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of:

**Schieffer GmbH & Co. KG, Am Mondschein 23, 59557 Lippstadt, Germany**

hereinafter referred to as "Schieffer"

applicable for all supplies of goods and services by Supplier to Schieffer. Goods and services hereinafter referred to as "contractual items", "goods", or "services", are mainly intended for use in Schieffer products and in cars and commercial vehicles all over the world.

## **1. Delivery Conditions**

1.1 All orders from Schieffer should be realised exclusively according to these terms and conditions of purchase, unless explicit agreement made separately. Supplier's terms and conditions which deviate from those of Schieffer will not be part of this agreement even if Schieffer does not disagree explicitly. Alterations or additions and other ancillary agreements have to be made in written form. These terms and conditions will apply for future orders or contractual agreements between Schieffer and Supplier as well.

1.2 The specifications, drawings, descriptions and other documents agreed between Schieffer and Supplier shall apply to the realisation of the goods or services. Supplier shall provide its services by applying a quality management system that meets at least the requirements of actual ISO 9001, and shall undertake to constantly further develop this system according to the state of the art, in order to achieve the requirements of up to date IATF 16949 (or VDA 6.4 in the case of the delivery of operating equipment). The environmental management of Supplier is to be oriented toward the requirements of DIN EN ISO 14001 or EMAS, and is to be verified by a certificate on demand from Schieffer.

Supplier is obliged to enter all required information of series into the International Material Data System (IMDS) with first delivery.

1.3 In addition Schieffer "Quality Guidelines for Suppliers to the Schieffer International Group" valid at conclusion of the contract shall apply. Quality Guidelines for Suppliers to the Schieffer International Group can be downloaded on site: [www.schieffer-group.com](http://www.schieffer-group.com).

## **2. Compliance, Security, Respect of Human Rights, Minimum Wage Act and Sustainability**

2.1 Supplier shall comply with applicable national laws and supports relevant international standards, guidelines and principles. Supplier will comply with applicable rules on environmental protection, including energy and resource saving, work safety, accident prevention, transport and plant safety as well. He is obliged to maintain an effective management system in above mentioned fields and to hand to Schieffer appropriate evidence made available, at any time.

2.2 Supplier respects, supports and observes in particular compliance with United Nations regulations of human's and children's rights. If applicable national regulations concerning child labour or human rights are more restrictive, these have to be observed. Supplier has to ensure that there is any form of forced labour within the production process of his goods.

2.3 Within applicable laws and rights Supplier is forced to combat any form of discrimination. This refers in particular to discrimination of employees because of their gender, race, disability, ethnic or cultural origin, religion or belief, age, sexual identity or orientation.

2.4 Supplier guarantees to apply and to respect all national and international regulations concerning antitrust laws, laws against unfair competition and to combat corruption.

2.5 If works or supply of services are ordered by Schieffer, Supplier is obliged to adhere regulations of Minimum Wage Act (Mindestlohngesetz - MiLoG). In the event Supplier has to employ subcontractors in order to comply with its contractual obligations, Supplier has to ensure that even subcontractor complies

with regulations of Minimum Wage Act (Mindestlohngesetz, MiLoG) and German Law on Posting of Workers (Arbeitnehmer-Entsendegesetz - AEntG) as well.

Supplier shall indemnify Schieffer International Group from any liability resulting from these regulations. Indemnification obligation shall apply too, even if employees of subcontractor are claiming payment as per above regulations from Schieffer.

2.6 Paying particular attention to sustainability, supplier shall minimize energy consumption, emissions of any kind, use of water as well as generated waste regarding production and delivery of goods to Schieffer. Management and use of natural resources has to be optimized such to use only minimum necessary. Handling and use of chemical substances has to be done with utmost responsibility and in compliance with national laws.

### **3. Orders**

3.1 Supplier has to confirm orders in writing within 5 days upon receipt. Scheduled deliveries transmitted electronically are considered to be confirmed if Supplier does not immediately – one working day after receipt at the very latest – object the schedule.

3.2 Verbally placed orders and orders placed by phone have to be confirmed in writing. Verbal agreements, modifications and additions to the contract must be confirmed in writing by Schieffer in order to become valid.

3.3 Deliveries shall be made exclusively for orders passed either in written form, transmitted electronically, or rolling delivery call-offs from Schieffer. Details of the procedure have to be agreed on individually.

