing and payment. A notice of shipping must be sent to us separately from the delivery note but with the same content.
- (4) The risk of accidental loss and accidental deterioration of the item will pass to us on handover at the place of performance. If an inspection and acceptance procedure has been agreed, this is determinative for the transfer of risk. And, apart from that,

an inspection and acceptance procedure is governed by the statutory provisions of contracts on works and services. If we default on acceptance, this will be deemed transfer or acceptance.

- (5) The entry of our delay in acceptance is governed by the statutory provisions. The supplier shall also expressly offer us their performance, however, if a certain or determinable calendar period has been agreed for an action or cooperation on our part (such as providing materials). If we default on acceptance, the supplier may demand compensation for its additional expenses pursuant to the statutory provisions (§ 304 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*)). If the contract concerns a non-substitutable (custom-built) item to be created by the supplier (individual production), the supplier is entitled to further rights only if we are obligated to cooperate and are responsible for the cooperation not taking place.

§ 9 Shipping regulations

- (1) The deliveries must be sent to the address specified in the order.
- (2) The supplier shall comply with the Wagon Packaging Regulations as amended. These regulations can be requested from us or viewed on our premises. The shipment of the goods must include the delivery documents indicated in these packaging regulations. In particular, each delivery must include a delivery notice with the following information: Delivery notice number, Wagon ID Number, part description, quantity, and reference to order data.
- (3) We will accept partial deliveries or partial services only by express written agreement. In that case, the remaining quantity must be listed in the delivery notice.
- (4) We may send the packaging back.
- (5) In the event of pricing ex works, or from the supplier's sales warehouse, shipment must be made at the lowest cost unless the orderer has prescribed a special type of conveyance. For pricing ex works, the delivery transports are ensured by the orderer. The supplier shall grant the carriers a SVS/RVS prohibition. The supplier shall bear any SVS/RVS premiums.

§ 10 Nondisclosure; Retention of title

- (1) We reserve our ownership and copyrights to illustrations, plans, drawings, calculations, design instructions, product descriptions, and other documents. Such documents must be used exclusively for the service under the contract and returned to us when the contract has been performed. The documents must be kept secret from nonparties during the contract term and after its termination. The nondisclosure obligation will expire only if and insofar as the knowledge contained in the transferred documents has become generally known. Special nondisclosure agreements and statutory regulations on confidentiality remain unaffected.
- (2) The preceding provision applies with the necessary modifications for substances and materials (such as software, finished products, and semifinished products) and for tools, templates, samples, and other items that we provide to the supplier for production. Such items are – unless they are processed – to be kept separately at the supplier's expense and insured against destruction and loss to a reasonable extent.
- (3) Any processing, mixing, or connecting (further processing) of provided items by the supplier will be deemed to have been performed for us. The same applies to the further processing of the delivered goods by us, so that we will be deemed the manufacturer and will acquire ownership of the product no later than the further processing in accordance with the statutory provisions.
- (4) The transfer of ownership to us must occur unconditionally and without consideration of the payment of the price. However, if we accept an offer of transfer of ownership made by the supplier that is conditional on the payment of the purchase price, the supplier's retention of title will expire at the latest with the payment of the purchase price for the delivered goods. We may resell the goods within the ordinary course of business even before the purchase price is paid, assigning the claim arising herefrom in advance (or, in the alternative, application of the simple retention of title extended to the resale). Therefore, all other forms of retention of title are excluded, especially the expanded retention of title, forwarded retention of title, and retention of title that is extended to the resale.

§ 11 Force majeure

- (1) Each party is not liable for events of force majeure that make it significantly more difficult for that party to render the services or that temporarily hinder or prevent the proper performance of the contract. Force majeure includes without limitation all circumstances independent from the will and influence of the parties, such as natural catastrophes, war, and other military conflict, civil unrest, attacks of terrorism, earthquakes, flooding, destruction of production facilities by fire or explosion, or other circumstances that are unforeseeable, severe, and not the parties' fault, and arise after the respective contract has been entered into.
- (2) Strikes, lockouts, and production downtime due to cases other than those aforementioned, as well as incorrect or delayed delivery by upstream suppliers, are not deemed incidents of force majeure.
- (3) After the force majeure occurs, the party concerned shall notify the other in writing without undue delay of the characteristics of the event, the time and date of the occurrence, and the anticipated effects of the event on that party's ability to meet its contract obligations. After the force majeure event ends, the party concerned shall notify the other party without undue delay and resume meeting its obligations.

