

## Terms & Conditions of Purchasing

of affiliated EJOT Group Companies - hereinafter referred to as "EJOT" -

### 1. Area of application

- 1.1 These Terms & Conditions of Purchasing shall apply to business owners, legal entities under public and private law and special funds under public law.
- 1.2 All purchase orders are processed exclusively on the basis of the terms and conditions below and any other agreements. In addition to these Terms & Conditions of Purchasing, any specifications, drawings, descriptions, standards and other documents, and in particular agreements of confidentiality and compliance agreements stipulated between EJOT and the Supplier are applicable, as well as the "EJOT Quality Assurance Agreement for Suppliers", as amended. Supplier's contradictory or additional terms and conditions, or terms deviating from the EJOT Terms & Conditions of Purchasing not expressly acknowledged by EJOT in writing, are not valid.
- 1.3 These Terms & Conditions of Purchasing shall also apply to any future purchase order and contractual relationship between EJOT and the Supplier, unless agreed to the contrary.
- 1.4 As far as the terms "delivery", "Supplier" or "delivery item" are used in these Terms & Conditions of Purchasing, such terms shall also refer to services not consisting of the delivery of an item; in these Terms & Conditions of Purchasing, "delivery" is used as a synonym for "service". "In writing" is used as a synonym for "text form" (e.g. e-mail, fax).
- 1.5 The parties are supposed to either jointly document any verbal agreements, e.g. in the form of negotiation records, or immediately confirm them in detail and in writing.

### 2. Purchase order

- 2.1 Generally, the contract is concluded by EJOT's purchase order (offer) in writing and Supplier's confirmation (acceptance) in writing. The Supplier shall confirm any individual purchase orders immediately after receipt. Orders shall be deemed accepted by the Supplier if the Supplier does not object to them in writing within five (5) working days after receipt. This also applies to an acceptance in a supplier portal.
- 2.2 Delivery schedules and call-offs do not require explicit confirmation by the Supplier. Any call-offs within a separately defined and binding period of taking delivery of shipments shall be deemed accepted unless the Supplier objects to them in writing within five (5) working days upon receipt.
- 2.3 To the extent that can reasonably be expected of the Supplier, EJOT may require changes to be made to the delivery item. In this case, the parties shall amicably agree upon any effects, in particular in respect of reasonable increase or reduction of costs.
- 2.4 Modifications or amendments to the purchase order by the Supplier (amending acceptance) shall only take effect if immediately confirmed by EJOT in writing.

### 3. Prices and Payment

- 3.1 The prices are fixed prices and are not subject to change.
- 3.2 The payment shall be due within thirty (30) calendar days after the receipt of the invoice.
- 3.3 If deliveries arriving too early are accepted, the due date will be subject to the agreed delivery date. In case of faulty delivery, EJOT has the right to retain payment for the faulty part of the delivery until due fulfillment.
- 3.4 Without EJOT's previous consent in writing, which must not be refused without justification, the Supplier has no right to assign its claims against EJOT or have them collected by third parties. In case of extended reservation of title, the consent is considered given. If, in violation of sentence 1, the Supplier assigns its claim against EJOT without EJOT's consent, the assignment will be nevertheless valid. However, EJOT can at its own choice and with discharging effect perform services to the Supplier or to the third party.
- 3.5 If EJOT is obliged to perform in advance, EJOT may refuse its payment and set a reasonable deadline for the Supplier to deliver concurrently against payment or to provide security if it becomes apparent after conclusion of the contract that the delivery claim is jeopardized by the Supplier's inability to perform. The Supplier's inability to perform shall be presumed if the creditworthiness of the Supplier is rated "high risk" (rating 7) or worse by Euler Hermes or a comparable credit insurer or if a credit insurer makes a not merely minor limit adjustment for the Supplier. In case of refusal by the Supplier or unsuccessful expiry of the deadline, EJOT shall be entitled to withdraw from the contract and to claim damages.