### **4. Provided material**

4.1 Any material, equipment and tools made available by Schieffer in order to enable Supplier to provide services as agreed upon, remain property of Schieffer. Supplier has to examine all provided material immediately on visible defects. Supplier has to check if material made available has got agreed features and right quantity. Differences have to be reported to Schieffer within one working day.

Supplier is obliged to treat material carefully, to store material made available accordingly and to provide a reinstatement insurance against fire, water and storm damages.

4.2 Supplier shall maintain secrecy vis-à-vis third parties with respect for material, tools and equipment made available by Schieffer and for models, samples, drawings, standards, software and other data medium and objects produced pursuant to those specifications as well. In the event of no written approval all data made available may only be used for purposes agreed upon in the contract.

### **5. Transport, packaging and transfer of risk**

5.1 Shipments are made at Supplier's risk to an agreed location and without any expense for Schieffer. If, by way of exception, delivery at charge of Schieffer has been agreed, Schieffer will assume lowest freight charges unless a special way of shipment has been agreed.

5.2 Transfer of risk will take place after delivery of the goods to destination agreed. In the event of freight rates are to be borne – as per supplement agreement - by Schieffer this will apply, too.

5.3 All documents (shipping notice, delivery note, bill of loading, invoice) have to be provided with: ID number, batch number and purchase order number of Schieffer.

5.4 Legal regulations apply for the obligation of taking back packaging materials.

## **6. Delivery, Delay in delivery**

6.1 Agreed delivery dates are binding. Relevant for compliance with agreed date of delivery is receipt of goods at agreed destination.

6.2 In the event Supplier becomes aware that an agreed deadline cannot be met, he has to inform Schieffer immediately in writing, stating the reasons and the expected duration of the delay.

6.3 In the event of delayed delivery Schieffer is entitled to claim compensation for losses suffered and/or to withdraw from contract within legal regulations.

6.4 In the event of delivery ahead of schedule Schieffer retains the right to return the delivery at Supplier's expense respectively to reject delivery. In the event of delivery not being rejected but accepted, goods will be stored at Supplier's expense and risk. Payment of the goods will be duly effected considering the delivery date agreed.

6.5 Part deliveries are not permitted unless explicit agreement.

## **7. Prices Payment and Terms of Payment**

7.1 Agreed prices are fixed prices. Any additional claims are not permitted. Costs regarding packaging, transports, customs clearing and clearing formalities are included.

7.2 Invoices have to include all agreed information and documentation. If no special agreements regarding invoices and information requested have been made, usual shipping documents will be sufficient. Schieffer accepts incorrect invoices only after correction. In this case date of reception of corrected invoice is the only one to be applied.

7.3 Payment has to be effected in accordance with standard commercial practice as long as the consignment meets Schieffer's full satisfaction and there are no reasons for complaint. In case of deliveries/services and incoming invoices between the 1st and 15th of the month, payment will be effected by the 30th of the same month. In case of deliveries/services and incoming invoices between the 16th and 31st of the month, payment will be effected by the 15th of the following month. Both cases are subject to a 3% cash discount. Alternatively Schieffer will effect payment within 60 days net. Payment period starts either at date of receipt of goods or date of receipt of invoice, depending on which of both dates took place later.

7.4 Supplier shall not be entitled neither to assign any claims he may have against Schieffer to third parties, nor to allow third parties to claim receivables prior to written consent of Schieffer (such consent not to be unreasonably withheld). In the event Supplier being supplied under prolonged retention of title ("verlängerter Eigentumsvorbehalt") Schieffer's consent to an assignment of claim to sub-suppliers shall be deemed to be approved with regard to previous sentence. Should Supplier assign its claims against Schieffer to third parties in violation of sentence 1 (7.4) prior to a written consent of Schieffer this assignment shall nonetheless be effective. Schieffer may choose whether to pay Supplier or the third party with discharging effect.

## **8. Force majeure**

8.1 Incidents of Force Majeure, strikes, lockouts, riots, precautions taken by authorities and other unpredictable and severe incidents which are completely out of Schieffer's control and responsibility entitle Schieffer to postpone the purchase commitment by the duration of these incidents plus an appropriate preparation period afterwards. If maintenance of contract becomes unacceptable, Schieffer is entitled to withdraw from contract. Neither postponement of the contract nor withdrawal from contract derives any right to Supplier to claim compensation for eventual losses suffered.

