

Purchasing Terms

at Wöhrle GmbH & Co. KG

Stand 09.10.2017

1. Scope of validity

- a) Our purchasing terms are exclusively valid; opposing or differing terms from contractual partners which we have not expressly acknowledged are not binding for us, even if we have not expressly contradicted them. Our purchasing terms are also valid if we accepted the service or delivery in the knowledge that the contractual partner has terms which are different to our purchasing terms.
- b) All agreements between ourselves and the contractual partner in connection with this contract are made in writing.
- c) The current version of our purchasing terms is also valid for all future business with the contractual partner.
- d) In cases in which the contractual partner has entered a specific quality assurance agreement with us, the regulations have priority over these purchasing terms in the relevant scope. The regulations which are agreed here are supplementary.
- e) Our purchasing terms are solely valid for companies in the sense of § 310 IV of German Civil Code.

2. Offer and finalising contracts

- a) Our purchasing terms are valid for all deliveries and services performed by the contractual partner for us as well as for all orders, queries and contractual offers from us irrespective of whether it deals with the delivery of products, materials, resources, tools or constructions, tool production or changes, work services, developments or the performance of services.

- b) Finalised contracts take effect through orders and acceptance. Orders and acceptances, including changes and supplements, must be made in writing. This is also valid for forecast call-off orders undertaken by us within the scope of existing framework agreements. We are able to cancel orders at any time before acceptance of the order without incurring any costs.
- c) Call-off orders become binding if the contractual partner does not contradict them immediately. Call-off orders become binding if the contractual partner does not contradict them immediately. Deliveries which are expressly ordered on a "call-off" basis will only be accepted by us if we have issued an actual written forecast call-off order.
- d) We reserve proprietary rights on all drawings, plans and other documents which belong to the order of to the contractual offer. This includes all other rights including copyright laws and commercial protection laws. If the contractual partner does not accept our order, these documents must be returned immediately to us or, upon written approval or written request from our side should be destroyed according to the legal regulations of data security and data protection and then confirmed by sending us the relevant confirmation. The same is valid if the underlying goods or service is not called off, if the contractual relationship with the contractual partner is over or if an individual order is cancelled. Item 13 of our purchasing terms is also valid as a supplement.

3. Deliveries

- a) The deadlines provided by us in our order, in particular delivery periods or delivery times, are binding.
- b) Partial services or partial deliveries must be marked accordingly. Differences from the agreed delivery quantity of +/- 5 % are permitted for deliveries of parts and production materials. Any differences greater than this percent must be authorised.
- c) The place of execution for all services from the contractual partner is our company premises in 72218 Wildberg or the delivery address confirmed by us. Deliveries must be performed to the delivery address we provide. The successful performance of the service or the punctual delivery of the goods at the place of execution is decisive for determining punctual performance of the service or delivery.

- d) Deliveries are delivered free of freight costs and expenses to the place of execution and, if no other arrangements are made, also include the costs for packaging. The costs for transport insurance will not be covered by us. The transfer of risk takes place at the place execution after acceptance by us.
- e) Despatch papers and delivery notes which describe the exact contents of the delivery (quantity, order number and other marks) as well as an acceptance certificate (according to DIN 500 49/3.1b as a minimum) must be included with every delivery. The actual delivered quantities must be clearly recognisable in the delivery note and invoice. An additional weight card must be included for deliveries which are invoiced according to the weight. The gross and net weights must be provided on the delivery note. When weighing "gross for net / (bfn)" a cash discount of 5 % will be deducted from the invoice. If it has not already occurred, the weights, quantities or the relevant units which we establish count as delivered.
- f) Delivery notes must be acknowledged by us as duly received.

4. Delays

- a) The contractual partner is obliged to immediately inform us of all emerging delays in writing including details of the reason and the anticipated length of the delay. This is also particularly valid of delays of partial deliveries or partial services.
- b) In the case of a delay, we are entitled to the full extent of legal rights.
- c) In the case of a delay, we are also entitled to apply a flat rate of 1% delay compensation according to the value of the order for each completed week of delay, however not more than 10 % of the order value. We have the liberty to prove any further delay compensation as well as to apply further legal claims. The contractual partner also has the right to prove that the claim for damages is less or does not exist as a result of the delay.