### 4. Delivery dates, delays in delivery

- 4.1 Stipulated deadlines and dates are binding. Agreed delivery dates, unless otherwise expressly agreed, shall be the dates of receipt by the receiving department specified in the purchase order. The Supplier shall be obliged to provide the delivery items in such timely manner as to meet the delivery dates.
- 4.2 If the Supplier can foresee that the delivery item cannot be delivered within the agreed period of delivery, the Supplier shall immediately notify EJOT in writing and before by phone, giving the reasons for the delay and naming the expected delivery date, as far as possible. This shall not affect any claims in respect of such delay in delivery.
- 4.3 In case of non-compliance with the agreed delivery date due to a circumstance for which the Supplier is responsible, EJOT shall be entitled to claim damages, without prejudice to any other claims. In addition, EJOT shall be entitled to withdraw from the contract. By accepting the delayed delivery or service, EJOT does not waive any statutory or contractual claims for compensation.

4.4 In the event of repeated delays in delivery, EJOT shall, upon prior warning, have the right to terminate the contractual relationship in its entirety with immediate effect.

## **5. Long-term and call-off purchase contracts, price adjustments**

5.1 Unlimited contracts and contracts with a term of more than six (6) months (long-term contracts) can be terminated by EJOT at any time giving three (3) months' notice.

5.2 If, in the case of long-term contracts, there is a not insignificant change in the costs incurred by the Supplier for the performance, in particular the costs of wages, materials, transport, storage or energy, EJOT shall be entitled to demand immediate negotiation of an appropriate adjustment of the price. If no agreement can be reached in good faith within thirty (30) calendar days after the request for negotiation, EJOT shall be entitled to terminate the contract without notice. The Supplier shall not be entitled to any claims for damages arising from such termination. Should the parties agree on a price adjustment, the new price shall apply retroactively from the date on which EJOT requested a negotiation on a price adjustment.

## **6. Delivery, transport, packing, passing of risk**

6.1 Unless otherwise agreed, delivery shall be made DDP, as defined in the respective current version of the Incoterms. Here, the risk passes to EJOT when the delivery items have been delivered to the agreed receiving department. This also applies if due to a special arrangement, shipping charges are to be borne by EJOT.

6.2 Partial shipments shall only be permitted upon separate agreement.

6.3 Unless otherwise agreed, all charges for transport and packaging as well as any ancillary costs shall be borne by the Supplier. These costs shall also include the cost of disposing of the packaging.

6.4 As far as transport is carried out at the expense of EJOT, EJOT's shipping instructions shall be observed. When in doubt, shipment shall in each case be made at the lowest cost and with the lowest CO<sub>2</sub> emissions.

6.5 Each shipment shall be accompanied by a delivery note in duplicate and attached in a marked position. Data specifically indicated when placing the purchase order shall be included in all correspondence.

## **7. Ownership of material, documentation, and manufacturing equipment**

7.1 Material provided by EJOT shall remain the property of EJOT and shall be stored, identified, and managed at no charge. Use of such material shall only be permitted for purchase orders placed by EJOT.

7.2 Prior to the start of manufacture, the Supplier shall carry out an identity and quantity check on the material provided and inspect it for visually recognizable defects. During manufacture, the Supplier shall perform additional checks as far as these have been specifically agreed with EJOT or are required in accordance with the Supplier's quality management system. If the Supplier detects any quality defects in the material provided by EJOT, EJOT shall be informed immediately in order to coordinate further measures.

7.3 In any case, materials provided by EJOT shall be processed for EJOT. To the extent that the value of materials provided by EJOT exceeds the value of the processing and, if applicable, the value of the remaining components of the newly manufactured articles, the newly manufactured articles shall become the property of EJOT or else, EJOT will become a co-owner at the rate of the value of the material provided in proportion to the value of the overall result.

7.4 Any drawings, descriptions, and other technical documents (documentation) provided by EJOT to the Supplier shall remain the inalienable, material and intellectual property of the party which has been entitled to it before handover of the documentation. Upon completion of the order, the documentation shall be returned without special request. EJOT shall receive property of the documentation created according to EJOT's specifications.

