

## Terms and conditions of purchasing (rev. 01/02/21)

### 1. Applicable provisions

- (1) These terms and conditions of purchasing apply exclusively to all purchases, of PRIMOTECS. They apply both to the purchase of production materials (for the purpose of internal batch production, particularly raw materials and subassemblies, including parts) and to the purchase of spare parts, tools, services or machines and other products of any nature, provided that the application of any of the following provisions in these terms and conditions of purchasing is not expressly restricted to individual or specific types of purchases.
- (2) These terms and conditions apply exclusively. Any General Terms and Conditions of the Supplier that contradict or deviate from these terms and conditions of purchasing shall not apply unless PRIMOTECS has expressly approved them in writing. The acceptance of or payment for goods or services from the Supplier shall not constitute approval. By making an initial delivery under these stipulations, the Supplier acknowledges their validity as exclusively legally binding, including for any future deliveries.
- (3) These terms and conditions of purchasing shall also apply in all situations in which PRIMOTECS accepts deliveries from the Supplier without rejecting the General Terms and Conditions of the Supplier that deviate from these terms and conditions of purchasing, regardless of whether PRIMOTECS was aware of this or not. Any attempts by the Supplier to avail itself of or refer to the validity of its General Terms and Conditions are hereby expressly rejected.
- (4) These terms and conditions of purchasing also apply to all future business with the Supplier.
- (5) The provisions of these terms and conditions of purchasing shall apply in addition to any other agreements the Parties may conclude between themselves, e.g. framework delivery agreement, quality agreement, consignment delivery agreement, etc.
- (6) If the item for delivery or the service is a so-called purchased part or a service for the automobile industry that is subsequently to be sold on within that industry (automotive part) and is incorporated into PRIMOTECS products, i.e. used or processed, and this item for delivery is covered by the technical specifications of PRIMOTECS or technical specifications of the client supplier to PRIMOTECS, such as a technical drawing or a factory standard, hereinafter referred to summarily as a "serial part", the following additional provisions shall also apply.
- (7) Suppliers of serial parts warrant that they are certified under IATF 16949 or ISO 9001 and DIN EN ISO 14001. If a Supplier does not have this certification, it must make a written declaration to PRIMOTECS as to when the certification is expected to be obtained. If the Supplier should lose its certification for longer than twelve months, PRIMOTECS shall be entitled to terminate any supply agreements extraordinarily. The status of any certifications will be reviewed during all semiannual supplier evaluations. In this regard, the Supplier must inform PRIMOTECS in good time, in writing and without being asked of any changes to its certifications, furnishing the relevant proof.
- (8) If there are suspected quality problems or delays in the delivery of serial parts, PRIMOTECS may carry out an audit with a lead time of six hours. The Supplier shall provide accompanying personnel and grant access to the manufacturing sites in this event. PRIMOTECS may gain an extensive and comprehensive insight into all quality, manufacturing control and logistics data on site. Audits may also be carried out by PRIMOTECS in collaboration with the client. If an audit of the Supplier leads to the conclusion that the latter is not sufficiently complying with quality assurance measures, is acting negligently or is culpably causing critical delays to delivery, PRIMOTECS may terminate extraordinarily the delivery agreements in question.

### 2. Conclusion of and modifications to the contract

- (1) Enquiries to the Supplier concerning its products and conditions for service or requests for quotes shall not be binding on PRIMOTECS.
- (2) Written contract may be concluded for serial parts, stipulating prices, payment conditions and specifications.
- (3) For purchase orders, deals and delivery schedules, solely the written order from PRIMOTECS will be decisive.
- (4) Contracts come into existence when the purchase order is confirmed by the Supplier, provided this does not deviate from the order from PRIMOTECS. PRIMOTECS must indicate any such deviations expressly. Any deviations from these purchase orders will not be permitted unless approved in writing by PRIMOTECS in advance.
- (5) If the Supplier fails to confirm an order within 5 days of the written instruction, the order will come into being in accordance with the purchase order from PRIMOTECS.

- (6) Delivery schedules under an order and schedule planning system will become binding if the Supplier does not object to them within two working days of being informed.
- (7) The Supplier will receive, either in frameworks or in another form, an overview of delivery quantities for planning purposes (quantity forecasts). Quantity forecasts shall not constitute delivery schedules or guarantee and no claims may be derived from the Supplier against PRIMOTECS from them. If the products ordered require raw materials that the Supplier uses exclusively for the products of PRIMOTECS, the Supplier will receive a raw materials clearance for the quantities ordered in the following six months. In this case, PRIMOTECS undertakes to bear the procurement costs for these raw materials in the event of a short-term cancellation in supplies, provided that proof is furnished.
- (8) PRIMOTECS may request changes to the products (particularly with regard to their construction and execution) from the Supplier at any time, including once the order has been confirmed. In this event, the Supplier will inform PRIMOTECS immediately of any consequences of this request for change, particularly in terms of increases or decreases in cost and the delivery deadline, and the Parties will agree on an appropriate adjustment to the contract, where required.
- (9) The Supplier is required to comply with the specifications of PRIMOTECS's customers at any time. Even after the order has been confirmed by the supplier, changed specifications must be observed and fulfilled.
- (10) Telephone or oral agreements — including subsequent modifications or extensions to these terms and conditions of sale — must be confirmed in writing to be valid. Similarly, oral agreements concluded after the contract and ancillary agreements of any nature must be recorded in writing to be valid.
- (11) This requirement for written form may also be met by digital data transfer.
- (12) The issue of quotes, technical projects, preliminary studies etc. by the Supplier or cost estimates by the Supplier shall be free of charge for PRIMOTECS and shall in particular not compel PRIMOTECS to place an order, unless the contrary is expressly agreed in writing.

