

**The General Terms and Conditions of Purchase of ETM International GmbH (Purchaser), Schönbrunn 180, 07929 Saalburg-Ebersdorf for the purchase of materials, spare parts and services from its contractual partners (Suppliers).**

## **1. Relevant conditions**

- 1.1. Unless expressly agreed otherwise, these General Terms and Conditions of Purchase shall apply exclusively to all contracts, deliveries and other services. Any other terms and conditions of the Supplier shall not become part of the contract, even if they do not contradict these General Terms and Conditions of Purchase, but only supplement them. These General Terms and Conditions of Purchase shall also apply exclusively if the Purchaser accepts the delivery without reservation despite being aware of the Supplier's terms and conditions to the contrary.
- 1.2. These Terms and Conditions of Purchase shall only apply to entrepreneurs within the meaning of § 14 BGB (German Civil Code).
- 1.3. These Terms and Conditions of Purchase shall also apply to all future transactions with the Supplier.

## **2. Order**

- 2.1. Supply contracts (order and acceptance) and delivery call-offs as well as their amendments and supplements must be made in writing. Delivery call-offs can also be made by remote data transmission.
- 2.2. If the supplier does not accept the order within two weeks of receipt, the customer shall be entitled to cancel the order. Delivery call-offs shall become binding at the latest if the supplier does not object within three working days of receipt.
- 2.3. The Purchaser may demand changes to the design and execution of the delivery item within the scope of what is reasonable for the Supplier. The effects, in particular with regard to additional and reduced costs as well as delivery dates, are to be regulated appropriately by mutual agreement.
- 2.4. Unless expressly agreed otherwise in writing, a material release period of two months and a production release period of one month shall apply to call-offs.

## **3. Payment**

- 3.1. The prices stated in the order are binding for the term of the delivery contract. Unless otherwise agreed in writing, they include delivery "free domicile" including packaging, freight, transport and insurance.
- 3.2. Unless otherwise agreed, payment shall be made at the Purchaser's discretion with a 3% discount at the end of the 3rd month following delivery/service and receipt of invoice or after delivery and receipt of invoice without deduction. If early deliveries are accepted, the payment period specified in sentence 1 shall not commence until the agreed delivery date. Transport invoices shall be paid 45 days after receipt of the invoice.
- 3.3. Payment shall be made by bank transfer, cheque, offsetting against counterclaims or in any other way at the customer's discretion. If participation in the credit note procedure has been agreed, settlement shall be made by credit note on the basis of the order.
- 3.4. In the event of defective delivery, the customer shall be entitled to withhold payment pro rata until proper fulfilment.
- 3.5. Any bank charges incurred on payment shall be shared in such a way that the Purchaser shall bear the charges of the bank commissioned by it and the Supplier shall bear the charges of its paying agent and the intermediary correspondent banks.
- 3.6. The prices do not include VAT.

## **4. Delivery, delivery times, delivery delays, warehousing, delivery guarantee**

- 4.1. Unless otherwise agreed in writing, delivery shall be free of charge.
- 4.2. Agreed dates and deadlines are binding. The receipt of the goods by the customer or a third party nominated by the customer shall be decisive for their compliance.
- 4.3. If the supplier recognises that a deadline or period cannot be met, it must inform the purchaser immediately, stating the reasons and the expected duration of the delay. If the supplier does not fulfil this obligation, it cannot claim that it is not responsible for the delay.
- 4.4. In the event of a delay in delivery, the customer shall be entitled to demand a contractual penalty of 0.5% of the order value of the delivery for each day or part thereof, up to a maximum of 20%. The reservation of the assertion of the contractual penalty can be declared within a period of four working days after acceptance of the delayed performance. In addition, the customer shall be entitled to the statutory claims. In particular, he is entitled to withdraw from the contract after the fruitless expiry of a reasonable period of grace or to demand compensation instead of performance, whereby the contractual penalty is to be offset against the claim for damages.
- 4.5. At the Purchaser's request, the Supplier shall be obliged to keep an appropriate stock in excess of the respective delivery quantity at all times.
- 4.6. The supplier is obliged to manufacture and supply delivery parts and components that are installed in the customer's products for a period of 15 years after the end of the series.

## **5. Liability for defects**

- 5.1. Unless otherwise stipulated below, claims for defects shall be governed by the statutory provisions.
- 5.2. The supplier shall also be responsible for ensuring that the delivery item complies with the statutory and official regulations, in particular the relevant environmental, health and safety and accident prevention regulations of all countries in which the delivery item is used as intended.