7.5 Tools, moulds, models, samples, drawings, standard sheets, templates, patterns, other manufacturing equipment etc. provided or paid by EJOT as well as objects manufactured in accordance with such tools, moulds, models, etc. and confidential data must neither be passed on to third parties nor used for other than the contractual purposes without EJOT's consent in writing. They must be kept safely by the Supplier. If the Supplier violates this duty, EJOT may demand that they are handed over, irrespective of any other rights.

## **8. Quality**

8.1 In respect of its deliveries, the Supplier shall comply with the respective statutory requirements, the latest state of science and technology, the safety regulations, and the agreed technical data. Any changes to the delivery item are subject to EJOT's previous consent in writing.

8.2 Independent of this, the Supplier shall constantly monitor the quality of the delivery items. The parties shall keep each other updated about options for an improvement in quality.

8.3 For delivery items which the Supplier delivers to EJOT for the first time or after the amendment of a drawing/delivery specification, the Supplier shall send an initial sample inspection report without being requested to do so. If the delivery items are used in the automotive industry, the initial sample inspection report shall be executed according to VDA volume 2/submission level 2 or PPAP level 3 in accordance with QS 9000. In case of doubt, the Supplier shall clarify the use with EJOT in advance.

8.4 The inspection documents must be retained for at least fifteen (15) years and submitted to EJOT on demand. The Supplier shall bind any sub-suppliers and sub-contractors accordingly as far as legally permitted.

## **9. Sustainability and diligence in the supply chain**

9.1 In its deliveries, the Supplier shall comply with the respective applicable EJOT Supplier Code of Conduct, which shall be made available upon request, and the respective applicable legal regulations at least in the country of the Supplier's and EJOT's

place of business and the place of delivery. This includes all relevant regulations and directives. The Supplier shall inform EJOT without undue delay of any relevant changes to the delivery item, its deliverability, usability or quality caused by legal regulations, in particular by the REACH Regulation EC No.1907/2006, if applicable, and shall coordinate suitable measures with EJOT in individual cases. The same shall apply as soon as and insofar as the Supplier recognizes that such changes will occur. For this purpose, the Supplier shall independently and regularly obtain information from the relevant authorities. In compliance with the applicable environmental protection laws, the Supplier shall also take appropriate measures to avoid the use of so-called conflict minerals and to establish transparency regarding the origin of the respective raw materials.

- 9.2 The Supplier warrants that it will pay an appropriate wage and equal remuneration for work of equal value without distinction, insofar as this is provided for by law, and that it will comply with the applicable laws regulating the general minimum wage and will impose the same obligations on the sub-suppliers and sub-contractors engaged by it. Upon request, the Supplier shall provide evidence of compliance with the above assurance. In the event of a breach of the above assurance to comply with the respective applicable laws regulating the general minimum wage, the Supplier shall indemnify EJOT against any claims of third parties and shall be obliged to reimburse any fines imposed on EJOT in this context.
- 9.3 The Supplier shall comply with the applicable statutory regulations and ordinances on environmental protection, health and safety at work, on the treatment of employees and on the protection of human rights. Furthermore, the Supplier shall observe the principles of the UN Global Compact Initiative ([www.unglobalcompact.org](http://www.unglobalcompact.org)) and ensure that its sub-suppliers and sub-contractors also act accordingly. These essentially concern the protection of international human rights, the abolition of forced and child labor, the elimination of discrimination in hiring and employment, and responsibility for the environment.
- 9.4 The Supplier shall respond to inquiries regarding compliance, social responsibility, and sustainability in the supply chain within a reasonable period of time and in compliance with specified formalities. In addition, in the event of a suspected breach of the obligations under paragraphs 9.1 to 9.3, the Supplier shall immediately clarify possible breaches and inform EJOT about the clarification measures taken and, in justified cases, disclose the supply chain concerned. If the suspicion proves to be justified, the Supplier shall inform EJOT within a reasonable period of time which internal measures it has taken to prevent future violations.
- 9.5 The Supplier shall always take care to act in the most environmentally friendly and sustainable manner possible in terms of resource consumption with the lowest possible CO<sub>2</sub> emissions. Upon EJOT's request, the Supplier shall state the CO<sub>2</sub> footprint of the delivery item and demonstrate its efforts to reduce CO<sub>2</sub> emissions.
- 9.6 In case of serious violations of the law by the Supplier and in case of violations of the provisions in paragraphs 9.1 to 9.5, EJOT reserves the right to withdraw from existing contracts or to terminate them without notice.

