

# General Terms and Conditions of Purchase and Delivery

## of the company Hermann Schnierle GmbH

### § 1 Scope of application, form

- 1.1 These General Terms and Conditions of Purchase apply to all contracts between Hermann Schnierle GmbH, Dieselstrasse 43, 86368 Gersthofen, registered at Augsburg Local Court HRB 7256 and Schnierle Safety Belts GmbH, Dieselstrasse 43, 86368 Gersthofen, registered at Augsburg Local Court HRB 40049 (hereinafter also jointly referred to as the Purchaser or Schnierle) and you as our supplier (hereinafter also referred to as the Contractor) for the delivery of goods from a supplier to Hermann Schnierle GmbH.
- 1.2 These Terms and Conditions of Purchase shall apply exclusively; any terms and conditions of the supplier that conflict with or deviate from these Terms and Conditions of Purchase shall not apply unless Hermann Schnierle GmbH has agreed to their validity in writing. These Terms and Conditions of Purchase shall also apply if the purchaser accepts or pays for the delivery without reservation in the knowledge that the supplier's terms and conditions conflict with or deviate from these Terms and Conditions of Purchase.
- 1.3 These Terms and Conditions of Purchase shall also apply to future transactions between the contracting parties until new Schnierle Terms and Conditions of Purchase come into force, even if no specific reference is made to them in individual cases.
- 1.4 These General Terms and Conditions of Purchase shall only apply if the Contractor is an entrepreneur, a legal entity under public law or a special fund within the meaning of Section 310 (1) of the German Civil Code (BGB).

### § 2 Conclusion of contract (order and acceptance) and contract amendments

- 2.1 Supply contracts are concluded by order by Hermann Schnierle GmbH and acceptance by the supplier.
- 2.2 Orders, acceptances, delivery call-offs, delivery contracts and other legal transactions to be concluded between Hermann Schnierle GmbH and the supplier as well as their amendments and supplements must be made in writing or in text form (e-mail). However, orders, acceptances and delivery call-offs may also be made by remote data transmission.
- 2.3 If, in exceptional cases, an order is placed verbally, it shall only become binding if it is confirmed in writing or in text form by Hermann Schnierle GmbH. Likewise, verbal agreements before, during or after conclusion of the contract, in particular subsequent amendments and supplements to these Terms and Conditions of Purchase (including the amendment of this written form clause) as well as collateral agreements of any kind, require the written confirmation of the purchaser in order to be effective.
- 2.4 Offers and cost estimates from the supplier are binding for four weeks from receipt by Hermann Schnierle GmbH. Offers, cost estimates and test certificates are not to be remunerated by Hermann Schnierle GmbH, unless expressly agreed otherwise in writing.
- 2.5 Contracts between Hermann Schnierle GmbH and the supplier are always concluded with the content of the written orders of Hermann Schnierle GmbH and with the content of these Terms and Conditions of Purchase, irrespective of the offers submitted.

- 2.6 The acceptance period for the Supplier is fourteen days. If the Supplier does not accept the order within this period, the Customer shall be entitled to cancel the order. A later acceptance shall be regarded as a new offer by the Supplier. The acceptance/new offer must also be made in writing or text form.
- 2.7 Hermann Schnierle GmbH can, within the scope of what is reasonable for the supplier, demand changes to the delivery item in design and execution. The effects, in particular with regard to additional and reduced costs as well as delivery dates, are to be regulated appropriately and by mutual agreement. Changes by the supplier require the prior written authorisation of Hermann Schnierle GmbH.
- 2.8 Framework agreements with an order volume of EUR 25,000 or more and a term of more than two months require the signature of a managing director or authorised signatory in order to be valid.