## **9. Submission of information and objects/Confidentiality**

9.1 Supplier shall keep confidential all information that is not public, in particular specifications, drawings, templates, models, tools, documents, software and other data carriers, which Schieffer has made available to Supplier pursuant to or in connection with this agreement and shall not pass these on to third parties or duplicate them unless this is absolutely necessary for fulfilling its contractual obligations under this agreement. Supplier shall ensure that all of its employees and subcontractors be under the same confidentiality obligation. This confidentiality commitment will be valid for an unlimited period even after termination of this contract. Supplier is obliged to maintain secrecy even in the event of not having made any agreement. All documentation made available has to be handed to Schieffer after termination of business relation. Schieffer retains the right of ownership and all copyrights in the information and objects Schieffer discloses to Supplier pursuant to or in connection with this agreement. (see sentence 1, 9.1)

9.2 Supplier shall only be allowed to advertise its business relationship with Schieffer after prior written approval from Schieffer.

9.3 Products, which are manufactured in accordance with information, specifications, drawings or models provided by Schieffer or using tools completely or partially paid by Schieffer, may not be offered to third parties, provided as samples or supplied to them without Schieffer's prior explicit written approval. The same shall also apply accordingly to drawings, models, samples, etc. provided by Schieffer.

## **10. Certificate of Origin**

10.1 Prior to the first delivery of a product, Supplier hereby undertakes to submit a legally binding Suppliers' Declaration in accordance with the current EC-Regulation and to immediately inform Schieffer of any change in the origin features of the delivered products.

In the event of planned modification, respective notification has to be done 12 months prior to start of delivery. If necessary, Supplier shall document its submissions on the origin of goods by means of an information sheet duly confirmed by its responsible Customs Office. Supplier shall be liable for all and any damages which are sustained as a result of an improper or delayed submission of Suppliers' Declaration.

## **11. REACh / RoHS / Conflict Minerals**

11.1 Supplier shall ensure all material used in products (e. g. raw materials, operating- and auxiliary material, components, parts), delivered to Schieffer and which require registration according to REACh (EC Regulation 1907/2006: Registration, Evaluation and Authorisation of Chemicals) are duly registered by supplier or its sub-supplier and subsequently are assigned to Schieffer's intended purpose within period specified by REACh. If, contrary to expectation this cannot be done, Schieffer has to be informed of immediately.

11.2 Material delivered to Schieffer (incl. packaging) containing SVHC-substances (Substances Of Very High Concern) with more than 0.1 % mass proportion, shall be declared to Schieffer. Current SVHC-substances are listed and published by EU and continuously updated. Supplier is obliged to stay informed on current alterations of this list at any time.

11.3 Supplier is also obliged to ensure all goods or parts delivered by him comply with requirements of Directive 2011/65/EU (RoHS) without any restriction, in updated status. He has to guaranty compliance, too with national regulations issued within EU for implementation of this Directive and which are suitable for ROHS-compliant manufacturing processes.

11.4 Supplier shall be engaged to not supply any materials or products containing tin, tantalum, tungsten and gold deriving from conflict mines of Democratic Republic of Congo (Conflict Minerals)

## **12. Modification of Products**

12.1 Supplier shall inform Schieffer as soon as possible about any intended modification of products that are approved for delivery.

Notification has to be given as soon as practicable, objective is an anticipation of at least 12 months.

12.2 The supply of any product that has been modified in this way always requires the explicit written approval of Schieffer, for instance with a new approval of an initial sample. If the products are manufactured pursuant to instruction from Schieffer, this shall also apply to the modification itself. Supplier must assume all costs incurred by Schieffer due to these modifications, e.g. qualification costs, modification costs, test costs, development costs, the costs for a renewed initial sample test etc.

12.3 Provisions of section 12.1 and 12.2 shall apply accordingly in case of altered procurement sources for primary material or components as well as in case of altered production site or significant modifications of manufacturing processes at supplier

12.4 Schieffer shall be entitled to demand modification of products in design and workmanship, as long as this remains equitable for Supplier. The parties have to agree in good faith on the effects of such modifications, in particular with regard to increased or decreased costs and delivery dates.