5. Prices and payments

- a) The price stated by us in our order is binding. If no other arrangements have been made, the delivery is undertaken "free domicile" including the packing costs. The price is subject to the valid legal VAT.
- b) A separate invoice is to be issued for each order if we have not expressly permitted the issue of a collective invoice. The invoice must contain the type of service or for deliveries, the quantity, the dimensions, the weight, the time of the delivery and our details as denomination of the recipient as well as the other legally required details. If necessary, the Value Added Tax must be invoiced separately on the invoice.

- c) Payments take place within 14 days after receipt of the invoice with 3% cash discount to the 10th/20th/last of the month or with net payment at the end of two months following performance of the service or delivery.
- d) A payment is not connected with the acknowledgement of the correct performance of the service according to the terms of the contract; defects or claims remain unaffected. Upon faulty performance of the service or delivery, we are authorised to retain the relevant amount of the payment until correct fulfilment has taken place.
- e) Without our written agreement, the contractual partner is not entitled to surrender the outstanding accounts against us or collect them. However if there are valid reasons, we will not refuse to issue our agreement.
- f) We are entitled to the full extent of legal offsetting and rights for retention. We are entitled to surrender all claims against the contractual partner without consent.

6. Proof of origin, tax verifications and export restrictions

- a) Proof of origin which is requested by us will be immediately provided by the contractual partner with all of the necessary details and duly signed. The contractual partner will inform us immediately in writing and without being prompted if the details of proof of origin for delivered goods are no longer applicable.
- b) The corresponding rules are valid for VAT verifications for overseas and intra-community deliveries.
- c) The contractual partner will inform us immediately if a delivery is subject to full or partial export restrictions according to German law or any other law.

7. Quality requirements

- a) The contractual partner must comply with the valid and acknowledged rules of technology for his products and services and must guarantee quality without any faults. Infallible performance of the service or delivery also includes providing the necessary verifications and details, in particular delivery notes, delivery notifications, consignment notes, acceptance certificates, accompanying documents or proof according to clause 3 e). If the paperwork is missing or incomplete, the contractual partner is obliged to replace any damage claims incurred.

- b) The agreements and details in the relevant orders or contracts are decisive for the performance of services. If we perform supplementary services or make a contribution to the service, this does not influence the contractual obligations of the contractual partner. Changes or supplements to the respective performance of services require specific written agreements.
Construction services, development or other work services must be accepted by us expressly and in writing, where appropriate, after the functional test or test run has been completed.
- c) If the contractual partner has received any drawings, samples or other instructions, he is obliged to guarantee compliance with reference to the type, nature and design of the delivery object. The supplier cannot refer to documents, advertising statements, drawings or statements about the nature of the delivery object if the requirements mentioned differ from the requirements made by us in the above-mentioned documents. Besides this, the contractual partner is bound to these types of statements, if the requirements exceed our requirements.
- d) The supplier warrants that the goods do not contain substances that fall within the scope of the substance bans of the EU Directive 2011/765 / EU Restriction of Hazardous Substances (RoHS). The supplier further warrants that the substances contained in the goods as well as their use (s) are either already registered or that there is no obligation to register in accordance with Regulation (EC) No. 1907/2006 (REACH) and that, if required, a REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) approval has been obtained. The supplier will also, if necessary, prepare the safety data sheet according to Annex II of the REACH regulation and make it available to us. The supplier shall notify us of the delivery of goods that has been carried out in accordance with the international regulations at the latest at the time of order confirmation.