### 3. Price and stipulations

- (1) As a matter of principle, the prices based on which PRIMOTECS issues purchase orders shall apply. If in individual cases the Supplier is required to designate a price in the order confirmation, this price must be expressly approved by PRIMOTECS. All prices agreed on are fixed prices and shall apply, unless otherwise agreed, to delivery carriage paid to the place of destination, which shall be the place of delivery designated by PRIMOTECS. Prices include packaging, unloading, road tolls, fuel surcharges and other ancillary costs (insurance, factory certification, etc.) and, where prescribed by law, statutory VAT. Goods must be delivered fully duty paid to PRIMOTECS — DDP under Incoterms 2010.
- (2) If it is agreed that PRIMOTECS will bear the dispatch costs, the shipping instructions issued by PRIMOTECS must be observed. PRIMOTECS shall not be required to contract forwarding insurance (exempted customer). If duty is payable on the goods, the Supplier must prepare sufficient copies of the documents required for paying this duty for the collecting shipping company and submit them to PRIMOTECS by fax in advance.
- (3) If no delivery price (including delivery) is agreed, the Supplier may calculate its own costs for packaging. If it is agreed that the goods are to be returned, PRIMOTECS will credit the full amount of these costs to the Supplier.
- (4) Additional costs incurred owing to a failure to observe shipping instructions will not be covered by PRIMOTECS.
- (5) For serial parts, the prices agreed on for the duration of the contract shall apply. If the end customer decides to start with PRIMOTECS activity cost review aimed at obtaining cost efficiencies related to the provision object of the contract, the supplier will have to be involved in such activity, making himself available to explore together all saving opportunities that will also lead to a revision of prices.
- (6) If the costs of serial parts for the Supplier fall, PRIMOTECS may require a pro rata price reduction for the degree of value created.
- (7) For serial parts, material price supplements such as scrap and alloying elements will be negotiated for separately and shown separately in the frameworks. They will be tailored to current market prices at agreed intervals.
- (8) For serial parts, initial samples, test orders and preseries will be set off against the series price. Initial samplings must be provided by the Supplier free of charge.
- (9) Any modifications to processes (manufacturing processes, testing and

measuring processes, facilities, production sites, ERP systems, etc.) may lead to unforeseen consequences for the customer or for PRIMOTECS. Modifications may therefore be carried out solely by mutual agreement and after they have been approved in writing by PRIMOTECS. The Supplier shall inform PRIMOTECS immediately of any planned changes to processes, its own manufacturing site or that of its sub-suppliers and of any changes to the basic materials used. Modifications shall not be permitted until PRIMOTECS has approved them in writing.

- (10) If manufacturing or delivery is suspended by a sub-supplier for longer than 12 months, this must be notified to PRIMOTECS and new samplings or test orders must be carried out.

#### 4. Payment conditions, Collaterals

- (1) The agreed terms of payment apply as binding for the term of the agreement. Unilateral changes in terms of payment in particular payment targets through the supplier are not permitted.
- (2) A change in the payment terms or the premature declare of claims from the legal relationship or the request of collaterals by the supplier is not permitted, even if PRIMOTECS is in default of payment or the financial circumstances of PRIMOTECS should deteriorate significantly.

#### 5. Delivery, Delay in delivery

- (1) The Supplier must include a delivery note stating the PRIMOTECS order number with each delivery.
- (2) The decisive date for determining whether a delivery date or delivery deadline has been respected is the date on which the goods are received by PRIMOTECS. If in exceptional circumstances delivery is not agreed on "carriage paid" (DDP under Incoterms 2010), the Supplier must provide the goods in good time in accordance with the time agreed on with the haulier for loading and dispatch. Unless the contrary is agreed, the Supplier will issue notice of dispatch when the goods are shipped. If the shipper does not take delivery of the goods as confirmed in the notice of dispatch, the Supplier must inform PRIMOTECS of this immediately.
- (3) Delivery must be made in good time and in accordance with the description, nature and scope of the purchase order or scheduled delivery request. The delivery deadline set out in the purchase order is binding on the Supplier; if this information is not provided, the delivery deadline shall begin to run on the date of the order confirmation.
- (4) The Supplier must fulfil all orders itself. Assigning orders to third parties (subcontractors), even if the Supplier delivers in its own name, is not permitted without the approval of PRIMOTECS. The Supplier must inform the subcontractor of any obligations to be observed under the order in individual cases and of these terms and conditions of purchasing. PRIMOTECS shall be entitled to refuse a Supplier's subcontractor if the latter fails to observe these conditions. Subcontractors for serial parts must be IATF 16949 and DIN EN ISO 14001 certified.
- (5) If the Supplier performs the assembly or mounting and unless anything else is agreed, the Supplier shall, subject to any regulations to the contrary, bear all requisite ancillary costs, such as travel costs, costs for providing tools and accommodation.
- (6) If the Supplier is late with a delivery, it must pay a contractual penalty of 1% of the purchase price for the late products per week of delay commenced, up to a maximum of 10% of the purchase price, to PRIMOTECS. The right to bring claims for damages remains unaffected. The Supplier must cover the following costs inter alia: additional travel costs (both from the Supplier to PRIMOTECS and from PRIMOTECS to its customer), additional equipment costs for production, additional costs from extra shifts, production cancellation costs, exchange costs/conversion costs, additional testing costs and loss of profits (both of PRIMOTECS and PRIMOTECS's Customers). Any contractual penalties due will be set off against any claims brought for damages. PRIMOTECS must be informed daily of plans to clear backlogs until the delivery delay has been completely obviated.
- (7) If the Supplier foresees difficulties with manufacturing, obtaining basic materials, meeting the delivery circumstances or similar circumstances liable to jeopardise a timely delivery or delivery of the agreed quality, the Supplier must inform the order department of PRIMOTECS immediately, giving the reasons for and expected duration of the delay and its ramifications, together with the measures it intends to take to remedy the situation.
- (8) For serial parts, the Supplier is obliged to provide PRIMOTECS with a project plan on request from the latter. PRIMOTECS is entitled to check at the Supplier's premises at any time that the order is going according to schedule. If the schedule is not being adhered to, PRIMOTECS shall be authorized at any time to require that measures be taken to ensure this schedule is met, or to carry out those measures or have them carried out by a third party at the Supplier's expense.
- (9) For serial parts, PRIMOTECS shall be entitled to carry out a process audit at any time, even at short notice, on the Supplier free of charge.
- (10) For serial parts, PRIMOTECS will moreover be entitled to accompany production over several days at the Supplier in the form