### **§ 3 Prices and terms of payment**

- 3.1 The prerequisite for payment is the existence of a proper and verifiable invoice. Payment shall be made in accordance with the agreed term of payment, but at the earliest 30 days after receipt of the delivery or service or, if the Purchaser receives an invoice from the Supplier only after receipt of the delivery/service, 30 days after receipt of this invoice by transferring the corresponding amount to the account deposited with the Purchaser for the Supplier. If early deliveries are accepted, the due date shall be based on the agreed delivery date.
- 3.2 The agreed prices are fixed prices. The prices apply to deliveries free domicile, unless expressly agreed otherwise in writing. Value added tax is not included.
- 3.3 If the delivery prices have not yet been determined when the order is placed by Hermann Schnierle GmbH, they must be submitted by the supplier in the copy of the order to be returned. An order is only concluded when the purchaser confirms these delivery prices in writing.
- 3.4 All ancillary procurement costs (customs duties, packaging, transport, insurance) shall be itemised separately by the supplier in its offer and shall be borne by the supplier, with the exception of statutory VAT, unless expressly agreed otherwise.
- 3.5 Payment shall be made in accordance with the conditions specified in the delivery contract.
- 3.6 Hermann Schnierle GmbH is entitled to set-off and retention rights to the full extent permitted by law.

### **§ 4 Delivery**

- 4.1 All deliveries must be notified by the supplier in advance, at the latest one day before delivery. If the delivery has not been notified in advance by the supplier, Hermann Schnierle GmbH reserves the right to refuse acceptance of the delivery. Should the purchaser incur additional costs as a result, these will be charged to the supplier. In the event of a non-advised delivery, the supplier undertakes to agree a new delivery date in accordance with the specifications of Hermann Schnierle GmbH.
- 4.2 The dates and deadlines agreed in the order or delivery call-off are binding. The receipt of the goods by Hermann Schnierle GmbH is decisive for compliance with the delivery date or delivery period.
- 4.3 Deviations from contracts and orders are only permitted with the prior written consent of Hermann Schnierle GmbH. Hermann Schnierle GmbH reserves the right to refuse acceptance of the delivery at the supplier's expense in the event of over- and/or under-delivery of ordered quantities as well as in the event of premature delivery.
- 4.4 If agreed deadlines are not met, the statutory provisions shall apply. If the supplier foresees difficulties with regard to production, the supply of primary materials, compliance with the

- delivery date or similar circumstances which could prevent him from delivering on time or in the agreed quality, the supplier must inform the purchaser's purchasing department immediately.
- 4.5 The Contractor is obliged to state the order number, the article number and the quantity delivered on the delivery note and on each invoice for each delivery. If a partial delivery has been agreed in individual cases, the modalities of the remaining delivery must also be indicated.
- 4.6 Changes to the delivery item (in particular its specifications, design and/or materials), the production processes and/or the place of production require the prior written consent of Hermann Schnierle GmbH.
- 4.7 The supplier is obliged to compensate Schnierle for damages caused by delay. This does not apply to loss of profit and damages from business interruption.
- 4.8 In the event of slight negligence, compensation shall be limited to additional freight costs, retrofitting costs and, after fruitless setting of a grace period or if the interest in the delivery ceases to exist, to the additional expenses for covering purchases.
- 4.9 As a matter of principle, only deliveries with Euro pallets and lattice boxes that are in perfect and exchangeable condition will be accepted. Upon delivery, the supplier undertakes to accept the same number of load carriers as were delivered.
- 4.10 The supplier undertakes to label pallets or the delivery item with a barcode for batch traceability, if technically possible for him. The content of the barcode is to be determined by Hermann Schnierle GmbH and must be able to be read by the latter. If the barcode is missing, the buyer is entitled to refuse acceptance of the delivery and to invoice the seller for the additional costs incurred.

## **§ 5 Force majeure**

Force majeure, labour disputes, unrest, official measures and other unforeseeable, unavoidable and serious events shall release the contractual partners from their performance obligations for the duration of the disruption and to the extent of its effect. This shall also apply if these events occur at a time when the affected contractual partner is in default. The contractual partners are obliged to provide the necessary information without delay within the scope of what is reasonable and to adapt their obligations to the changed circumstances in good faith.

## **§ 6 Spare parts**

The supplier is obliged to supply Schnierle with the delivery item or, if it can no longer be manufactured with economically justifiable effort, with corresponding substitutes, also for a maximum period of 10 (in words: ten) years after termination of the relevant delivery relationship. For a period of 3 (in words: three) years after termination of the supply relationship, the price for spare parts corresponds to the applicable series price plus the costs for special packaging. At the end of these 3 years, the contractual partners shall renegotiate the spare parts prices.