- 5.3. The Purchaser shall notify the Supplier in writing without delay of any defects in the delivery as soon as they are discovered in the ordinary course of business. In this respect, the Supplier waives the defence of delayed notification of defects.
- 5.4. In the case of delivery of parts whose defectiveness becomes apparent prior to production (processing or installation), the Purchaser shall first give the Supplier the opportunity to sort out and remedy the defect or make a subsequent (replacement) delivery, provided this is not unreasonable for the Purchaser. In urgent cases, the Purchaser may, after consultation with the Supplier, remedy the defect itself or have it remedied by a third party. Any costs incurred as a result shall be borne by the Supplier.
- 5.5. If a defect is only discovered after the delivery part has been installed, the Supplier must repair or replace the defective delivery parts free of charge and also reimburse the Purchaser for the expenses incurred for the installation and removal of the delivery part. In addition, the supplier shall bear the costs that the purchaser's customer (automobile manufacturer or first tier supplier) justifiably demands from the purchaser as a result of the defect.
- 5.6. The limitation period for defects in the goods delivered by the supplier is 36 months, beginning with the delivery.

**6. Secrecy**

- 6.1. The contracting parties undertake to treat all commercial and technical details which are not in the public domain and which become known to them through the business relationship as business secrets. Such information may only be used for the execution of orders for the Buyer and may only be made accessible to those employees whose co-operation is necessary for the execution of the order. The Supplier is obliged to impose a corresponding confidentiality obligation on these employees.
- 6.2. The purchaser reserves the right of ownership and copyright to illustrations, drawings, models, templates, samples, calculations and other items. These objects may not be handed over or otherwise made accessible to unauthorised third parties. The reproduction of such objects is only permitted within the scope of operational requirements and copyright regulations.
- 6.3. Subcontractors shall be obligated accordingly.
- 6.4. The contracting parties may only advertise their business relationship with prior written consent.

**7. Quality, safety, environment and documentation**

- 7.1. The Supplier shall comply with the recognised rules of technology, the safety regulations, the agreed data, the "Quality Guidelines for Suppliers" and the applicable quality regulations, agreements, specifications, etc. Irrespective of this, the Supplier must constantly check the quality of the delivery items. Changes to the delivery item require the prior written consent of the Purchaser.
- 7.2. Insofar as authorities responsible for motor vehicle safety, exhaust emission regulations or similar require access to the Purchaser's production process and test documents in order to verify certain requirements, the Supplier agrees, at the request of the Purchaser, to grant them the same rights in his company and to provide all reasonable support.
- 7.3. When delivering hazardous or toxic substances, a safety data sheet must be attached to both the order confirmation and the delivery, and it must be ensured that the substances are only delivered by approved and authorised forwarders/carriers.
- 7.4. The goods ordered shall be manufactured in compliance with DIN EN ISO 14001 and the Purchaser shall support the necessary measures and specifications within the scope of its possibilities. The Supplier shall develop itself and its suppliers for certification in accordance with DIN EN ISO 14001. When delivering hazardous substances, a safety data sheet must be enclosed with both the order confirmation and the delivery, and it must be ensured that the substances are only delivered by approved and authorised forwarding agents/carriers.
- 7.5. Conflict Mineral: In accordance with the provisions of the US "Dodd-Frank Act, section 1502" of the US Securities and Exchange Commission, the supply chain for gold, tin, tantalum and tungsten up to the securities smelting operations of the metals must be documented transparently, and the smelting operations must be approved in accordance with the "Conflict Free Smelter Programme" at: <http://www.conflictreesmelter.org/cfshome.htm>.

**8. Property rights**

- 8.1. The supplier shall be liable for claims arising from the infringement of industrial property rights and applications for industrial property rights (industrial property rights), of which at least one from the family of industrial property rights has been published either in the supplier's home country, by the European Patent Office or in one of the states of the Federal Republic of Germany, France, Great Britain, Austria or the USA, if the delivery items are used in accordance with the contract.
- 8.2. He shall indemnify the purchaser and his customers against all claims arising from the use of such industrial property rights.
- 8.3. This shall not apply if the Supplier has manufactured the delivery items according to drawings, models or other equivalent descriptions or information provided by the Purchaser and does not know or, in connection with the products developed by him, does not have to know that industrial property rights are infringed as a result.
- 8.4. The contracting parties undertake to inform each other immediately of any risks of infringement and alleged cases of infringement that become known in order to give each other the opportunity to counteract such claims by mutual agreement.
- 8.5. At the request of the Purchaser, the Supplier shall notify the Purchaser of the use of published and unpublished own and licensed industrial property rights and applications for industrial property rights to the delivery item.

## 9. Provision of materials, tools, retention of title

- 9.1. The purchaser retains title to all parts provided to the supplier. Processing or remodelling shall be carried out for the Purchaser. If goods subject to retention of title are processed with other items, the Purchaser shall acquire co-ownership of the new item in the ratio of the value of the goods subject to retention of title to the other processed items at the time of processing.
- 9.2. The purchaser retains ownership of tools. The supplier is obliged to use the tools exclusively for the manufacture of the goods ordered. The Supplier is also obliged to insure the tools belonging to the Purchaser at replacement value against fire, water damage and theft at its own expense. It is obliged to carry out any necessary maintenance and servicing work in good time at its own expense. He must report any malfunctions immediately.
- 9.3. The Supplier shall be obliged to return tools paid for or provided by the Purchaser immediately upon the Purchaser's request.