of a Run@ Rates free of charge and to examine the Supplier's process capabilities and capacities.

- (11) When referring to standards, the Supplier must ensure that the standard is supplied in its latest valid version.
- (12) Partial and excess deliveries are not permissible unless expressly authorized by PRIMOTECS or acceptable to PRIMOTECS. Any additional costs thereby incurred will not be covered by PRIMOTECS.
- (13) The Supplier shall employ the FIFO principle along its entire logistics chain when working with serial parts, i.e. the first item must be processed and delivered first. In addition, the Supplier guarantees continuous traceability for serial parts. In particular, the Supplier must be able to reproduce all essential process steps chronologically and physically for every delivery to PRIMOTECS. On request from PRIMOTECS, the Supplier shall provide this data immediately and free of charge.
- (14) Early deliveries will be accepted by PRIMOTECS only by written agreement. If the Supplier delivers the products before the agreed delivery deadline, PRIMOTECS reserves the right to have the products sent back at the expense and risk of the Supplier. If PRIMOTECS does not send the products back following an early delivery, the products will be warehouse until the agreed delivery deadline at the expense and risk of the Supplier. PRIMOTECS shall be entitled in the event of early delivery to use the agreed delivery deadline as the basis for calculating the payment date.
- (15) For lots, dimensions and weights, the values determined by us during initial testing shall be determinant.
- (16) The Suppliers must comply with valid packaging regulations. The Supplier must take back packaging free of charge. If this is not possible, the Supplier will bear the associated disposal costs incurred by PRIMOTECS.
- (17) The illustrations, system and functional descriptions, user manuals, circuit diagrams, General Factory Qualifications, testing reports, test and acceptance certificates, spare parts lists and guarantee stipulations associated with deliveries made under our purchase orders shall form integral parts thereof.
- (18) If the initial samples of serial parts cannot be delivered by the agreed deadline or the serial production cannot be launched by the agreed deadline, PRIMOTECS shall have the extraordinary right to terminate the delivery agreements concerned. Any costs or losses incurred as a result will be borne by the Supplier, unless the latter is not to blame for the circumstances. Furthermore, PRIMOTECS shall be entitled to claim back any one-off payments already made.
- (19) If the delivery also includes software, PRIMOTECS shall have a right unlimited in time to use that software to the extent permitted by law and within the appropriate scope for the usage of the goods in accordance with the contract. PRIMOTECS may process, duplicate or translate or convert it from object code to source code, and may make backup copies. PRIMOTECS is furthermore entitled to grant usage rights to an appropriate extent to its own customers, where required, to enable the customers use and apply the item delivered to them by PRIMOTECS.
- (20) Series parts must be packaged in accordance with PRIMOTECS packing instructions and PRIMOTECS factory standards. If there are no PRIMOTECS packing instructions, the Supplier shall be responsible for ensuring that the contractual products are packaged in such a manner as to ensure that they are delivered in accordance with specifications and taking account of the means of transport used, so that there will be no deterioration to the products' usability even after 6 months' storage. Once packaging has been designed and used, it may not be modified without the written permission of PRIMOTECS. For serial parts, the Supplier must have suitable storage and logistics processes that will take account of the packaging and ensure that no harm can come to the usability of the products. Both PRIMOTECS and the Supplier shall maintain shipping load accounts for empties, in which the input and output of empties can be recorded seamlessly. In the event of discrepancies in empties, the Parties shall grant each other access to each other's books, to clarify discrepancies and to clarify any costs arising. The Supplier shall bear the costs for procuring, disposing, transporting and retransporting packaging. The Supplier shall ensure that all packaging is transported, stored and cleaned.
- (21) Empties will be disposed of with the Supplier for serial parts. It must have a functioning process for packaging disposal that ensures that empties are available in sufficient quantities to cover delivery requirements. Empties provided by PRIMOTECS and are remain the property of PRIMOTECS for an unlimited period. The Supplier shall not have a right of retention on any grounds whatsoever. The Supplier shall be liable for any loss or damage to empties provided. Any such loss or damage must be reported to PRIMOTECS in writing. Empties provided are to be used for transport between the Supplier and PRIMOTECS. The Supplier must have sufficient quantities of its own empties for manufacturing and warehousing on its own site. Empties provided by PRIMOTECS may be used to meet requirements of a maximum of two weeks.
- (22) In the event of a shortage of empties for serial parts, the material planner of PRIMOTECS must be informed immediately. Any measures required must be determined jointly. A switch to replacement packaging must be made if required. Replacement

packaging may be obtained only with the approval of the materials planning or quality assurance departments of PRIMOTECS. To ensure that the customer of PRIMOTECS will be delivered, the Supplier is not entitled to interrupt manufacturing because of shortages of empties.