## **10. Audits**

- 10.1 EJOT and/or EJOT's external customer reserve the right - also for a third party commissioned by the external customer or by EJOT - to enter the premises and facilities where the ordered supplies and services are provided, after prior consultation with the Supplier, in order to verify compliance with the obligations, in particular with regard to quality and compliance, by means of audits or other suitable measures.
- 10.2 Insofar as authorities responsible in particular for product safety, environmental protection and/or health protection demand insight into EJOT's production process and inspection documents for the purpose of verifying certain requirements, the Supplier agrees, at EJOT's request, to grant them the same rights at its premises and to provide all reasonable support in this respect.

## **11. Proof of origin and export restrictions**

- 11.1 The Supplier shall notify EJOT of the commercial origin of the delivery items. This shall be stated on the respective commercial invoice and, if required, a certificate of origin shall be issued. The Supplier assures EJOT to provide information on the respective prescribed preferential origin and to enclose the respective prescribed proof of origin for delivery items from a free trade agreement/preferential trade agreement country. For deliveries of goods within the European Union (EU), the Supplier shall issue a long-term supplier's declaration in accordance with the applicable EU implementing regulation within a period of twenty-one (21) calendar days after request by EJOT.
- 11.2 The Supplier shall inform EJOT without undue delay if a delivery is subject in whole or in part to export restrictions under the applicable law.

## **12. Defects of quality**

- 12.1 The delivery item must meet the agreed specifications and what must be assumed when knowing the purpose of use, as well as the mandatory legal requirements and the latest state of science and technology and must also comply with the safety regulations applicable at the time of delivery. The Supplier warrants that the delivery items are free of defects and meet the aforementioned requirements.
- 12.2 Upon receipt of the delivery items, EJOT shall inspect the delivery item only with regard to obvious damage such as transport damage, deviations in identity and quantity. EJOT shall notify the Supplier of such defects without delay. In all other respects, EJOT shall notify defects immediately upon discovery. In this respect, the Supplier waives the objection of delayed notification of defects.
- 12.3 In the event of any defects in delivery or performance, EJOT shall, at its option, be entitled to demand free supplementary performance (either a remedy of the defect or a replacement). This shall also apply to deliveries for which inspection is limited to sampling.
- 12.4 If supplementary performance is unsuccessful, EJOT shall have the right to withdraw from the contract in whole or in part without compensation, or to demand a reduction in price, claim damages and/or demand reimbursement of futile expenses.
- 12.5 If the Supplier is in default with the supplementary performance and if EJOT would in consequence of non-fulfillment suffer a damage in an amount of more than five (5) times the purchasing price of the delivery item, EJOT is entitled according to this contract, irrespective of any other statutory regulations on execution by substitution, to rectify the defect itself by way of execution by substitution and to demand the Supplier to reimburse EJOT for the necessary costs incurred.