8. Quality assurance

- a) The contractual partner is obliged to effectively introduce a quality management system (hereinafter referred to as "QM-system") according to current version of EN ISO 9001 and to allow the system to be verified by an accredited certification authority or association. When finalising the contract and upon expiry of the validity, the contractual partner is obliged to provide proof about the validity of the certificate by sending the certificate deed.
- b) The contractual partner is obliged to produce and check the products according to the valid drawings and customer norms provided in the individual order so they are delivered in accordance with these norms and with the characteristics and specifications of the QM-system mentioned within these purchasing terms.

- c) If we demand initial sampling, the series production may only begin after written release of the samples. According to the regulations of the German Automobile Manufacturers Association, the initial sampling is based on initial inspection, the so-called VDA procedure in accordance with the VDA specification - "Ensuring the Quality of Deliveries - Supplier Selection / Production Process and Product Release / Quality Performance in Series", Frankfurt am Main, in the current version (currently 1998). For material deliveries (coils, plates etc.) a certificate according to DIN EN 10204 "acceptance test certificate 3.1" is compulsory.
- d) Furthermore, the contractual partner must keep specific notes on when the delivery objects have been checked for features requiring documentation, in which way they have been checked, by whom and which results the necessary quality tests have given. As a guide, reference is made to the current version of the VDA script „Certification management – guide for documenting and archiving quality requirements“, Frankfurt am Main (1998 version at present).
- e) Changes to the delivery object or a production process which has already been approved including relocation to a different location require previous written permission from us.
- f) The contractual partner is obliged to mark all of the products delivered to us with a suitable identification mark in order to ensure clear identification and traceability to the Wöhrle batches. The Wöhrle order number must be clearly visible on the contractual partner's delivery note/invoice. Each packing unit has the following minimum information on a label: Wöhrle application number, description of the contents, quantity and processing date. For material, the batch number must be additionally written on each container. The contractual partner is not entitled to change the identification of his products without previous agreement from Wöhrle.
- g) The contractual partner agrees that during normal business and operating hours and under compliance with a notice period of one week, we will be granted access to these notes on site in the corresponding production factory. During normal business and operating hours, we are entitled to carry out quality audits at the contractual partner's premises at appropriate intervals.
- h) If the authorities or customers of ours demand access to the production processes or production documents to check a certain requirement, the contractual partner declares that he is prepared to grant them the same rights on the contractual partner's premises and to provide any reasonable level of support. Furthermore, the contractual partner must ensure that these rights for the authorities, Wöhrle or customers of ours are also gained from the sub-suppliers of the supplier.

- i) The contractual partner will provide us with a fully completed safety data sheet together with the offer, any data sheets which may be required for international sales as well as an accident data sheet for materials which require special treatment due to laws, orders, other conditions, their composition or their effect on the environment with regard to packaging, transport, storage, handling and/or waste disposal. In the case of changes to the materials or legal situation, the contractual partner will provide us with the updated data sheet and fact sheets.
- j) All documentation from and in connection with these quality conditions must be kept for 10 years and handed over upon request.
- k) The contractual partner must oblige sub-suppliers to the same extent within the scope of legal possibilities. The contractual partner must inform us of all possible quality improvements.

9. Warranty and liability

- a) After a delivery of goods, we will inspect the goods, within a reasonable period and according to the conditions of a correct business process however within 10 working days at the most, for defects such as quality and quantity deviations. We will immediately notify the discovered defects. The notification of hidden defects is punctual if it is immediately pointed out after discovery. For goods whereby defects can only be established when processed by us or installed by an end customer, the notification of defects is punctual when defect is immediately pointed out after establishment by us or after the defect is discovered by the end user. If we have a defect which is based on the claim that a contractual partner and/or his assistants has made a statement about the nature of the delivery object to the end user, the notification of defects is punctual when these defects are notified by us to the contractual partner immediately after defect notification by our end user. If the above-mentioned clauses refer to the restriction of the contractual partner's rights according to § 377 of German Commercial Code, the contractual partner waives all of the resulting exceptions.
- b) If the payment or remuneration of the purchase price is effected before establishment of the defect, this does not mean that it is confirmed that the goods or services have been delivered free of defects and/or according to the terms of the contract. Clause 5.d is also valid).

