



## General Terms and Conditions of Purchase of Variotech GmbH

### 1. General, scope of application

- (1) These terms and conditions of purchase apply exclusively. We shall not recognize any terms and conditions of the supplier that conflict with or differ from these Terms and Conditions of Purchase unless we have expressly confirmed their application in writing. These Terms and Conditions of Purchase shall also apply if we unconditionally accept the supplier's delivery in the knowledge that the supplier's terms and conditions conflict with or differ from our Terms and Conditions of Purchase.
- (2) All agreements made between us and the supplier for the purpose of executing this contract shall be set down in writing in this contract.

### 2. Offer, offer documents

- (1) Unless otherwise agreed in writing in an individual contract, the orders and the delivery date shall become binding if the supplier does not object within three days of receipt.
- (2) We reserve ownership and copyrights to illustrations, drawings, calculations and other documents. They may not be made accessible to third parties without our express written consent. They are to be used exclusively for the production based on our order. After completion of the order they are to be returned to us without being requested. They must not be disclosed to third parties; in this respect the provision of section 9, paragraph (4) shall apply as well.

### 3. Prices, terms of payment

- (1) The price stated in the order is binding. Unless otherwise agreed in writing, the price shall include delivery "free domicile" and packaging. The return of the packaging requires a special agreement.
- (2) We can only process invoices if the order number and the requester are indicated as specified in our order. The supplier shall be liable for all consequences attributable to non-compliance with this obligation, unless he can prove that he is not responsible.
- (3) Unless otherwise agreed in writing, we shall pay the purchase price within 14 days, calculated from delivery and receipt of invoice, with 3% discount or net 30 days after receipt of invoice. We are entitled to set-off and retention rights to the extent permitted by law.

### 4. Delivery time

- (1) The delivery time stated in the order is binding. The supplier is obliged to inform us immediately in writing if circumstances arise or become apparent to him which indicate that the delivery time cannot be met.
- (2) In the event of a delivery delay, we shall be entitled to the legal claims. In particular, we are entitled to demand damages instead of performance and withdrawal. If we demand damages, the supplier shall have the right to prove to us that he is not responsible for the breach of duty.

### 5. Transfer of risk, documents

- (1) Unless otherwise agreed in writing, delivery shall be free domicile. The supplier is obliged to state our exact order number and the requester on all shipping documents and delivery notes. If he fails to do so, we shall not be responsible for delays in processing.

### 6. Defects investigation, defects liability

- (1) We are obliged to inspect the goods for any deviations in quality and quantity within a reasonable period of time. The complaint shall be deemed timely if received by the supplier within a period of five working days, calculated from receipt of the goods or, in the case of hidden defects, from the time of their discovery.
- (2) We shall be entitled to the statutory warranty claims in full. In any case, we shall be entitled to demand from the supplier, at our discretion, either rectification of the defect or delivery of a new item. The right to compensation instead of performance is expressly reserved.
- (3) We shall be entitled to remedy the defect ourselves at the supplier's expense in case of imminent danger or special urgency.
- (4) The limitation period shall be 36 months, calculated from the transfer of risk. In the event that we or our customer intend to carry out verification activities at the suppliers, we shall be entitled to specify the intended verification measures and the method for releasing the product.

### 7. Product liability, indemnity, liability insurance protection

- (1) In the event that claims are made against us on the basis of product liability, the supplier shall be obliged to indemnify us against such claims if and to the extent that the damage was caused by a defect in the contractual item supplied by the supplier. In cases of fault-based liability, however, this shall only apply if the supplier is at fault. If the cause of the damage lies within the supplier's area of responsibility, he must prove that he is not at fault.
- (2) In the cases referred to in paragraph (1), the supplier shall assume all costs and expenses, including the costs of any legal action.
- (3) Otherwise, the legal provisions shall apply.



- (4) Before a recall action which is wholly or partly the result of a defect in the contractual item delivered by the supplier, we shall inform the supplier, give him the opportunity to cooperate and exchange information with him on efficient implementation, unless the information or participation of the supplier is not possible due to particular urgency. If a recall action is the result of a defect in the contractual item delivered by the supplier, the supplier shall assume the costs of the recall action.
- (5) The supplier undertakes to maintain a product liability insurance with a coverage of at least € 10 million per personal injury / property damage - lump sum. If we are entitled to further claims for damages, these shall remain unaffected.

### **8. Property rights**

- (1) The supplier guarantees that no third-party rights are violated in connection with his delivery.
- (2) If claims are made against us by a third party for this reason, the supplier shall be obliged to indemnify us against these claims upon our first written request. We are not entitled to make any agreements with the third party - in particular to conclude a settlement - without the consent of the supplier.
- (3) The supplier's duty to indemnify shall relate to all expenses which we necessarily incur as a result of or in connection with claims asserted by a third party.
- (4) The limitation period shall be ten years, calculated from the conclusion of the contract.