- (4) Agreed service and delivery periods will be extended appropriately depending on the duration of the force majeure event. If a party could not be reasonably expected to continue adhering to the contract during the delay in delivery or service caused by the force majeure, that party may withdraw from the contract or terminate it for good cause without notice. Adhering to the contract is typically considered unreasonable if the forced majeure lasts longer than four weeks.

§ 12 Notice of defects

The commercial obligation to perform an inspection and give notice of defects is governed by the statutory provisions (§§ 377, 381 of the German Commercial code (*Handelsgesetzbuch, HGB*)) with the following proviso:

Our obligation to perform an inspection is limited to defects that are identified through an external examination during our incoming goods inspection, including the delivery documents (such as transport damage and incorrect or short deliveries) or during our quality check during the random sampling procedure. If an acceptance procedure has been agreed, we are not required to perform an inspection. Otherwise, it depends on the extent to which an inspection is feasible in the ordinary course of business considering the circumstances of the case at hand. Our obligation to give notice of defects discovered later remains unaffected. Without prejudice to our obligation to inspect, our notice of defects will be deemed to have been given on time and without undue delay in any case if they are sent within 10 calendar days from their discovery or, for obvious defects, from delivery.

§ 13 Subcontracts

- (1) If the supplier plans a partial or complete transfer of the services to a subcontractor, the supplier shall give us adequate information and enable us to make a comprehensive evaluation of the capacity of the subcontractor in question. This includes information on the subcontractor's professional suitability, technical personnel, financial suitability, and equipment.
- (2) The supplier shall not transfer any of the services to a subcontractor except with our prior written consent. We shall not withhold our consent except for good cause.
- (3) 'Good cause' is constituted if, objectively speaking, the subcontractor does not offer a guarantee for performance in accordance with the contract.
- (4) If, after the services are transferred to a subcontractor, there are justified indications that the subcontractor would jeopardise or impair the rendering of the services, we may demand that the supplier replace the subcontractor already used or render the services itself.
- (5) The supplier shall remain just as responsible for the execution of the tasks transferred to the subcontractor as it would had they been executed by the supplier itself.
- (6) The supplier shall ensure that the subcontractor undertakes to comply with the contractual provisions entered into between the parties, especially regarding audits and confidentiality. The supplier shall enter into an agreement with the subcontractor under which the subcontractor is obligated to confidentiality and to compliance with the provisions to the same extent as the supplier and is just as liable the supplier.

§ 14 Quality and documentation

- (1) In making the deliveries, the Supplier shall adhere to the acknowledged rules of technology, the safety regulations, and the agreed technical data. Changes to the delivery object require the orderer's prior consent. For the initial sample testing, see the VDA [German Association of the Automobile Industry] written document 'Ensuring the quality of deliveries in the automobile industry – supplier evaluation, initial sample testing', Frankfurt am Main. Nevertheless, the supplier shall check the quality of the delivered items independently. Each party shall inform the other about the opportunities to improve quality.
- (2) If the type and documents of the inspections are not firmly agreed between us and the supplier, we are ready at the supplier's request, within the bounds of their knowledge, experiences, and possibilities, to discuss the inspections with the supplier to determine the required status of the testing technology. Moreover, we shall inform the supplier about the relevant safety regulations on request.
- (3) For the power vehicle parts specially designated in the technical documents or by separate agreements (with a 'D', for example), the supplier shall specify beyond that, in separate records, how and by whom the delivery objects have been inspected regarding the qualities that must be documented and the results of the required quality tests. The testing documents must be kept for ten years and submitted to us on request. The supplier shall obligate upstream suppliers to the same extent, within the scope of the statutory possibilities.

§ 15 Rights in the event of defects

- (1) We are fully entitled to the statutory defect claims (and, in application of the UN sales law (CISG), the rights arising from this in the event of defective delivery and/or performance).

The supplier, and each of the supplier's sub-suppliers and subcontractors, shall guarantee that the deliveries or services are free from material defects and defects of title for the purposes of the legal statutes and in application of the UN sales law (CISG). The supplier, and each of the supplier's sub-suppliers and subcontractors, shall provide the deliveries or services in accordance with the latest state of technology, the applicable official and technical regulations and standards, as well as the accident prevention regulations in terms of design and materials.