## 10. Packaging and dispatch

- 10.1. As far as technically possible, the supplier must deliver all parts in Euro pallets or Euro mesh boxes and exclusively using reusable packaging. He must ensure that the packaging materials are taken back immediately, at the latest with the next delivery.
- 10.2. If, in exceptional cases, parts are delivered in special packaging, the supplier shall ensure that this special packaging is collected immediately after emptying.
- 10.3. Each delivery must be accompanied by a delivery note, which must be clearly visible on the outside of the packaging and protected against the effects of transport and weather.
- 10.4. Before accepting an order, the supplier must check whether the goods or their components specified in the order are classified as dangerous goods (e.g. paints, adhesives, chemicals or flammable, oxidising, explosive, toxic, radioactive, corrosive or self-heating goods). In this case, the supplier must inform the purchaser immediately and comprehensively. The Supplier must send the Purchaser the necessary declarations in full and with a legally binding signature at the latest when the order is accepted or confirmed. The supplier must ensure that the purchaser has the respective valid safety data sheet. The supplier shall be responsible for all damages resulting from incorrect or incomplete information in the binding declarations.
- 10.5. For packaging, labelling and declaration, the latest nationally and internationally applicable regulations must be observed, such as the Dangerous Goods Ordinance - Sea, the IMDG Code, UNICAD; IATA for air freight, EVO/RID, GGVSE - Dangerous Goods Ordinance - Rail and Dangerous Goods Ordinance - Road, as well as any deviating or additional regulations of the country of destination. For the delivery and dispatch of goods not destined for the Federal Republic of Germany, the Supplier shall provide the Purchaser with the export certificates required under the respective customs and tax regulations or enclose the corresponding export declaration with the delivery for each order and each contract.

## 11. Product liability

- 11.1. Insofar as the supplier is responsible for product damage, he is obliged to indemnify the purchaser against claims for damages by third parties on first demand, provided that the cause lies within his sphere of control and organisation and he himself is liable in relation to third parties.
- 11.2. In this context, the Supplier shall also be obliged to reimburse any expenses pursuant to Sections 683, 670 BGB arising from or in connection with a recall action carried out by the Purchaser. As far as possible and reasonable, the Purchaser shall inform the Supplier of the content and scope of the recall measures to be carried out and give the Supplier the opportunity to comment.
- 11.3. The supplier undertakes to maintain a production liability insurance policy with a lump sum cover of € 5.0 million per personal injury / property damage. Further claims for damages by the purchaser remain unaffected by this.

## 12. Social responsibility

etm GmbH attaches great importance to ensuring that its corporate activities take into account its social responsibility towards its own employees and society as a whole. This applies both to etm GmbH itself and to its suppliers and partners. The customer and supplier are committed to compliance with the principles and rights adopted by the International Labour Organisation (ILO) in the "Declaration on Fundamental Principles and Rights at Work" (Geneva, 06/98), the guidelines of the UN Global Compact Initiative (Davos, 01/99) and the UN Guiding Principles on Business and Human Rights (2011). The following principles are of particular importance:

- Respect for human rights,
- Prohibition of child and forced labour,
- positive and negative freedom of association,
- no discrimination based on gender, race, ethnic origin, religion or belief, trade union membership or similar, disability, age, sexual identity, nationality, marital status, political affiliation, veteran status, or any other characteristic protected by local law,
- Compliance with occupational health and safety requirements,
- Protection against individual arbitrary personnel measures,
- Ensuring employability through training and further education,
- Compliance with socially acceptable working conditions,
- Creating conditions that allow employees to enjoy a decent standard of living,
- Remuneration that makes it possible to secure a livelihood, including social and cultural participation,
- Realisation of equal opportunities and family-friendly framework conditions,
- Protection of indigenous rights,
- Prohibition of bribery and extortion,

- Compliance with applicable laws and regulations.

With this in mind, the supplier must take appropriate measures to avoid bribery offences in its company. The supplier must also ensure that its subcontractors also comply with and observe the above rules.

### **13. General provisions**

- 13.1. The law of the Federal Republic of Germany shall apply exclusively.
- 13.2. The place of fulfilment is the registered office of the customer.
- 13.3. The place of jurisdiction is Jena. However, the Purchaser shall be entitled to sue the Supplier at any other competent court.
- 13.4. Offsetting or the exercise of a right of retention by the supplier is only permissible with undisputed or legally established claims.
- 13.5. Should one of the aforementioned provisions be wholly or partially invalid, this shall not affect the validity of the remaining provisions. The contracting parties are obliged to replace the invalid provision with a provision that comes as close as possible to the economic purpose of the invalid provision.