## **13. Make safe Supply Chain**

13.1 If the products are goods specially developed for Schieffer and in particular if Schieffer has directly or indirectly made a contribution to the costs of development and/or for the manufacturing materials, Supplier warrants to supply Schieffer with the products according to Schieffer's needs and to accept orders from Schieffer as long as Schieffer requires the products. Schieffer shall provide Supplier in good time with the anticipated supply volume deducted from the forecasts of Schieffer's requirements.

Unless explicitly agreed otherwise in writing Supplier shall not have the right to demand the purchase of a specific quantity of products by Schieffer.

13.2 For securing the production of spare parts at Schieffer, Supplier hereby undertakes to ensure the supply of the products required in connection with the production under this agreement for at least 15 years (unless otherwise agreed in writing) after the end of series manufacturing of Schieffer products into which the products are assembled. If Supplier realizes within this period that it will no longer be possible to ensure this, Supplier must inform Schieffer about the end of the supply possibility without undue delay and, if Supplier is unable to offer Schieffer any other reasonable possibility of supply, to provide Schieffer with the opportunity of procuring an all-time requirement 12 months before the production is stopped.

## **14. Notice of defects**

14.1 Schieffer will promptly notify Supplier of any defects of the delivery once those have been discovered within the course of a proper business procedure. Schieffer's inspection of products received shall be restricted to a visual inspection of the products with regard to damages in transit, as well as a check of quantity and an identification check based on a comparison of the delivery documents with the order documents. Any further checks, in particular measuring inspections are not required. Schieffer shall carry out inspections during manufacturing in accordance with its quality assurance management system. To this respect, supplier waives objection of delayed notification of defects.

14.2 Both parties agree complaint is risen duly, even in the event UN sales law is applied, if Schieffer verbally informed Supplier about non-conformity of goods. Upon demand of Supplier Schieffer will give detailed information with regard to reasons of non-conformity of goods in due time.



**15. Liability for defects**

15.1 Supplier shall ensure that the products are free of any defects and that the agreed specifications and the generally accepted technological standards have been complied with.

15.2 If Schieffer approves specifications, drawings, calculations or other documents of Supplier, this shall not affect the sole responsibility of Supplier for the products. This shall also apply to proposals, recommendations or other cooperative actions of Schieffer regarding the performance of Supplier.

15.3 If Supplier is able to realize on the basis of its know-how that the order placed by Schieffer is incomplete or that the purpose pursued by Schieffer when it placed the order cannot be fulfilled, Supplier must inform Schieffer promptly and in full.

15.4 If defective products are supplied, Schieffer shall be entitled to demand immediate remedy by delivery of a replacement or rectification of the defective products. Schieffer shall be entitled to determine (at its sole discretion) the details of the remedial actions to be undertaken by Supplier after consultation with Supplier.

15.5 Should the defective delivery result in increased costs for Schieffer in meeting its own delivery deadlines (for instance costs of sorting out defective products, increased inspection effort and costs in manufacturing, etc.), these costs shall be borne by Supplier.

15.6 Schieffer shall be entitled to cancel the order and return the products to Supplier at the risk and cost of Supplier or to reduce the price if Supplier does not achieve his obligation for remedy of the defects within a reasonable period set by Schieffer. In addition, Schieffer has the right to be compensated for damages. The setting of a time period by Schieffer shall be superfluous if the achievement of the remedy of the defects is practically or economically impossible.

15.7 Schieffer shall be entitled to return defective products at the cost of Supplier or, after previous agreement with Supplier, to sort out the defective products and, if necessary, scrap them at the cost of Supplier.

15.8 Schieffer shall be entitled in urgent cases, if possible after previously informing Supplier if Supplier can be reached to carry out rectification of defects on its own or to let it be carried out by third parties and to procure the products without defects from third parties in order to achieve its own supply obligations. Supplier shall bear the necessary appropriate and evidenced costs for these rectifications or procurements.

15.9 Should a defect only be discovered after further processing of the products despite observance of the provisions in clause 14 of this agreement, Supplier shall be obliged to bear all the costs in connection with the exchange or rectification of defective products, in particular the costs of inspection, transportation, labour and material, regardless of whether these costs are incurred at Supplier, at Schieffer or at third parties. These costs shall also include all costs of any exchange or repair of products into which Schieffer has fitted defective products.