The supplier ensures (and, in the area of application of the UN sales law (CISG), guarantees) that all deliveries/services comply with the current state of technology at the time the contract is entered into, the relevant legal provisions, and the requirements of authorities, trade associations, and professional associations of the Federal Republic of Germany and the European Union, especially (to the extent relevant) the machine directive of the European Union and the country of use and the agreed specifications communicated before the contract was entered into.

The supplier ensures (and, in the area of application of the UN sales law (CISG), guarantees) that the delivered products and packaging materials are environmentally friendly. The supplier shall comply with all the relevant statutory provisions and guidelines related to the delivery object and/or the contractual services. If compliance with technical requirements and norms such as CE, CSA, or UL specifications has been agreed for the products or their components, the supplier shall keep verification thereof and provide it to us on request.

- (2) Under the statutory provisions, the supplier shall be particularly liable that the goods have the agreed qualities when risk passes to us. As an agreement on the quality, in any case, the same product descriptions apply that – especially through designation or reference in our order – constitute the subject matter of the respective contract or were included in the contract in the same manner as these General Terms of Purchase. To that end, it makes no difference whether the product description originated with us, with the supplier, or with the manufacturer.
- (3) For goods with digital elements or other digital content, the supplier shall provide and update the digital content in any case insofar as this is revealed in an agreement on quality pursuant to paragraph (2) or other product descriptions of the manufacturer or on its behalf, especially on the internet, in the advertisement, or on the goods label.
- (4) A defect in title is also constituted if the delivery or service of the supplier infringes on one or more third-party rights, including without limitation in the European Union, the USA, Canada, Mexico, or Japan; this does not apply if the supplier has produced its delivery or service according to drawings, models, or other equivalent descriptions or information of ours and does not need to know of the infringement of third-party protective rights connected with this.
- (5) We are not required to examine the goods or make special inquiries about possible defects when the contract is entered into. Partially by way of deviation from § 442(1) sentence 2 BGB, we are entitled to defect claims even if the defect is unknown to us when the contract is entered into due to gross negligence.
- (6) The supplier shall at our request notify us of the use of published and unpublished protective rights to the delivery or performance object, whether proprietary, licensed, or applied for. The supplier shall also notify us of risks of breach and alleged cases of breach that become known; vice versa, we shall also notify the supplier of the same.
- (7) Supplementary performance also includes the dismantling of the defective goods and their renewed installation, if the goods are installed in or attached to another item according to their type and intended use, before the defect became apparent; our statutory claim to compensation for reasonable expenses (dismantling and installation costs) remains unaffected. The supplier shall also bear the costs or cost increases incurred because the item was moved to a location other than our branch. The supplier shall bear the expenses necessary for the purposes of examination and supplementary performance, including without limitation transport, infrastructure, labour, and material costs, as well as any dismantling and installation costs, even if it turns out that no defect actually existed. Our liability for paying compensation due to unjustified demands to rectify defects remains unaffected; to that extent, however, we shall be liable only if we have recognised (or, save for gross negligence, ought to have recognised) that no defect existed.
- (8) Without prejudice to our statutory rights and the regulations in § 12, the following applies:

If the supplier fails to comply with its obligation to provide supplementary performance – either by curing the defect (repair) or delivering a defect-free item (replacement delivery), at our discretion – within a reasonable grace period that we had set – we may cure the defect and demand compensation from the supplier for the expenses necessary to do so, or demand an appropriate advance payment. If the supplementary performance by the supplier fails, or if we could not reasonably be expected to accept it (due to special urgency, risk to operational safety, or imminent occurrence of disproportionate damage), no grace period need be set; we shall notify the supplier of such circumstances without undue delay (in advance, if possible).
- (9) If there are defects of title, the supplier shall indemnify us and our buyers from third-party claims in this regard, including the costs for legal defence and our lawyers' fees. If the supplier has produced its delivery or service according to documents we handed over, such as models or drawings, or according to our express instructions, and could not have known that in so doing third-party rights would be infringed, the preceding obligation to indemnify does not apply.