#### 6. Force majeure

- (1) Force majeure, industrial action, non-culpable disruptions, unrest, official measures and other inevitable events shall dispense PRIMOTECS from its duty to accept deliveries in good time for the duration of those events. During such events and for two weeks following their cessation, PRIMOTECS shall be entitled — notwithstanding its other rights — to withdraw from the contract wholly or in part, provided these events are of a not insignificant duration and its demand diminishes considerably as a result of the need to procure the products in another manner.
- (2) Strikes affecting the Supplier or public transport, or events of any nature occurring to subcontractors or sub-suppliers of the Supplier, shall not constitute force majeure and shall not justify failure to perform deliveries.

#### 7. Transfer of risk

- (1) The risk of accidental loss or damage to the goods will pass to PRIMOTECS once the unloading of the goods at the place of delivery is complete, for all shipping methods.
- (2) If work services are provided, including assembly services, the risk shall pass at the moment of formal acceptance by PRIMOTECS via an acceptance report or another written declaration. Definitive acceptance (final acceptance) will occur once all contractual services have been completely and correctly performed, a facility has been installed and run in and proof of the agreed warranty values has been furnished. Final acceptance must be requested in writing by the Supplier. Furthermore, the Supplier must send an authorised representative to receive this acceptance. A report or certificate will be compiled and issued to attest to final acceptance. Final acceptance may be refused by PRIMOTECS in the event of significant defects that affect the functionality of the items delivered. If there are such significant defects, final acceptance will be granted once these defects have been removed.

#### 8. Warranty

- (1) Warranty costs shall be borne by Seller, whenever Seller shall be proven to be responsible of the defects relevant to the final customers on a sampling basis, Supplier shall indemnify PRIMOTECS all fees and expenses due to such defects on the entire lot of Products supplied.
- (2) The Supplier shall provide PRIMOTECS with products free from physical defects and defects of title. The Supplier warrants that the goods are manufactured from suitable materials 100% free from defects, which have been processed carefully and correctly in accordance with recognized industry standards and other applicable standards, and that the goods are unrestrictedly suitable for the purpose set out in the contract and that they possess the warranted qualities and agreed performance values. All illustrations or warranties in the Supplier's catalogues, brochures, commercial documentation and quality assurance systems are binding on the Supplier. Technical specifications shall constitute warranties to PRIMOTECS.
- (2) The Supplier furthermore warrants that the scope of its deliveries, including transport to PRIMOTECS, meets the basic testing principles for security in the workplace valid at the moment of the order, the stipulations of the currently applicable environmental regulations and the relevant provisions and guidelines from authorities, trade associations and professional bodies.
- (3) This warranty shall also apply to the services of subcontractors and agents of the Supplier. It furthermore applies to replacement deliveries, subsequent improvement and the rectification of defects.
- (4) The Supplier's warranty is not limited or excluded by the fact that parts, systems, constructive solutions or procedures recommended by PRIMOTECS as the ordering party fall under the scope of delivery. If the Supplier judges that such recommendations are not appropriate, it must inform PRIMOTECS in good time.
- (5) In the event of material defects, it will be suspected that the defect already existed at the moment of transfer of risk, unless this suspicion is inconsistent with the nature of the item or the defect.
- (6) The Supplier undertakes to effect a tried and tested and established quality assurance system for the deliverables and services covered by delivery in accordance with applicable ISO or DIN standards. This shall also include outgoing goods checks as part of which the Supplier must examine whether the goods it is to deliver to PRIMOTECS are free from material defects and defects in title and if they correspond to the agreed characteristics and standards. PRIMOTECS has the right to examine the

Supplier's and any subcontractor's quality assurance system via quality audits. If the Supplier should deliver parts on several occasions for which a given characteristic does not meet specifications, PRIMOTECS may require that additional checks be carried out, at the Supplier's expense. If further parts are delivered with the same defect despite the additional checks, PRIMOTECS may require that an external certified company perform a 100% check of the contractual products until it can be guaranteed that deliveries will be made to specifications, at the Supplier's expense.

- (7) The Supplier is required to inform PRIMOTECS spontaneously of any modifications to its manufacturing and testing conditions and to refrain from delivering any serial parts manufactured after the process modifications until PRIMOTECS has approved them as serial parts.
- (6) The supplier of serial parts is obliged to comply with the statutory and regulatory requirements in the country of receipt, the country of shipment and if provided the customer-identified country of destination.

