

1. Conclusion of Contract

- 1.1 These terms and conditions of purchase apply to all orders placed by us. Any contracts which we place are subject to the express condition that the supplier consents to these terms and conditions of purchase in their entirety; in accepting our order the supplier consents to these terms and conditions of purchase in their entirety. The supplier's terms and conditions of supply will only apply in lieu of our own terms and conditions of business subject to our express written confirmation.
- 1.2 Our terms and conditions of purchase apply even if we take delivery from the supplier without reservation although we know that the supplier's terms and conditions are at variance with or differ from our terms and conditions of purchase.
- 1.3 Our terms and conditions of purchase will also apply to all future deliveries.
- 1.4 We only have a legal obligation once we have placed our order in writing; this also applies to the scope and subject of the delivery. We will not be bound by our order unless we receive written acceptance from the supplier within 14 days from the date of our order, confirming the price and delivery time stated in our order.
- 1.5 Only the drawings which accompany the orders are valid. The supplier will examine these order documents with each order or individual call-off order.
- 1.6 Framework agreements do not oblige us to purchase goods; we will not be deemed to have made a binding offer to purchase certain goods until we place our individual call-off order.
- 1.7 Collateral agreements, additions and amendments are only binding subject to our written confirmation. Any waiver of this written-form requirement must meet the written-form requirement.
- 1.8 Force majeure, strikes, natural disasters, unrest, actions and measures by public authorities, etc., transport disruptions, lock-outs, unforeseen shortages in raw materials, auxiliary materials, energy or manpower, other disruptions to our own suppliers' operations or obstructions to operations for which we do not bear responsibility which cause an interruption or restriction to our production or prevent us from accepting the goods ordered as agreed will release us from our obligations under the contractual relationship with suppliers for the duration thereof and to the extent of their impact, provided that we cannot remedy such disruption using reasonable means.

2. Price

The price stipulated in the order will be deemed to be a fixed price for the entire term of the contractual relationship. Unless otherwise agreed in writing, the supplier will bear all ancillary costs (such as packaging, transport and insurance costs, costs of import/export permits, certification and any other costs), charges, taxes, customs duties and any other levies and other costs related to delivery to the place of destination.

3. Delivery and delivery dates

- 3.1 The delivery must conform with the order in terms of design, scope and scheduling, in particular the delivery must conform with the released samples and must be executed by the date stipulated. The supplier will fall into default automatically on expiry of the delivery date, without any reminder being necessary. We are not obliged to take receipt of part shipments or excess deliveries.
- 3.2 The benefits and the risk will not pass to us until we have unloaded and taken receipt of the goods at the place of destination.
- 3.3 In the event of delay in delivery or full or partial non-performance the supplier will indemnify any damage resulting therefrom. However, without any obligation to provide proof of damage and irrespective of whether the supplier is at fault, we may in any event demand 1% of the value of the delayed portion of the shipment for each full or part week of delay, up to a maximum of 5% of the value. We reserve the right to claim a higher default damage, in which case the above amount will be deducted. In any case, we are also entitled to assert other statutory rights and claims, including without limitation terminating the contract and demanding compensation if a reasonable deadline has been set and expired without result.

4. Terms of payment

- 4.1 Invoices and other documentation must be submitted in duplicate, stating the delivery date, our order number and the drawing number with the reference number of the goods supplied. The duplicate must be clearly indicated as such.
- 4.2 Payment will be made, at our discretion, either within 14 days less a discount of 3 % or net within 30 days of receipt of invoice or receipt of the goods whichever is later. Default requires a reminder of the supplier, however, in any case, default will at the earliest begin 45 days after receipt of invoice. Under no circumstances will default begin earlier than 45 days after receipt of the goods at our premises.
- 4.3 The supplier may not assign its claims against us or allow them to be collected by third parties without our prior written consent.
- 4.4 We may withhold payment in whole or in part pending remedy of defects in the goods in a delivery; the amount withheld may be at least twice the amount needed to remedy the defect. We also have all statutory rights to refuse performance.
- 4.5 Where we make payments, this will not constitute acknowledgement that goods and services rendered comply with the terms of the contract. We reserve all rights, including without limitation the rights associated with defects.
- 4.6 The supplier may not offset against our claims or refuse to perform or withhold performance unless the supplier's claims are undisputed or have been ruled final and absolute by a court.