§ 16 Supplier regress

- (1) We are unrestrictedly entitled to our legally stipulated rights to object and to regress within a supply chain (supplier regress pursuant to. §§ 478, 445a, 445b or §§ 445c, 327 paragraph 5, 327u BGB), in addition to the defect claims. In particular, we may demand the precise type of supplementary performance (repair or replacement) from the supplier that we owe our buyers on a case-by-case basis; for goods with digital elements or other digital content, this also applies in regard to the provision of necessary updates. This does not affect our statutory right to choose (§ 439 (1) BGB).
- (2) Before we acknowledge or fulfil a defect claim asserted by our buyer (including reimbursement of expenses §§ 445a (1), 439 (2), (3), (6) sentence 2, 475 (4) BGB), we shall notify the supplier, briefly present the state of affairs, and ask them to state their position. If no substantiated statement of position is made within a reasonable period and no amicable solution can be reached, the defect claim actually granted by us will be deemed owed to our buyer. In this case, the supplier bears the burden of counterevidence.
- (3) Our claims to supplier regress will apply even if the defective goods were connected with another product or further processed in another manner by us, our buyers, or a third party (through installation, attachment, or installation, for example).

§ 17 Manufacturer's liability; Indemnification; Product liability insurance

- (1) If the supplier is responsible for product damage, it shall indemnify us and our customers from third-party claims to the extent that the cause lies in its sphere of influence and organisation. The supplier's obligation to compensate includes the payment of damages to third parties and typical costs for legal defence, recall costs, testing costs, installation and dismantling costs, as well as our administrative and other expenses for settling the claim.
- (2) As part of its indemnification obligation, the supplier shall reimburse expenses pursuant to §§ 683, 670 BGB that result from or in connection with claims asserted by one or more third-parties, including recall actions carried out by us. We shall notify the supplier about the content and scope of recall measures – to the extent possible and feasible – and give the supplier the opportunity to state its position. Further statutory or contractual claims remain unaffected.
- (3) The Supplier shall take out and maintain product liability insurance with lump-sum coverage of at least 10 million euros per incident of personal or material damage and at least 10 million euros per incident of asset damage; if we are entitled to further claims for damages, these remain unaffected. The supplier shall provide us with proof of the aforementioned insurance and the premium payments to that end on first request. If the proof of the insurance and payment of premiums toward us is not made within 10 calendar days, we may withdraw from unfulfilled contracts in full or in part (regarding the part not yet fulfilled).

§ 18 Statute of limitations

- (1) Unless otherwise agreed in the following, the reciprocal claims of the parties will become time-barred in accordance with the statutory provisions.
- (2) By way of deviation from § 438 (1) (3) BGB, the general limitation period for defect claims is three years from the transfer of risk. If an acceptance procedure has been agreed, the limitation period will begin to run on acceptance. The three-year limitation period applies with the necessary modifications for claims arising from defects of title, the statutory limitation period for in rem claims for return by third parties (§ 438 (1) (1) BGB) remaining unaffected; beyond that, claims arising from defects of title become time-barred in any case as long as the third party can still assert the right toward us – particularly because there is no limitation period.
- (3) The limitation periods of the sale of goods law, including the preceding extension, apply – to the statutory extent – for all contractual defect claims. If we are also entitled to noncontractual claims for damages due to a defect, this is governed by the regular statutory limitation period (§§ 195, 199 BGB), unless the application of the limitation periods of the sale of goods law leads to a longer limitation period in an individual case.

§ 19 Provision of goods and production equipment

- (1) The goods, materials, substances, parts, containers, and packaging, as well as models, matrices, templates, samples, tools, and other production equipment that we have provided or paid for remain our property, and the supplier may use them only as intended to execute the order we have placed. Any processing or transforming of such goods by the supplier will be deemed to have been done for us. Production equipment may not be used to render any deliveries or services for third parties.
- (2) The supplier shall treat the goods and production equipment, maintain them, and insure them at its expense against fire, water, and theft, at their replacement value. At the same time, the supplier hereby assigns to us all claims to damages arising from this insurance; we hereby accept that assignment.
- (3) At our request, which we may make annually (or if justified, more frequently), the supplier shall determine and notify us of the actual state of the goods and production equipment that we have provided for our annual financial statements.

- (4) We reserve ownership of any parts that we provide to the supplier (those parts, the "Reserved Goods"). Any processing or transforming performed by the supplier will be deemed to have been done for us. If our Reserved Goods are processed along with other items not belonging to us, we will acquire the co-ownership of the new item in the ratio of the gross value of our item (purchase price plus VAT) to the other processed items at the time of processing.
- (5) If the item we have provided is processed along with other items not belonging to us, we will acquire the co-ownership of the new item in the ratio of the gross value of our item (purchase price plus VAT) to the other processed items at the time of processing. If the mixing occurs in a manner such that the supplier's item is deemed the main item, the supplier shall transfer proportionate co-ownership to us; the supplier shall keep the sole or shared title safe on our behalf.