#### 9. Claims for defects and regress

- (1) For goods deliveries, acceptance will be contingent on investigation for freedom from defects, particularly for correctness, completeness and fitness for purpose. This investigation shall take place to the extent and as soon as possible as part of standard business operations. If any defects are determined, PRIMOTECS shall inform the Supplier immediately. Other defects that are identified only during processing or the appropriate use of the goods delivered will be notified to PRIMOTECS as soon as they are discovered. The Supplier is aware that it must perform an outgoing goods check under 10(7) with corresponding testing certificates and that further regular quality controls will be performed when the items delivered are processed as part of the subsequent delivery chain. Therefore, if defects should not arise until the delivery is processed, PRIMOTECS's claims for those defects shall subsist and the Supplier may not seek to avail itself of any limitation period that may have begun to run; this shall not apply if the Supplier can demonstrate that it was solely due to gross negligence **not attributable to the Supplier's process** or that the defects were not discovered before the limitation period had expired.
- (2) For defective deliveries, the Supplier must first effect remedial performance, i.e. (at the choice of PRIMOTECS) either rectify the defect or deliver a replacement item (substitute parts). In both circumstances, the Supplier shall bear all costs incurred by it or by PRIMOTECS, e.g. transport, road maintenance, labour and material costs or costs for inspection on receipt of a broader scope than normal. The same applies for any disassembly and assembly costs. In the event of subsequent deliveries, the Supplier must take back the defective products at its own expense.  
If there is no remedial performance, if that performance is unacceptable to PRIMOTECS or if the Supplier does not commence performance immediately, PRIMOTECS may withdraw from the contract/order without notice and return the goods at the risk and expense of the Supplier. In this and other urgent cases, particularly to prevent acute dangers or to avoid greater damage, where it is no longer possible to inform the Supplier of the defect and allocate a deadline (even a brief one) for rectifying that defect, PRIMOTECS may have the defects remedied itself at the Supplier's expense or have them rectified by a third party.
- (3) If the Supplier does not immediately begin to rectify the defect in question when so requested by PRIMOTECS, PRIMOTECS shall be entitled to have the defect remedied itself or to have it remedied by a third party, at the expense of the Supplier.
- (5) Claims for defects shall lapse 5 years. **It remains understood that greater warranty periods, as may be requested by the Carmaker.**
- (6) If PRIMOTECS extends a longer or more comprehensive liability for defects to its customers, the Supplier shall be required to consent to be bound by this liability in the future as well, after having been notified of it in writing.
- (7) If PRIMOTECS incurs any costs as a consequence of defective goods, particularly transport, road maintenance, labour, material or investigative costs, the Supplier must reimburse these costs to PRIMOTECS.
- (8) Further claims, particularly claims for compensation or claims under the Supplier's warranty, shall remain unaffected.
- (9) The unconditional acceptance of a delayed delivery or service shall not constitute a waiver of any claims for compensation vesting in PRIMOTECS by virtue of that delayed delivery or service.
- (10) If customers of PRIMOTECS have recourse to a reference market procedure or a similar procedure commonplace in the automotive industry for determining and calculating warranty claims and enforce that procedure against PRIMOTECS for defects in the products of PRIMOTECS resulting from defects in the Supplier's products, this procedure shall also apply to the supply relationship between the Supplier and PRIMOTECS.

#### 10. Product liability and recall

- (1) If a claim is brought against PRIMOTECS for product liability, the Supplier shall be obliged to hold PRIMOTECS harmless from such claims to the extent that the loss or damage was caused by a defect in the contractual item delivered by the Supplier. For fault-based liability, however, this shall apply only if the Supplier is at fault. If the cause of the loss or damage lies within the responsibility of the Supplier, the latter shall bear the burden of proof.
- (2) The Supplier shall be required to provide PRIMOTECS with all information and support, to the extent reasonable, to permit PRIMOTECS to defend itself against such claims.
- (3) The Supplier shall bear all costs and expenditure incurred in the circumstances under (1), including the costs of any legal proceedings.
- (4) As part of its liability the Supplier is also obliged to reimburse PRIMOTECS for all costs and expenditure incurred under or in connection with any recall campaigns run by PRIMOTECS. PRIMOTECS will inform the Supplier of the content and scope of any recall campaigns to the extent possible and reasonable and give the Supplier the opportunity to submit its response. The right to bring more extensive claims remains unaffected.
- (5) The relevant statutory provisions shall apply for the remainder.

#### 11. Insurance

- (1) The Supplier of serial parts is required to contract extended public liability and product liability insurance at its own expense to cover the risks of product liability, including the risk of recall, from a renowned insurance company and in a sufficient amount and maintain that insurance for the duration of the commercial relationship, including the warranty periods.
- (2) On request, the Supplier must furnish proof without delay that such insurance has been contracted. If the Supplier is not able to furnish proof of these insurance policies within two weeks, PRIMOTECS shall be entitled to contract such insurance at the expense of the Supplier.

#### 12. Cancellation/termination of purchase orders/contracts

- (1) For serial parts, the Supplier is required to deliver products at competitive conditions and in accordance with quality requirements to PRIMOTECS until those products are discontinued.
- (2) PRIMOTECS may terminate purchase orders or contracts by giving notice of 6 months, and the Supplier may terminate by giving notice of 24 months. Following termination by the Supplier, the latter must disclose all its sub-suppliers of component parts and raw materials for the products involved to PRIMOTECS within 2 weeks of termination.
- (3) If a customer of PRIMOTECS cancels or abandons its order extraordinarily or for no reason, PRIMOTECS shall be entitled, regardless of its right to terminate, and the Supplier shall be compelled to seek to conclude another agreement with A-KAIASER that takes account of these circumstances. Unless otherwise agreed, the following degrees of obligation shall apply:
  - i. the quantity intended for the rolling month following the order (Month 1) is ordered bindingly;
  - ii. the quantity ordered for the next rolling month (Month 2) shall entitle the Supplier to procure the preliminary materials. If this quantity is not subsequently picked up by PRIMOTECS, the Supplier shall be entitled to invoice PRIMOTECS for the preliminary materials procured, at which point PRIMOTECS may require that the preliminary materials be delivered.