5. Defects in goods supplied

- 5.1 The supplier will perform outgoing goods inspection. Goods delivered will be inspected by our incoming goods inspection department according to the AQL system or some other incoming goods inspection system. An initial sample/initial supply inspection report must accompany the very first shipment of goods supplied.
- 5.2 Upon receipt of the goods we will verify compliance with the quantity ordered and check for obvious outward signs of transport damage or obvious defects. If, in so doing, we discover any damage or defect, we will report this within 14 calendar days of receiving the goods. If a defect becomes apparent later we will report it within 14 days of discovery. We are not obliged to carry out a more thorough incoming goods inspection. Failure to report a defect within the aforementioned periods will not cause us to forfeit our defect rights; however will bear any additional costs caused by late reporting of the defect.
- 5.3 The supplier's warranty obligation (including damages) and liability will be at least as provided for by statute. In any event, the supplier will be liable for all quality and legal defects in respect of the goods supplied, for the absence of agreed attributes or attributes which are essential for the goods to be fit for purpose and breach of ancillary duties of care and information.
- 5.4 The limitation period for all claims for defects is 36 months from the date on which we receive the delivery unless a longer period is stipulated by statute. The limitation period for replacement or reworked parts will begin anew on delivery of the replacement or on conclusion of reworking.
- 5.5 Where goods are returned and replacements or reworked goods are supplied, the supplier will bear the risk and all associated transport costs, fees, taxes, and all other costs and levies. The supplier will reimburse us for costs which we incur for subsequent inspecting and sorting faulty goods. This will also apply if a latent defect is not discovered until the goods have been put to use.
- 5.6 The supplier will indemnify us at first request completely for warranty claims under sales law and product liability claims and manufacturer's liability claims in respect of products which we resell without substantial modification.
- In all other cases the supplier will indemnify us completely for warranty claims under sales law and all product liability and manufacturers liability claims which are attributable to the goods supplied by the supplier.
- Where claims are asserted against us by third parties and we provide warranty or render compensation the supplier will refund our losses and costs including the actual legal expenses.
- 5.7 The supplier's obligations under 5.6 will continue to apply after expiry of the warranty and limitation periods between ourselves and the supplier and will only be excluded where claims were asserted against us alone because we granted third parties a warranty over and above statutory requirements.
- We can also bring legal action against the supplier in the cases set out in 5.6 before a foreign court at which action has been brought against us by a third party.
- 5.8 In case and to the extent we are obliged to recall products owing to a defect in the supplier's goods or where a product recall is in the interest of the supplier, the supplier will bear the costs thereof. If more than one party is responsible for the costs those parties will be jointly liable to us.
- 5.9 We and our customers may enter the supplier's production premises and the production site during normal operating hours to inform ourselves at appropriate intervals about the supplier's

manufacturing procedures and ascertain whether the supplier is complying with its contractual obligations, subject to prior notice of at least three working days'. In so doing, we will respect the supplier's need for confidentiality. The supplier will ensure that, on request, we and our customers can also carry out the measures set out in 5.9 at sub-contractors and the supplier's own suppliers.