- 12.6 If as a result of defective delivery, an incoming inspection is required at EJOT which exceeds the usual scope of such inspection, the Supplier shall bear the costs.
- 12.7 The Supplier shall bear the cost and risk of returning, sorting out or scrapping defective delivery items.
- 12.8 The Supplier shall bear all costs related to the replacement of or remedial work to the defective delivery items, particularly the costs of testing, transport, infrastructure, labor and material and the costs for disassembly and assembly. These also include the cost of any required replacement and/or repair of products equipped by EJOT with defective delivery items, as well as the cost of handling and settling warranty claims (additional material cost).
- 12.9 EJOT shall also have the right to claim reimbursement of expenses pursuant to paragraphs 12.4 to 12.8 if damages are claimed owing to a defect of quality.
- 12.10 In case of defective delivery items, EJOT's claims based on product liability, tort, and agency without specific authorization are not affected by this section 12.
- 12.11 The limitation period for claims based on defects shall be thirty-six (36) months from the passing of risk unless statutory provisions grant a longer limitation period.
- 12.12 If the Supplier meets the supplementary performance obligation by providing a replacement, the limitation period in respect of the delivery item supplied as replacement shall start anew, unless, at the time of supplementary performance, the Supplier has expressly reserved the right to make a replacement for reasons of fair dealing, to avoid disputes or in the interest of continuing the supply relationship.

### **13. Defects of title**

- 13.1 The Supplier warrants that all delivery items are free from third party rights and, in particular, that the delivery and use of the delivery item does not infringe any patents or other industrial and/or intellectual property rights of third parties in the country of the Supplier's and EJOT's registered office and the agreed place of delivery and, to the extent the Supplier is informed thereof, in the intended countries of use. Insofar as the delivery item is used for the automotive industry and the Supplier knows or must know this, the Supplier must assume that the delivery item can be used worldwide.
- 13.2 The Supplier shall hold EJOT harmless from all claims based on the use of such property rights provided the Supplier is directly liable by operation of law.
- 13.3 This does not apply as far as the Supplier manufactured the delivery items pursuant to drawings or models provided by EJOT, or equivalent other descriptions or information received from EJOT, and as far as the Supplier does not know about or cannot be expected to be aware of the property right violation occurred in connection with the delivery items developed by the Supplier.
- 13.4 The parties agree to inform each other immediately of any risks of violation and alleged violations of property rights and applications that become known, and to give each other the opportunity to counteract corresponding claims by mutual agreement.
- 13.5 Upon EJOT's request, the Supplier shall notify EJOT of the use of its own and third party published and unpublished industrial property rights to the delivery item. In particular, it shall provide EJOT with the application number.
- 13.6 If the use of the delivery item as provided in the contract is impaired by any third parties' property rights, the Supplier shall, without prejudice to its other contractual or legal obligations, be obliged, at its own expense and after consultation with EJOT, to either obtain the right from the person or body authorized to dispose of that particular property right to let EJOT use the delivery items as provided in the contract without limitation and at no additional costs, or the Supplier shall modify the parts of the delivery items concerned that are relevant to the property right in such a way that they fall outside the scope of protection but nevertheless comply with contractual provisions.
- 13.7 The right of action in respect of claims for defects of title shall be limited to thirty-six (36) months after the passing of risk unless statutory provisions grant a longer limitation period.

### **14. Supplier's liability, right of termination**

- 14.1 The Supplier shall inform EJOT in advance if the Supplier is temporarily or permanently not the manufacturer of the delivery item. In particular, it shall disclose a position as dealer, intermediary etc. In such cases, it shall name the manufacturer to EJOT. If the Supplier does not comply with this obligation, it shall be treated as the manufacturer in the relationship with EJOT and EJOT may claim the obligations resulting therefrom.
- 14.2 As far as EJOT or a third party suffers a loss owing to the defective delivery items or poor execution of a service or other infringement of contractual rights, the Supplier shall be liable to pay damages.
- 14.3 The Supplier shall be liable for any measures taken by EJOT or EJOT's customers for the purpose of averting a damage (e.g. product recall) as far as the damage has been caused by a fault of the delivery item.
- 14.4 If a claim is made against EJOT on the basis of strict liability under mandatory law vis-à-vis third parties, the Supplier shall be liable to EJOT to the extent that it would also be directly liable.
- 14.5 The Supplier undertakes to take out product liability insurance for all deliveries and services performed by it with a sum insured for property damage and personal injury including recall cost coverage appropriate to the risks of the relevant industry and to maintain such insurance for at least fifteen (15) years beyond the delivery. The type and scope of the insurance coverage, including the name of the liability insurer, shall be proven to EJOT in a suitable form without being requested upon commencement of the business relationship and thereafter at the beginning of each calendar year. Deviations are to be examined and agreed upon in individual cases.
- 14.6 EJOT has the right to terminate the delivery contract without notice for good cause.