Any additional quantities manufactured and materials procured will be exclusively at the risk and account of the Supplier.
- (4) Either Party shall be entitled to terminate a contract without notice on substantive grounds at any time. Substantive grounds shall include the following in particular:

- i. the opening of insolvency proceedings over the assets of either Party or the refusal of such proceedings owing to the lack of assets, or the liquidation of either Party; the breach of major contractual obligations; in the event of a breach that can be rectified, although only once the Party not at fault has instructed the other Party in writing to rectify the breach, has warned it of the imminent termination on substantive grounds and a reasonable period of at least four weeks has been granted but has failed to produce performance;
  - ii. one Party falls under the control of a competitor of the other Party owing to a change in its owners or shareholders.
- (5) In the event of the cancellation or other termination of a contract, the Supplier must return all property and documents of PRIMOTECS and all other items, including all illustrations and other documents, devices and tools, to PRIMOTECS.

#### 13. Performance of work

Persons carrying out work on factory premises under the contract must follow the provisions of the relevant factory regulations. Liability for any accidents suffered by such persons on the factory premises is excluded unless caused by intentional or grossly negligent breaches of duty by the legal representatives or agents of PRIMOTECS.

#### 14. Industrial property rights of third parties

- (1) The Supplier warrants that the delivery and use of the goods will not breach the industrial property rights of third parties.
- (2) If a claim is brought against PRIMOTECS by a third party in this regard, the Supplier will be obliged to hold PRIMOTECS harmless from this claim at the latter's first written request. This duty to hold harmless incumbent on the Supplier covers all expenditure that may prove necessary for PRIMOTECS under and in connection with any claim brought by a third party.

#### 15. Confidentiality

- (1) PRIMOTECS hereby reserves all property and copyright in all illustrations, drawings, documentation, samples, models, substances, parts, know-how etc. provided to the Supplier, hereinafter collectively referred to as "information", including in the form of disks or CD-ROMs.
- (2) The information made available to the Supplier by PRIMOTECS must be kept confidential from third parties and provided only to the persons who are required to be involved for the purpose of deliveries to PRIMOTECS; these persons must also be placed under a duty of confidentiality. The Supplier undertakes to impose an equivalent duty of confidentiality on its sub-suppliers. The Supplier may not use any confidential information transmitted to it by PRIMOTECS for any purposes other than those under the contract.
- (3) These obligations shall not apply to information for which the Supplier can demonstrate that (i) it was already in the public domain at the moment it was communicated or fell into the public domain thereafter through no fault of the Supplier; (ii) was already in the Supplier's possession when it was communicated; (iii) was communicated to it by a third party not bound by confidentiality or a prohibition on use, whereby this third party must not have obtained the information directly or indirectly from the Supplier; or (iv) is required to be disclosed to the authorities in the application of statutory provisions.
- (4) All information transferred must be returned to PRIMOTECS immediately and in its entirety at the latter's first request or, if desired by PRIMOTECS, destroyed; this also applies to any copies or records of such information. The Supplier must return any information provided to it by PRIMOTECS unrequested if that information is no longer used for the execution of the order.
- (5) PRIMOTECS retains all rights in respect of all information in this regard, including copyright and the right to file intellectual property rights such as patents, utility patents, etc.
- (6) If the corresponding information from third parties has been disclosed to PRIMOTECS, this reservation shall also apply in favour of those third parties.
- (7) If the Supplier manufactures products in accordance with documents, illustrations, models or similar media developed by PRIMOTECS, in accordance with confidential information from PRIMOTECS, with the tools of PRIMOTECS or reverse-engineered tools, or using information as under, the Supplier may not use those products itself or deliver or supply them to third parties.
- (8) The Supplier undertakes to return all confidential information it has received to PRIMOTECS at the end of the supply relationship, where that information is physically manifested or stored on electronic storage media. The Supplier must confirm in writing on request from PRIMOTECS that it has complied with the obligations in the above two paragraphs.

#### 16. Intellectual property in development work

If the Supplier carries out development work for PRIMOTECS for production materials or manufacturing equipment (particularly tools) whose costs are reimbursed by PRIMOTECS either separately and/or via the prices paid for the products (i.e. are included in the order), the following shall apply:

- (1) The Supplier shall produce development results free from the intellectual property rights of third parties.
- (2) The legal title to all development results (including any inventions, know-how, test and development results, propositions, ideas, drafts, designs, suggestions, samples, models, etc.) created by the Supplier as part of this collaboration ("work results") shall vest in PRIMOTECS as soon as it arises. The Supplier shall transfer the rights to all development results (including all patents and copyrights) to PRIMOTECS.
- (3) If the work results can be protected by industrial property rights, PRIMOTECS shall in particular be entitled to register such rights in its own name both domestically and abroad, to enforce those rights or to abandon them at any time. The Supplier must draft all documents to ensure that any industrial property rights are transferred to PRIMOTECS. If work results take the form of

software, the usage and exploitation rights are not confined to the object code. PRIMOTECS will in particular have a claim to the transfer of the source code and the documentation. PRIMOTECS may require that this transfer be effected at any time, including during or after the performance of the project.

- (4) The Supplier must take unrestricted account of any patentable inventions that its employees make during the performance of this contract, via a declaration to the inventor. The Supplier must conclude the appropriate contractual agreements with its employees and sub-suppliers to ensure that the latter transfer the rights to any patentable inventions to the Supplier.
- (5) If the Supplier's property rights or previous property rights affect the production material or manufacturing facilities, the Supplier shall grant PRIMOTECS and the latter's associated companies the exclusive, irrevocable, sublicensable, transferrable right unrestricted in time, place and content, free of charge, to use and exploit these work results in any manner whatsoever.
- (6) Unless otherwise stipulated herein, the Supplier (and any companies associated with it) is and remains the owner of any inventions made prior to the beginning of the collaboration and the property rights filed or granted in respect of them, and any copyrights, patents and know-how ("previous property rights") existing prior to the beginning of the collaboration.