6. Production materials and drawings

- 6.1 Production materials, such as models, samples, tooling, gauges, drawings and the like, which we have provided or which have been produced/manufactured by the supplier according to our instructions may not be sold, pledged or otherwise passed on to third parties or used by the supplier for its own purposes without our prior written consent. The same will apply to any other items produced using such production materials.
- 6.2 Moulds, tooling and the like which have been produced in whole or in part at our cost will be kept safely and carefully for us by the supplier such that they may be used at any time. If tooling, which has been produced in part at our expense, no longer assures the required quality, the supplier will repair or remanufacture it at its own expense. If we become aware of supply problems we may demand that the above items be released free of charge without the supplier having a right of retention irrespective of whether these parts are our property or not.
- 6.3 Once our order has been executed the production materials provided by us or manufactured for our account will be returned or released to us on request. If we contribute to the production costs, the extent of our joint ownership will correspond to our contribution to the total costs.
- 6.4 Gauges will only be provided for inspection purposes. Responsibility for providing manufacturing gauges will lie with the supplier.
- 6.5 Material we have provided to the supplier for executing the order will remain our property, be clearly marked as such and stored separately and free of charge. If such material is processed or transformed with other items which do not belong to us such processing or transformation will be deemed to be carried out on our behalf. The supplier will keep any new item produced using material provided by us safely for us free of charge. Where the supplier acquires title as a result of the material provided being processed or transformed, the supplier will transfer such title to us here and now without this giving rise to any liability on our part; we hereby accept this transfer of title. If such material is processed or transformed with items which are not owned by the supplier, we will have joint ownership in the resultant new item in the ratio of the value of the material provided by us and processed or transformed to the value of the other processed or transformed items at the time of processing or transformation. Where the supplier acquires title here, the supplier will transfer our share in the title to us here and now without this giving rise to any liability on our part; we hereby accept this transfer of title. If the material provided is irreversibly mixed or combined using other items which we do not own, we will acquire joint ownership in the new item in the ratio of the value of the material provided to the other mixed or combined items at the time of mixing or combining. If the mixing or combining process takes place in such a way that the supplier's item must be regarded as the principal item, the parties will be deemed to have agreed that the supplier will transfer joint ownership in the new item to us in the ratio of the value of the material provided to the other mixed or combined items at the time of such combining or mixing. We accept such transfer. The supplier is not authorised to dispose of the material provided by us in a legally binding manner. The supplier must notify us in writing without undue delay if the material which we have provided is attached, seized as part insolvency proceedings or otherwise impaired by third parties, providing the necessary information and deeds (such as attachment reports) to enable us to bring action under Art. 242 Swiss Debt Collection and Bankruptcy Act (Bundesgesetz über Schuldbeitreibung und Konkurs) or to initiate opposition proceedings under Art. 106 ff. Swiss Debt Collection and Bankruptcy Act or to bring similar legal actions according to whatever foreign law is applicable. If the third party is unable to reimburse us for in-court and/or out-of-court costs of such action, the supplier will be liable for our loss.
- 6.6 Where we consent to drawings, calculations and other technical documents this will not affect the supplier's sole responsibility for the agreed performance. This also applies to any proposals and recommendations which we may make. Modifications discussed between the supplier and ourselves concerning the goods supplied must be confirmed in writing; any waiver of this written-form requirement must meet the written-form requirement otherwise the supplier will bear sole responsibility for the modification. Modifications which do not pertain to the goods supplied will be subject to 6.6 sentence 1.
- ### 7. Other obligations of the supplier
- 7.1 The supplier always requires our prior written consent to subcontract some or all the contractual performance or to instruct a temporary work agency.
- 7.2 Where applicable, the supplier must comply with the terms of the German Minimum Wage Act (Gesetz zur Regelung eines allgemeinen Mindestlohns, MiLoG) and the German Act on Mandatory Working Conditions for Employees Posted Abroad and for Employees Usually Employed in Germany (Gesetz über zwingende Arbeitsbedingungen für grenzüberschreitend entsandte und für regelmäßig im Inland beschäftigte Arbeitnehmer und Arbeitnehmerinnen, AEntG) each as amended from time to time, and in particular to pay its employees the statutory minimum wage.
- 7.3 If claims are filed against us under section 13 MiLoG, section 14 AEntG by employees of the supplier, its subcontractor(s) or a temporary work agency, then the supplier will indemnify us from liability pursuant to section 13 MiLoG, section 14 AEntG and reimburse us for any costs we incur from such claims asserted by these employees unless the supplier is not responsible therefor. We may offset any payments which we have made pursuant to section 13 MiLoG, section 14 AEntG against all the supplier's claims for payment and offset such claims against one another.
- 7.4 If the supplier places some or all the contractual performance with a subcontractor or temporary work agency, the supplier will impose a contractual obligation on such subcontractor or temporary-work agency to comply with the obligations set out in section 7.
- 7.5 The supplier will provide monthly evidence that it and any subcontractor or temporary work agency instructed by it are paying the minimum wage. We have the right to inspect anonymised payroll lists of the supplier at any time.
- 7.6 To secure our claims we reserve the right to demand at any time that the supplier provide security, for example in the form of a bank surety.
- 7.7 We have the right to terminate without notice and otherwise end the contractual relationships with the supplier if the supplier or a subcontractor or temporary work agency instructed by it does not pay its employees the minimum wage pursuant to section 1 MiLoG or breaches the provisions of the AEntG.
- ### 8. Severability; written form
- 8.1 If any provision of these terms and conditions of purchase is or becomes invalid or void in full or in part, this will not affect the validity of the remaining provisions. The parties hereby agree that a clause which is invalid or which becomes invalid in the course of the contract should be replaced by a clause which – in economic terms – comes closest to the meaning of the invalid clause.
- 8.2 Where these terms and conditions of purchase stipulate compliance with written form requirements, unless otherwise stated, electronic transmission will be deemed to comply with written-form requirements provided it permits the content of the statement to be recorded permanently.
- ### 9. Place of performance, place of jurisdiction, applicable law
- 9.1 The place of performance for all liabilities of the parties related to the entire contractual relationship is Croglia, Switzerland.
- 9.2 All contractual and business relations between ourselves and the supplier (including these terms and conditions of purchase) will be subject solely to Swiss law, excluding the rules concerning a conflict of laws and the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 9.3 The sole place of jurisdiction for all disputes arising in connection with all contractual and business relations between ourselves and the supplier including these terms and conditions of purchase) will be Croglia, Switzerland. However, we reserve the right to assert claims against the supplier at any other competent court.
- ### 10. Where we have entered into contractual agreements with the supplier
- and where there is a conflict between clauses in those agreements, the following priority ranking will apply to goods ordered under this agreement: 1. Supply agreement; 2. Order; 3. Quality assurance agreement; 4. Confidentiality agreement; 5. Tooling loan agreement; 6. These terms and conditions of purchase. Only written agreements and orders are binding.