- c) The full extent of legal claims for defect warranty is made available to us. Upon defective deliveries or services, we are entitled choose to demand free of charge improvements or to demand a replacement delivery/new production. We particularly have the right to send the defective delivery back to the contractual partner at his own cost and to demand an immediate replacement delivery. If the contractual partner wastes the opportunity to comply with an appropriate notice period without improving the goods or delivering goods or services free of defects, we can correct the defects ourselves or let them be corrected by a third party at the cost of the contractual partner. Furthermore, we can withdraw from the contract or reduce the purchase price without further notice and demand damages in this case. Furthermore, we are entitled in urgent cases, after consultation with the contracting party, to carry out the rectification ourselves or have it carried out by a third party at its expense. The legal regulations on the dispensability of setting a notice period as well as all legal rights for defects including all recourse claims remain unaffected.
- d) In case of delivery of defective products and parts that we process further, remedial measures or reworking by the supplier himself is only permitted after our approval according to the following conditions: If the contracting party intends to make objectionable or faulty products usable by reworking, a written approval must be obtained in advance for us for the reworking procedure and for reprocessed samples. The features effected by rework on the reworked parts or products must be checked in detail without fail and must be delivered separately with the relevant markings. The approval of the reworked parts takes place with a goods-in check. Rework on material deliveries is not permitted.
- e) If the same goods are delivered in a faulty condition once again, after issue of a written warning, another faulty delivery/service entitles us to withdraw from the contract including for all non-fulfilled deliveries/services.
- f) In all cases, including when not at direct fault, the contractual partner must be responsible for all deliveries and services procured as well as for his own deliveries and services. This is particularly valid with reference to defects and punctuality of the performance.
- g) The contractual partner is unrestrictedly liable for all damages, including consequential damages, according to his level of responsibility.
- h) The legal warranty period is of 36 months. For repaired or replaced parts, the warranty period starts anew.

10. Product liability

- a) If a third party makes a claim for replacement of damages against us which is caused by a product fault which is the responsibility of the contractual partner, the contractual partner must free us of all third party claims and the costs for defending the claims upon initial demand, as long as the contractual partner has created the causes in his range of control and organisation and is personally liable in relation to third parties.
- b) If we are required to undertake a call-back campaign due to a loss in the sense of paragraph 1, the contractual partner is obliged to refund us with all expenses in connection with or as a result of the call-back campaign undertaken. As long as reasonably expected and as can be expected within the time, we will inform the contractual partner about the contents and the extent of the call-back campaign and give him the opportunity to state his position. Further legal claims on our part remain unaffected.
- c) The contractual partner is obliged to enter and maintain a product liability insurance policy with an appropriate cover sum of at least 10 million Euros per person/damage. Any damage replacement claims on our part remain unaffected.

11. Force majeure

Events caused by force majeure, industrial action, operational disturbances and other unforeseeable incidents entitle us to make appropriate changes to the agreed delivery plan and, if necessary, to step back from the contract. The enforcement of damage replacement claims by the contractual partner is excluded in these cases.

12. Commercial protection laws and third party protection laws

- a) The results and rights from all of the work services performed by us as well as developments, contract production or other orders, in particular copyright laws, commercial protection laws, exploitation rights and know-how remain our exclusive rights as far as legally authorised.
- b) The contractual partner guarantees that his performance of services does not cause a breach of third party protection laws. He is liable for all consequences which are caused due to breaches of protection laws and frees us of all third party claims from and in connection with the breaches of protection laws. The expiry period for these claims is ten years starting from the conclusion of the relevant order.