#### 17. Spare parts supply

- (1) The Supplier undertakes to provide spare parts at reasonable conditions for the predicted lifespan for which the final products are to be used. The minimum period is 15 years after the end of serial production of the products. In good time before the minimum period expires, the Supplier shall grant PRIMOTECS the possibility of placing a final order for all spare parts ever expected to be required at serial prices.
- (2) For serial parts the supplier is obligated to deliver more parts/spares on the request of PRIMOTECS for a period of 15 years after termination of the serial production status. To insure this commitment the supplier will provide, storage and insure the necessary tools and other devices for the manufacturing of the delivery object for this period of time.

#### 18. Import and export checks and customs

- (1) The Supplier is obliged to inform PRIMOTECS of any duties to obtain approval for (re-)imports/exports of its goods under German, European, Brazilian, Chinese, Japanese, Mexican, Thai, Hungarian or US import or export and customs provisions and the import/export and customs provisions of the country of origin of its goods in its business documentation, and furnish any requisite confirmations.
- (2) On request, the Supplier is required to inform PRIMOTECS in writing of any subsequent foreign trade figures for its goods and their component parts, and to inform PRIMOTECS immediately and in writing (prior to the delivery of any goods thereby affected) of any changes to these figures.
- (3) The Supplier is obliged to make good any loss or damage incurred because data or documents are incorrect or are not recognised by the responsible authorities, unless the Supplier is not responsible for the consequences of this.

#### 19. Compliance

- (1) The Supplier undertakes to comply with the relevant statutory provisions governing dealings with employees, protection of the environment and health and safety in the workplace, and to work on reducing emissions harmful to human health and the environment in its activities. The Supplier shall in this regard install and develop an ISO 14001 management system to the extent possible. The Supplier will furthermore comply with the basic principles of the UN Global Compact Initiative. These essentially pertain to the protection of international human rights, the right to tariff negotiations, the prevention of forced labour and child labour, the removal of discrimination on hiring and employment, responsibility for the environment and the prevention of corruption. Further information on the UN's Global Compact Initiative can be found at [www.unglobalcompact.org](http://www.unglobalcompact.org).
- (2) If the Supplier repeatedly and/or despite instructions to the contrary acts in breach of the law and fails to demonstrate that this breach was remedied to the greatest extent possible and that adequate precautions have been taken to avoid future breaches, PRIMOTECS reserves the right to withdraw from existing contracts or to terminate them without notice.
- (3) The Supplier warrants that it has not promised any gifts or provisions to the employees, authorised representatives, agents or representatives of PRIMOTECS and will not pay out any such emoluments. In the event of a breach, PRIMOTECS shall be entitled to terminate the contract without notice and to require that the Supplier make good any loss or damage suffered by PRIMOTECS as a result of that breach.
- (4) The Supplier warrants that it and its contractors and subcontractors will pay the applicable minimum wage to all their respective employees at all times. If this provision is breached, the Supplier shall hold PRIMOTECS harmless from the claims of any third parties.

- (5) If PRIMOTECS or the Supplier are corporations subject to Italian Law or the delivery is from or to Italy, the Supplier is required to comply in accordance with the provisions of the model or organization, management and control with the provisions of the Italian Decree 231/01. Violations may result in the application of the system of sanctions up to the termination of the contract.

#### 20. Hazardous substances and preparations

- (1) For goods and materials for procedures that must be treated specially owing to laws, orders, other provisions or to their composition and their effects on the environment, inter alia with regard to transport, packaging, labelling, storage, handling, manufacture and disposal, the statutory provisions governing manufacturing and those of the Supplier's country of distribution must be followed.
- (2) The Supplier will provide PRIMOTECS in this circumstance with the requisite papers and documents before the order is confirmed. In particular, all hazardous substances and substances toxic to the water table must not be supplied unless an EC security sheet is provided and they have been approved by PRIMOTECS. If the requirements in this regard change during the delivery relationship, the Supplier shall provide PRIMOTECS immediately with papers and documents corresponding to the modified requirements.
- (3) PRIMOTECS is entitled to return any hazardous substances and substances toxic to the water table that were used for testing purposes to the Supplier free of charge.
- (4) The Supplier shall be liable to PRIMOTECS for any culpable failure to comply with the existing statutory provisions that causes harm.
- (5) The Supplier shall ensure that the requirements of the EU REACH chemicals regulation (Regulation (EC) No. 1907/2006 of 30/12/2006) — hereinafter designated "REACH" — are met, particularly that all preregistrations and registrations are done in due time. PRIMOTECS is not under any circumstances obliged to carry out (pre-)registration. The Supplier is aware that the products may not be used unless the stipulations of REACH have been met properly and in their entirety.
- (6) The component parts (heavy metals) addressed by the EU ELV Directive (ELV — End-of-Life Vehicles) must be entered by the Supplier in the IMDS database at its own cost and will then be deemed to have been declared.
- (7) Based on the EU ELV Directive, the Supplier is obliged to ensure the following:
  - i. a component-based system for drying and disposing of toxic substances must be devised and communicated; the VDA 260 labelling standard for tools and components must be observed;
  - ii. a disposal concept for selected supplier parts must be provided after discussion with PRIMOTECS;
  - iii. the greatest percentage possible of parts should be recycled and sustainable raw materials should be used, after discussion with PRIMOTECS.
- (8) The Supplier must comply with all statutory and official regulations with regard to the protection of the environment when performing its statutory obligations.
- (9) The Supplier shall hold PRIMOTECS wholly harmless from any consequences, particularly loss or damage, and claims from third parties resulting from any culpable failure by the Supplier to comply at all, completely or in good time with provisions i) — iv) hereunder.