15.10 Should a recurrent failure make it necessary to replace a whole series of products or Schieffer products into which the products have been assembled, for instance because an analysis of defects in each individual case is not economical, not possible or not reasonable, Supplier must also bear the above-mentioned costs also to the part of the affected series that does not show any technical defects.

15.11 Schieffer is entitled to legal claims with regard to defects, including claims for damages and claims for compensation of expenses without any deduction. Each complaint will be charged at a processing fee which has to be determined in advance. In the event of replacement of goods, period for defect liability claims shall start again on acceptance of goods.

15.12 Claims in relation to material defects can be made within 54 months starting with date of acceptance of goods, unless something else has been agreed on explicitly in writing. In the event of Schieffer made any commitment to customers regarding extended periods of liability this prolongation is to be applied on Supplier accordingly. In the event a consumer complains about delivered goods used in finished goods, Schieffer is entitled to insist on the right of recourse against Supplier under the provisions of §§ 478, 479 of German Civil Code (BGB).

## **16. Liability**

16.1 Should Schieffer or a third party incur damages because of a defect of a product or the breach of this agreement by Supplier, Supplier shall compensate Schieffer in full for the resulting damages pursuant to the regulations provided by statutory law. Should Schieffer be obliged to compensate claims, e. g. product liability claims, to third parties pursuant to applicable statutory provisions and resulting from the products or their use, Schieffer shall be entitled to recover such compensations in full from Supplier.

16.2 Supplier shall be liable for measures undertaken by Schieffer or Schieffer's customers for preventing damage (e.g. a product recall).

16.3 Supplier undertakes to maintain a product liability insurance policy with insurance coverage appropriate for the risks involved in the automobile industry, however, not less than € 5,000,000 (in words: Euro five million) for damage to property and injury to persons including insurance cover for the costs of recall campaigns, and shall retain this insurance cover for at least 15 years after the last delivery supplied, respectively service provided to Schieffer. Supplier must provide Schieffer with written proof of this insurance coverage on request. This provision shall not be understood as a limitation of the liability of Supplier.

## **17. Intellectual Property Rights**

17.1 Supplier represents and warrants that its products, goods and services do not infringe any intellectual property rights and copyrights of third parties. Supplier shall indemnify Schieffer and its customers and keep Schieffer and its customers indemnified in full for all claims, demands, liabilities, losses, damages, costs (including, without limitation, legal costs) and expenses arising from the use of such intellectual property rights or copyrights.

17.2 If Schieffer has contributed to the development of the products – notwithstanding any further reaching rights on the basis of special agreements with Supplier – Schieffer shall obtain the cost free, non-exclusive right of use, unrestricted in time and place and including the right to sublicense the inventions used in the products or the copyrights pertaining to said inventions.

## **18. Miscellaneous**

18.1 In case one of the parties ceases payments or if an application for opening insolvency proceedings against the assets of this party is made or if such an application is rejected because of insufficient assets, the other party shall be entitled to withdraw from the agreement concerning any orders that have not yet been delivered or performed at that point in time.

18.2 Supplier hereby agrees that Schieffer shall be allowed to store any information in electronic files that is necessary for the purpose of order processing and checking of invoices. Schieffer commits to comply with legal regulations regarding privacy.

18.3 Schieffer shall be entitled to rights of setoff and retention to the extent provided by law. Supplier shall only be entitled to offset with his own claims if his counterclaims have been judicially determined as non-

appealable, are legally uncontested or have been acknowledged by Schieffer. Supplier shall only be entitled to exercise a right of retention insofar as his counterclaim arises from the same contractual relationship.

18.4 Should any provision of this agreement be or become void, illegal or unenforceable, the validity of the remaining provisions hereof shall not be affected thereby. In such case the parties are obliged to replace the void and/or illegal and/or enforceable provision by a relative provision coming as close as possible to the economic purpose of this agreement. This shall also apply to any possible omissions in this agreement.

18.5 These Conditions of Purchase shall apply for legal relation of companies.

18.6 Laws of the Federal Republic of Germany shall exclusively apply with exception of German conflicts of law rules.

18.7 The language of contract is German. The above is a translation of the 'Einkaufsbedingungen' in version 08/2021. The german text prevails.

18.8 Place of fulfilment and place of jurisdiction for all disputes arising from the contractual relationship shall be the domicile of Schieffer GmbH & Co. KG.

Version as per 08/2021