13. Documents, confidentiality and advertising

- a) All documents which the contractual partner receives from us for the purpose of carrying out the order remain our property. The contractual partner may only use these outside of the contract, pass these on to third parties or make them accessible to third parties with our written permission. After fulfilment of the corresponding contract, the contractual partner must hand these back to us at his own cost immediately, upon written approval or written request from our side, should be destroyed according to the legal regulations of data security and data protection and then confirmed by sending us the relevant confirmation.
- b) The contractual partner is obliged to treat all affairs and knowledge from and in connection with the contractual relationship with us as strictly confidential and to not make them accessible to third parties – including after the end of the contractual relationship.
- c) The contractual partner is not allowed to advertise with us or in our name without a previous written authorisation or to list us or mention us on customer or reference lists or allow us to be mentioned or listed by third parties.

14. Samples and production resources

- a) The samples or production resources such as tools, equipment, models and forms provided by us to the contractual partner for carrying out the contract, remain our property. If the contractual partner's production resources are produced according to our instructions and we accept the costs, the proprietorship is transferred to us after full payment of the production resources. Production resources produced on our behalf shall be invoiced separately to us.
- b) Samples and production resources which have been provided by us to the contractual partner or produced on our behalf where we pay the costs of production may not be used for deliveries and orders for third parties. They may not be handed or transferred to third parties, may not be scrapped or disposed of and may not be used for purposes other than the contractual purpose.
- c) Samples and production resources must be carefully stored and the full value must be sufficiently insured against fire, floor and theft at the cost of the contractual partner. They must be marked as our property.
- d) The contractual partner will inform us immediately about any damages. Service and repair work on production resources, maintenance and repair as well as the renewal of production resources will be carried out at the cost of the contractual partner.

- e) The processing, conversion or the installation of samples or production resources which we provide to the contractual partner and/or which are our property, is undertaken on our behalf. If this leads to an inseparable combination of our items with those of the contractual partner or a third party, we become partial owner of the newly produced items at the ratio of the value of our goods in comparison to the other items. If the processing or installation takes place in such a manner that our items are seen as a basic part of a main product of the contractual partners, we buy part ownership of the main product at the ratio of our products in relation to the new product. In both cases, the contractual partner grants us with part ownership.

15. Supply of parts

- a) If we supply parts to the supplier or transfer parts or objects which are our property within the scope of carrying out the contract, we reserve the proprietary rights. Processing or conversion by the contractual partner is undertaken on our behalf. If products for which we reserve proprietorship are inseparably combined or processed with other objects which do not belong to us, clause 14 e) is relevant.
- b) The contractual partner must identify our supplied parts accordingly as our property.

16. Contractual period and cancellation

- a) The contractual period is directed towards the relevant contracts or orders.
- b) Continuing obligations which are finalised for an undetermined period can, if no other contractual arrangements are made, be cancelled by either party under compliance with a cancellation notice period of 3 months to the end of the quarter. The same is valid of continuing obligations with a fixed duration which are consensually continued by the contractual partners after the end of the fixed duration.
- c) The right to exceptional cancellation remains unaffected.
- d) All cancellations must take place in writing.

17. Regulations for third parties

Persons who are engaged in the fulfilment of obligations within our company are subject to the conditions of our company regulations and our instructions with reference to the applicable accident prevention regulations, work safety, environmental and other regulations. Dangerous substances may only be used within our company after coordinating with our specialist personnel and must be properly identified.

18. Wöhrle liability

- a) All types of damage replacement claims, for whichever legal reason, can only be made valid against us due to intent, gross negligence by our legal representatives or management employees and due to culpable breach of fundamental contractual obligations. Upon culpable breach of fundamental contractual obligations, we are solely liable for damages which are typical to the contract and reasonably foreseeable.
- b) The restriction of liability is not valid in cases where we are compulsively liable for product liability laws for damage to persons or property and for physical injury, damage to health or death.

19. Final clauses

- a) If the supplier is a merchant, a legal entity under public law or a special fund under public law, then the exclusive place of jurisdiction for all disputes arising from the contractual relationship is our place of business. We are also entitled to sue at the supplier's location.
- b) The laws of the Federal Republic of Germany are exclusively applicable under exclusion of the conditions of the UN Convention on Contracts for the International Sale of Goods (CISG).