§ 20 Environmental protection; Occupational safety; Energy efficiency

- (1) The supplier shall optimise its products under environmental aspects (recyclability, reusability of packaging, absence of harmful substances, etc.). The supplier shall ensure that the applicable law and regulations will be complied with at its company and when the products are manufactured. Deliveries must comply with applicable legal statutes, ordinances, and provisions on occupational safety and environmental protection at the time of delivery or acceptance. If the supplier commissions third parties to perform this contract, this obligation must be imposed on those third parties and their employees.
- (2) Goods classified as hazardous substances must be provided with a note to that effect. Each time new deliveries or modifications of the product are made, the supplier shall attach a safety data sheet without being asked.
- (3) We have introduced an energy management system pursuant to DIN EN ISO 50001. The efficient use of energy is an essential component of our company policy. When products, services, and equipment are being procured that affect or might affect the essential energy use, the assessment of the procurement is partially based on their energy-related performance (energy use, energy consumption, and energy efficiency). The supplier shall also notify its upstream suppliers of the fulfilment of these requirements.

§ 21 Compliance

- (1) In our code of conduct, we have undertaken to comply with the ten principles of the United Nations (UN Global Compact, the UN International Bill of Human Rights, The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work), the UN Guiding Principles on Economics and Human Rights, the guidelines for multinational companies, and the Organisation for Economic Co-operation and Development (OECD) (see https://www.wagon-automotive.de/tl_files/Wagon/PDF_Download/WA_CoC_202412_deutsch.pdf), and we expect all of our business partners to comply with them. The supplier shall therefore comply with the principles listed in our Code of Conduct and shall ensure that its subcontractors/upstream suppliers also adhere to these principles.
- (2) The supplier shall take suitable preventive measures and remedial action to identify, prevent, and end or at least minimise risks to human rights, infringements of legally protected assets, and environmental damage along the supply chain.

§ 22 Cargo securing

The supplier shall comply with the statutory obligations to comply with cargo securing (such as §§ 21(1), 23(1) StVO [Road Traffic Regulations], § 412 HGB, § 22 BGG D 29, etc.) as well as VDI guideline 2700 et seq (securing of loads on road vehicles) as amended and when awarding contracts to third-party firms shall point out in writing their statutory obligations to comply with the cargo securing and VDI guideline 2700 et seq. We may reject unsuitable vehicles.

§ 23 Safety regulations; Other requirements for deliveries and services

- (1) When making its deliveries, the supplier shall comply with the safety regulations that apply in the Federal Republic of Germany, the European Union, and the country of delivery or use that was communicated to the supplier before the contract was entered into, and the technical data or limit values that are in accordance with the current state of technology when risk is transferred, or technical data or limit values beyond that which have been agreed.
- (2) The supplier shall ensure that people who perform work within our company and on our facilities in fulfilment of the delivery contract observe the safety regulations that also apply to our employees. In particular, the requirements for entering our facilities must be complied with. In cases of doubt, the office in charge of building supervision must be asked.
- (3) The supplier shall use only materials that comply with the applicable statutory security requirements and provisions within the European Union, especially those concerning poisonous and hazardous substances. The same applies for protective provisions benefitting the environment and the requirements connected with electricity and electromagnetic fields. The preceding obligation entails all provisions that apply for the Federal Republic of Germany, the European Union, and the country of use communicated before the contract was entered into regarding the delivery and/or performance forming the subject matter of the contract and – if different from them – the provisions of the buyer countries communicated to the supplier before or with the order. On first request, the supplier shall verify compliance with these provisions for us and cooperate with corresponding verification toward the competent authorities.

§ 24 Software

- (1) If the delivery object contains software created for us, we must be given the right, for which we will not be required to pay remuneration, to use the software throughout the group, duplicate it as desired, and surrender it to third parties worldwide together with the delivery object at no charge.
- (2) We may decompile the software for the purposes of maintenance and further development.
- (3) The remuneration for the software will become due only with implementation of a formal acceptance procedure with a written declaration of acceptance on our part.
- (4) When the software is delivered, a supplementary performance through new program versions is permissible only with our prior written consent. If we have given our consent, the supplier shall at its expense brief our employees in the new program versions.