## **15. Liability to be assumed by EJOT, force majeure**

- 15.1 Any claims for damages for whatever legal reason may only be asserted against EJOT in case of intent, gross negligence of the legal representatives or executives and in case of culpable breach of material contractual obligations, i.e. obligations the fulfilment of which enables the proper performance of the contract in the first place and on the compliance with which the Supplier regularly relies and may rely. In the event of any culpable breach of material contractual obligations, EJOT shall only be liable - other than in cases of specific intent or gross negligence on the part of EJOT's legal representatives or executive employees - for any reasonably foreseeable damage inherent to such contracts.
- 15.2 This limitation of liability shall not apply in cases in which EJOT has mandatory liability for physical injury or property damage under product liability, and for loss of life, bodily harm or injury to health.
- 15.3 The Supplier may only exercise its rights of set-off, refusal of performance and retention vis-à-vis EJOT if the Supplier's counterclaim on which it bases its right is based on the same contractual relationship and is undisputed by EJOT or has been finally adjudicated.
- 15.4 Acts of God, labor disputes, riots, war and armed conflicts, terrorist attacks, epidemics and pandemics, official measures, and other unpredictable, unavoidable and serious events will release EJOT from its duty to perform for the duration of the disturbance and to the extent of its effect. The parties undertake to immediately provide, within the limits of reasonableness, any information necessary and adapt their obligations in good faith to the changed circumstances. This is also applicable where these events occur at a time when EJOT is in default.

## **16. Information security, data protection**

The Supplier shall take appropriate organizational and technical measures to ensure the confidentiality, authenticity, integrity, and availability of its operations as well as its deliveries and services, to comply with data protection requirements and to protect itself against attacks, in particular industrial espionage and cyber risks. These measures must be customary in the industry and include an appropriate information security management system.

## **17. Confidentiality**

- 17.1 The Supplier shall treat as confidential all commercial or technology-related information which is not obviously made known to it in the course of the business relations.
- 17.2 The Supplier shall not hand over or otherwise make available drawings, models, templates, samples, and similar objects to unauthorized third parties. The reproduction of such items shall only be permitted in the scope of operational requirements and copyright provisions.
- 17.3 The obligation does not apply to documents and information which are generally known, or which were already known to the Supplier on receipt and where it was not under obligation of secrecy, or where they are subsequently disclosed by a third party who is authorized to pass on such documents or information, or where the documents or information are developed by the Supplier without exploitation of EJOT's documents or information.
- 17.4 Any statutory provisions for the protection of business secrets shall remain unaffected.
- 17.5 The Supplier may only advertise the business relationship with EJOT's prior consent in writing.

## **18. Place of performance, place of jurisdiction and applicable law**

- 18.1 The place of performance for delivery of the delivery items shall be the place of destination named by EJOT. The place of payment shall be the principal office of EJOT.
- 18.2 The place of jurisdiction for all legal disputes, also in the context of a bill of exchange and cheque process, shall be the place of business of the respective ordering EJOT company. EJOT shall also be entitled, at its discretion, to sue the Supplier at the Supplier's place of business. If EJOT has reason to believe that a judgment may not be enforceable in the Supplier's country by a state court from the country of EJOT's place of business, the parties shall promptly agree in good faith on an appropriate arbitration tribunal and arbitration rules. If this does not happen, EJOT shall be entitled independently to make an appropriate selection.
- 18.3 The contractual relationship shall be governed exclusively by the law applicable at EJOT's place of business under exclusion of the conflict of laws regulation. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG - "Viennese sales law") dated April 11<sup>th</sup>, 1980 is excluded.
- 18.4 If a provision of these Terms & Conditions of Purchasing and additional agreements concluded by the parties is or becomes invalid, the validity of the remaining stipulations shall not be affected.