## **§ 7 Transfer of risk**

The risk of accidental loss or accidental deterioration of the goods shall pass to Hermann Schnierle GmbH upon acceptance of the proper and complete delivery at the named place of destination.

## **§ 8 Notification of defects & liability for defects**

- 8.1 Defects in the delivery shall be notified to the supplier in writing without delay as soon as they are discovered in the ordinary course of business. In this respect, the supplier waives the defence of delayed notification of defects. The supplier warrants that the contractual items are

- free of defects and comply with the agreed specifications and the recognised rules of technology.
- 8.2 The statutory liability for defects shall apply without restriction, unless otherwise agreed. In particular, Hermann Schnierle GmbH is entitled to demand, at its discretion, either rectification of the defect or delivery of a defect-free item. Hermann Schnierle GmbH therefore generally has the right to choose the type of subsequent fulfilment.
- 8.3 Should the supplier fail to fulfil his obligation to rectify the defect within a reasonable period of time set by Hermann Schnierle GmbH, Hermann Schnierle GmbH shall be entitled in urgent cases, in particular to avert acute danger or avoid major damage, to carry out the rectification itself or have it carried out by a third party at the supplier's expense after having notified the supplier accordingly.
- 8.4 If Hermann Schnierle GmbH incurs increased costs as a result of the defective delivery in order to meet its own delivery dates, in particular transport, travel, labour, installation, dismantling, material costs or costs for an incoming goods inspection exceeding the usual scope, these shall also be borne by the supplier.
- 8.5 The statutory limitation periods apply to the claims of Hermann Schnierle GmbH, in particular claims for defects, against the supplier. In cases where a reworked or subsequently delivered delivery item has the same defect or a defect is the result of the reworking, the limitation period begins anew.
- 8.6 Payments made by Hermann Schnierle GmbH do not constitute recognition that the goods are free of defects.

## **§ 9 Liability insurance / product liability**

- 9.1 The contracting parties shall be liable to each other within the framework of the statutory provisions, unless otherwise agreed.
- The contractual partner must take out business, product and environmental insurance with appropriate cover per claim for personal injury, property damage and financial loss and maintain it for the duration of the contract.
- If the insurance contract provides for a maximum indemnity for all claims in an insurance year, this must be at least twice the amount of cover available per claim.
- The insurance policy, including the relevant insurance conditions and proof of premium payment, must be submitted to Hermann Schnierle GmbH on request within two weeks. At the request of Hermann Schnierle GmbH, evidence of the continued existence of the insurance must also be provided during the term of the contract. Failure to provide evidence shall entitle Hermann Schnierle GmbH to terminate the contract for good cause.
- 9.2 In the event that a claim is made against Hermann Schnierle GmbH due to product liability, the supplier is obliged to indemnify the purchaser against such claims upon first request, if and insofar as the damage was caused by a defect in the contractual item delivered by the supplier. In cases of fault-based liability, however, this shall only apply if the Supplier is at fault. If the cause of the damage lies within the supplier's area of responsibility, the supplier must prove that he is not at fault.
- 9.3 In the cases of clause 1, the Supplier is obliged to reimburse the Purchaser for all costs and expenses, including the costs of any legal action.
- 9.4 In all other respects, the statutory provisions apply.
- 9.5 Prior to a recall action which is wholly or partly the result of a defect in the contractual item delivered by the supplier, Hermann Schnierle GmbH shall inform the supplier, give him the opportunity to co-operate and exchange information with him about an efficient implementation, unless the information or participation of the supplier is not possible due to

particular urgency. If a recall action is the result of a defect in the contractual item delivered by the supplier, the supplier shall bear the costs of the recall action.