#### 21. Set-off, assignment

- (1) PRIMOTECS shall have set-off and assignment rights to the extent granted by law. The Supplier is not entitled to assign its claims against PRIMOTECS to third parties.
- (2) The Supplier may not use one or more subcontractors to fulfil an order or part of an order without the prior written permission of PRIMOTECS.
- (3) The Supplier may not assign or transfer any purchase order or the contract, whether in whole or in part, without the prior written permission of PRIMOTECS.

#### 23. Retention of title

- (1) Property in the goods shall pass to PRIMOTECS once the totality of the purchase price has been paid. Any extended or broadened retention of title or current account reservation by the Supplier in respect of the goods delivered is excluded.

- (2) All parts, raw materials, tools, materials or other devices or items provided by PRIMOTECS or acquired the Supplier at the cost of PRIMOTECS (and whose procurement costs are repaid by PRIMOTECS or are incorporated in the prices payable for the goods and have been paid for in full) and connected to or used in the manufacture of the products shall remain or become the sole property of PRIMOTECS. All rights in any drafts, samples, illustrations, data, models or other information and documents provided by PRIMOTECS shall remain vested in PRIMOTECS. The Supplier expressly agrees that PRIMOTECS property or documents may not be used for the manufacture or construction of products for third-party customers without the prior written permission of PRIMOTECS.
- (3) The Supplier holds any property and documentation of PRIMOTECS purely on loan and shall keep it separately from any property of other persons, and all PRIMOTECS property and documents must be clearly designated as such.
- The Supplier warrants that all parts, raw materials, tools, materials or other devices or items used by PRIMOTECS for processing will not be mixed in with other parts. The Supplier also warrants that the parts delivered for processing will not be mixed in with other parts delivered by PRIMOTECS for processing.
- (4) The Supplier is liable for any loss or damage to PRIMOTECS property. PRIMOTECS must be informed immediately in the event of any loss or damage to its property. The Supplier is obliged to insure PRIMOTECS property at its replacement value and at its own expense against fire, water damage and theft as a minimum and to maintain this insurance. The Supplier must demonstrate to PRIMOTECS on request that this insurance exists. The Supplier must carry out all requisite maintenance work at the appropriate intervals and at its own expense. Any damage or disruption must be notified to PRIMOTECS immediately.
- (5) Where PRIMOTECS provides the Supplier with products, raw materials or other materials ("goods") for the manufacture of products, PRIMOTECS shall retain the property in those goods. The treatment/processing, conversion, incorporation or transformation of such goods by the Supplier shall be done for PRIMOTECS. If the goods with retained title are processed together with other items not owned by PRIMOTECS, PRIMOTECS shall acquire the co-ownership in the new product pro rata with the value of the goods of PRIMOTECS (purchase price plus VAT) as against the other items processed at the time of processing.
- If the goods provided by PRIMOTECS are combined or mixed inseparably with other items not owned by PRIMOTECS, PRIMOTECS shall obtain the co-ownership in the new product pro rata with the value of these retained goods (purchase price plus VAT) compared with the other combined or mixed items at the time of combination or mixing. If this combination or mixing occurs in a manner such that the items of the Supplier are considered the main item, it is hereby agreed that the Supplier shall transfer the co-ownership pro rata to PRIMOTECS; the Supplier shall store and protect the sole ownership or co-ownership on behalf of TEKFOR.
- (6) The Supplier is entitled to monitor the flow of goods from delivery of the goods provided by TEKFOR to the return delivery of the products to TEKFOR via booking systems. On request from TEKFOR, the Supplier must provide this data immediately and free of charge.

#### 24. Place of performance, competent jurisdiction and applicable law

- (1) The place of performance for the delivery obligations of the Supplier is the place of reception or use designated by TEKFOR. The place of performance for the payment obligations of TEKFOR is the registered office of the company that has entered into that contractual obligation.
- (2) The provisions of this contract are governed solely by German law, to the exclusion of any conflict of laws and UN Convention on the Sale of Goods (CISG).
- (3) If the applicability of another legal system is stipulated in an agreement on individual rights, this agreement shall apply with regard to that legal system. These terms and conditions of purchasing shall continue to apply.
- (4) The exclusive competent jurisdiction for any legal disputes arising directly or indirectly from contractual relations based on these terms and conditions of purchasing is the Civil Court of Frankfurt am Main. TEKFOR is furthermore entitled to bring proceedings against the Supplier in the jurisdiction of its registered office or of its subsidiary, or in the jurisdiction of the place of performance.
- (5) Any references to "statutory provisions" in this document designate applicable statutory provisions; if no law applies directly to the circumstance, general statutory provisions shall apply.

#### 25. Miscellaneous provision

- (1) If any of the provisions herein should be or become invalid or unenforceable, the validity in law of the remaining provisions shall not thereby be affected. In place of the void or unenforceable provision, a provision shall be deemed to have been agreed that reproduces the original intention of the

- contracting Parties as shown in the invalid or unenforceable provision to the greatest extent permissible by law. The same shall apply to any loopholes in the contract.
- (2) These terms and conditions of purchasing are available in several languages. In the event of discrepancies between the translated versions and the German version, solely the German version shall prevail.