§ 25 Auditing

- (1) We – and, as a genuine contract benefiting third parties for the purposes of § 328 BGB, our customers as well – may, but are not obligated to, perform an auditing of the supplier or arrange for it to be performed by an expert and/or consultant, at our discretion, including with a view to any certification of our own. This entails an inspection of the operations and of the quality assurance of the supplier and a subsequent evaluation. Within the bounds of the supplier's legal possibilities, it shall ensure that its sub-suppliers grant us and our customers the same auditing right. The findings gained thereby will be made into a basis for further contract awards and for internal classification (rating) of the operation.
- (2) We may perform announced inspections of the supplier's ongoing business operations and quality assurance measures during normal business hours.
- (3) If we prove we have a reasonable legitimate interest in doing so, we may inspect the supplier's relevant documents. Such a legitimate interest is constituted in particular if findings could be gained through the inspection that allow an assessment of the necessity and handling of a recall.
- (4) When we assert our rights pursuant to the preceding paragraphs (1) to (3), the supplier is not required to disclose business secrets.

§ 26 Emergency production rights

- (1) If there are foreseeable or existing long-lasting delivery delays, the supplier shall at its expense and on our prior consent find an alternative supplier that we have accepted. Alternatively, we can decide, independently of the supplier, to commission a third party with the production of the goods at the supplier's expense. In case this occurs, the supplier hereby assigns to us all protective rights that are required for production, including the know-how, and provides us at no charge with the tools that are used. We may assign that right to third parties, but only during the period of delivery difficulties.
- (2) If the supplier is no longer able to deliver the goods to us, or if we make use of our right to terminate for good cause, the supplier shall grant us or a third party we specify a right of emergency production for the goods and the tools and devices needed for the production, as well as the specific know-how, including a licence to any protective rights, at no charge.
- (3) The supplier may meet its delivery obligations from a location other than the normal production location, after consulting with us and obtaining our written consent.
- (4) If the supplier will foreseeably be permanently unable to comply with the deadlines, and a reasonable grace period set for that purpose expires to no avail, the supplier shall at our request return all the tools and equipment necessary for production that are our property, as well as, from a derived right, also tools/devices owned by third parties, without undue delay, so that we can produce the delivery objects ourselves or arrange for third parties to produce them for the duration of the supplier's hindrance. If the supplier is to blame for the delay, the supplier shall bear the costs for the relocation. Claims of the supplier arising from the relocation are excluded. Further claims for damages on our part remain unaffected.

§ 27 Export handling

The supplier is – to the extent necessary – responsible for handling the export of its delivery to us. The supplier ensures that no restrictions under export law exist for its delivery and that the delivery is suited to be resold (worldwide) as a component of our (end) products. This does not affect the observance of the export regulations that apply for us and our (end) products. If delivery or export restrictions exist, the supplier shall expressly notify us of them before the contract is entered into, failing which we may withdraw from the contract. If the supplier's products do not meet the requirements set forth in the preceding, we may withdraw from the contract. Claims for damages beyond that remain unaffected.

§ 28 Right of termination

We may withdraw from the unfulfilled portion of a contract if a material worsening of the supplier's financial circumstances occurs or is imminent and this jeopardises the performance of the contractual obligations.

§ 29 General provisions; Fulfilment; Forum; Applicable law

- (1) The place of performance for the delivery obligation is the shipping address specified in our order; for all other obligations arising from this contract, the forum is Nagold.
- (2) For legal transactions with merchants, legal entities governed by public law, and holders of special assets under public law, the forum for all disputes arising from and in connection with the contract relationship is Nagold. The same applies if the supplier is an entrepreneur for the purposes of § 14 BGB. The forum of Nagold is also applies for suppliers who have no general forum within the territory of the Federal Republic of Germany. However, we may in all cases also bring an action at the place of performance for the delivery obligation in accordance with these General terms of Purchase or an individual agreement that takes precedence, or at the general forum of the supplier. Overriding statutory regulations, especially concerning exclusive competence, remain unaffected.
- (3) In transactions with foreign customers, the legal relationships are also governed exclusively by the law that applies in the Federal Republic of Germany. If the conditions of Art. 1, 3 CISG have been met, the provisions of UN sales law (CISG) apply.
- (4) We point out that we store the data from the contract relationship in accordance with Art. 6(1)(b) GDPR.