## **§ 10 Retention of title & materials provided**

- 10.1 A so-called simple retention of title demanded by the supplier is recognised by the purchaser. However, Hermann Schnierle GmbH is entitled to resell the delivery item in the ordinary course of business without recognising an extended or prolonged retention of title or other forms of retention of title.
- 10.2 The Supplier is obliged to disclose to the Purchaser without delay any third-party rights to the delivery item or parts thereof. This shall also apply to any possible assignment of claims.
- 10.3 The materials, parts, containers and special packaging provided free of charge by Hermann Schnierle GmbH for production at the supplier's premises remain the property of Hermann Schnierle GmbH and must be inspected immediately by the supplier for visually recognisable defects. A quantity and identity check must be carried out. Differences must be reported to Hermann Schnierle GmbH within one working day.
- 10.4 The supplier is obliged to store them carefully and properly.
- 10.5 During production, the supplier shall carry out further inspections insofar as these are agreed separately with Hermann Schnierle GmbH and are necessary in accordance with his quality management system. If the supplier detects quality and quantity defects, Hermann Schnierle GmbH must be informed immediately in order to coordinate further measures. If these quality or quantity defects are due to the supplier's fault, e.g. during production, the supplier is obliged to order a replacement delivery at the supplier's expense.
- 10.6 The processing of the materials provided by Hermann Schnierle GmbH is always carried out for Hermann Schnierle GmbH. To the extent that the value of the material provided by Hermann Schnierle GmbH exceeds the value of the processing and, if applicable, of the other components of the newly manufactured products, the newly manufactured products become the property of Hermann Schnierle GmbH, otherwise Hermann Schnierle GmbH and the supplier acquire co-ownership in the ratio of the value of the material provided to the value of the processing and the other components. This does not constitute a restriction of the supplier's obligation to provide Hermann Schnierle GmbH with unrestricted and unencumbered ownership of the contractual items upon delivery.

## **§ 11 Provision and use of work equipment**

Devices, models, samples, drawings or other documents ("work equipment") produced by the supplier according to the specifications of Hermann Schnierle GmbH become the property of Schnierle after payment by Schnierle. From this point on, the supplier borrows the respective work equipment from Schnierle. Work equipment may only be used to process the offer or to fulfil the ordered delivery items or services. Without the prior written consent of Hermann Schnierle GmbH, these may not be made accessible to third parties, nor may they be used for deliveries to third parties. They are to be stored carefully by the supplier free of charge and at his own risk and returned to Schnierle at any time upon request, without the supplier being able to invoke a right of retention, unless the supplier is entitled to a contractually granted right of possession.

## **§ 12 Tools**

- 12.1 Hermann Schnierle GmbH or the third party named by Schnierle retains ownership of the tools made available to the supplier. In the case of tools manufactured by the supplier or by third parties commissioned by the supplier, Hermann Schnierle GmbH becomes the owner of the

tools at the latest upon payment of 80% of the tool price. Otherwise, Schnierle already becomes co-owner of the tools in the ratio of the payments made to the agreed tool prices. If the tools remain with the supplier after the above payments, the handover of the tools within the meaning of § 929, sentence 1 BGB is replaced by the supplier keeping the tools for the purchaser ("constitutive possession"). If a handover has already taken place, the Supplier shall keep the tools for the Customer. The supplier is obliged to use all tools exclusively for the production of the delivery items ordered by Schnierle. The tools are to be labelled by the supplier as the property of Hermann Schnierle GmbH or the third party designated by Schnierle.

- 12.2 The supplier is obliged to insure the tools owned by Hermann Schnierle GmbH or the named third parties at replacement value against material damage at his own expense and hereby assigns to Schnierle all claims for compensation arising from this insurance. Schnierle hereby accepts the assignment.
- 12.3 The supplier is obliged to carry out all necessary maintenance and inspection work relating to the tools as well as all servicing and repair work, including any necessary replacement purchases, at its own expense and in good time. The risk of accidental loss of the tools at the supplier's premises shall be borne by the supplier. Hermann Schnierle GmbH must be notified immediately of any malfunctions affecting the tools.
- 12.4 In the event of discontinuation of the delivery or in the event of other performance disruptions, an application for the opening of insolvency proceedings against the assets of the supplier, the insolvency of the supplier or the cancellation of the delivery order by Schnierle, Schnierle has the right to demand the return of the tools (including those of the named third parties), if necessary with the remaining payment of the outstanding tool price, without the supplier being entitled to a right of disposal or retention of any kind.
- 12.5 If the supplier has ordered the manufacture of the tools from third parties or if the tools are left with third parties for the purpose of manufacturing the delivery item or parts thereof, the supplier undertakes to enter into agreements with the third parties corresponding to this section 12, which grant Hermann Schnierle GmbH the rights mentioned in this section 12 in the event of full payment of the tool price to the third party; if Schnierle has not already acquired ownership of the tools, the supplier assigns to Schnierle its claims against the third party for the return of the tools as well as other claims concerning the tools, insofar as Schnierle has paid the supplier the owed tool price.
- 12.6 Insofar as payments by the supplier to third parties concerning the tools are still outstanding, Hermann Schnierle GmbH has the right, in the event of cancellation of the order, in cases of default in performance, of an application for the opening of insolvency proceedings against the supplier and in the event of insolvency of the supplier, instead of paying the outstanding price for the tools to the supplier, to make payment to the third party with simultaneous assignment of all claims of the supplier against the third party concerning the tools. The supplier hereby agrees to such assignment in this case.
- 12.7 The supplier is not authorised to relocate the tools without the prior written consent of Hermann Schnierle GmbH.