### **9. Retention of title, provision of materials, tools, confidentiality**

- (1) If we provide parts to the supplier, we retain title to them. Processing or alteration by the supplier shall be carried out on our behalf. If our reserved goods are processed with other objects not belonging to us, we shall acquire joint ownership of the new item in proportion to the value of our item (purchase price plus VAT) in relation to the value of the other processed objects at the time of processing.
- (2) If the item retained by us is inseparably mixed with other items not belonging to us, we shall acquire joint ownership of the new item in proportion to the value of the item subject to retention of title (purchase price plus VAT) in relation to the value of the other mixed items at the time of mixing. If the mixing is carried out in such a way that the supplier's item is to be regarded as the main item, it is agreed that the supplier shall transfer proportionate joint ownership to us. The supplier shall safeguard the sole ownership or joint ownership on our behalf.
- (3) We reserve ownership of tools. The supplier is obliged to use the tools exclusively for the manufacture of the goods ordered by us. The supplier is obliged to insure the tools belonging to us at replacement value against fire, water and theft at his own expense. At the same time, the supplier hereby assigns to us all claims for compensation arising from this insurance. We hereby accept the assignment. The supplier is obliged to carry out any necessary maintenance and inspection work on our tools as well as all servicing and inspection work at his own expense on time. Any malfunctions must be reported to us immediately. If he culpably fails to do so, claims for damages shall remain unaffected.
- (4) The supplier is obliged to keep all illustrations, drawings, calculations and other documents and information received strictly confidential. They may only be disclosed to third parties with our express consent. The confidentiality obligation shall also apply after the completion of this contract. It expires if the manufacturing knowledge contained in the illustrations, drawings, calculations and other documents provided has become generally known.
- (5) If the security rights to which we are entitled pursuant to paragraph (1) and / or paragraph (2) exceed the purchase price of all our unpaid reserved goods by more than 10%, we shall be obliged to release the security rights at our discretion at the request of the supplier.

### **10. Execution of work**

- (1) Suppliers who carry out work on the factory premises in fulfillment of the contract must comply with the applicable laws and regulations as well as our company regulations. The supplier is obliged to appoint a person responsible for the execution of the order who ensures the duty of supervision and control. The responsible person appointed by the supplier is obliged to come to an agreement with our coordinator before carrying out the work, to take suitable protective measures and to inform us and the third parties concerned about mutual hazards.
- (2) Suppliers are responsible for the instruction and safety of their employees and commissioned subcontractors as well as for securing potential hazards to third parties. The supplier may only use suitably qualified staff and reliable work equipment as well as electrical equipment tested in accordance with DGUV-3 on the factory premises. Any accidents occurring on the factory premises must be reported to us immediately.



## 11. Compliance

- (1) The supplier undertakes, within the framework of his business relationship with us, not to offer or grant, promote or accept any advantages, neither in his business dealings nor when dealing with public officials, which are in violation of applicable anti-corruption regulations.
- (2) The supplier undertakes, within the framework of his business relationship with us, not to enter into any agreements or concerted practices with other companies aiming to or bringing about a prevention, restriction or distortion of competition under applicable antitrust regulations.
- (3) The supplier assures to comply with the applicable laws governing the general minimum wage and to commit sub-suppliers commissioned by him to the same extent. Upon request, the supplier shall provide evidence of compliance with the above assurance. If the above assurance is violated, the supplier shall indemnify us against claims by third parties and shall be obliged to reimburse any fines imposed on us in this connection.
- (4) The supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and occupational safety and shall work to keep adverse effects on people and the environment as low as possible in his activities.
- (5) In the event of a suspicion of a violation of the obligations under paragraphs (1) to (4), the supplier shall immediately investigate possible violations and inform us of the investigation measures taken and, in justified cases, disclose the supply chain concerned. If the suspicion proves to be justified, the supplier must inform us within a reasonable period of time what internal measures he has taken to prevent future violations. If the supplier does not comply with these obligations within a reasonable period, we reserve the right to withdraw from contracts with him or to terminate them with immediate effect.
- (6) In the event of serious violations of the law by the supplier and violations of the provisions of paragraphs (1) to (4), we reserve the right to withdraw from existing contracts or to terminate them without notice.

## 12. Final Provision

- (1) The validity of these terms and conditions shall not be affected by the invalidity of individual provisions. Invalid provisions shall be replaced by such provisions which come as close as possible to their economic success.
- (2) The law of the Federal Republic of Germany shall apply to all legal relationships between the parties under the exclusion of the UN purchase rights.
- (3) Place of fulfillment shall be the place where the goods are to be delivered in accordance with the order, for payments our place of business.
- (4) If the supplier is a merchant, the place of jurisdiction for all disputes arising from the contractual relationship shall be our place of business.