### **§ 13 Assignment, offsetting and right of retention**

- 13.1 Without the written consent of Hermann Schnierle GmbH, the supplier may not assign his contractual claims in whole or in part to third parties or have them collected by third parties. Should the supplier assign his claims against the purchaser without the purchaser's consent, Hermann Schnierle GmbH is still authorised to make payments to the supplier.



- 13.2 The Supplier shall only be entitled to a right of set-off or retention in respect of undisputed or legally established claims, and the right of retention only if it arises from the same contractual relationship.

## **§ 14 Quality and documentation**

- 14.1 The Supplier shall comply with the latest state of the art, the applicable safety regulations, the automotive industry standards (e.g. VDA standards) as well as the generally applicable public law regulations and the agreed technical data and other specifications for its delivery item and/or service.
- 14.2 The specifications, drawings, descriptions and other documents agreed between Hermann Schnierle GmbH and the supplier apply to the execution of the goods or services. The supplier shall provide his services using a quality management system that at least fulfils the requirements of ISO9001 and undertakes to continuously develop this system in accordance with the state of the art in order to meet the customer's requirements. Hermann Schnierle GmbH has the right, if there is a justified interest, to check the effectiveness of the quality management system as part of an on-site audit after consultation with the supplier. Irrespective of this, the supplier must check the quality of the delivery items himself and subject them to an outgoing inspection.
- 14.3 The supplier undertakes in particular to comply with the VDA publication "Quality assurance in the automotive industry - supplier evaluation, initial sample inspection" and the VDA publication "Quality assurance of deliveries/ supplier selection/ quality assurance agreement/ production process and product release/ quality performance in series/ declaration of ingredients", in each case in the current version. Should the customer of Hermann Schnierle GmbH demand other or further tests, these are to be introduced and maintained by the supplier by mutual agreement.
- 14.4 If the type and scope of the tests as well as the test equipment and methods have not been firmly agreed between the supplier and Hermann Schnierle GmbH, Schnierle is prepared, at the request of the supplier, to discuss the tests with the supplier within the scope of its knowledge, experience and possibilities in order to determine the required state of the art in testing technology. In addition, the purchaser shall inform the supplier of the relevant safety regulations upon request. For further information on measuring and testing processes, reference is made to the VDA publication "Volume 5, Test Process Suitability, Suitability of Measuring Systems, Measuring and Testing Processes, Extended Measurement Uncertainty, Conformity Assessment".
- 14.5 The Supplier shall endeavour to the best of its ability to pass on the contents of the provisions of Clauses 9.1 - 9.3 to its suppliers, to oblige its suppliers accordingly and to regularly check their compliance in the supply chain.
- 14.6 The drawings, CAD data, descriptions etc. belonging to the order are binding for the supplier. The supplier must check these for any discrepancies and notify Hermann Schnierle GmbH immediately in writing of any discovered or suspected errors. If this is not done, the supplier can no longer refer to these discrepancies/errors at a later date. The supplier remains solely responsible for drawings, plans and calculations prepared by him, even if these are approved by Schnierle.
- 14.7 In the case of the delivery of tools or systems, the supplier must hand over documentation concerning their operation, maintenance and repair to Hermann Schnierle GmbH at the latest when the tools or systems are handed over. CE labelling must be carried out by the supplier.
- 14.8 In the case of motor vehicle parts identified in the technical documents or by separate agreements (parts subject to documentation), the supplier must also keep special records of when, how and by whom the delivery items were tested with regard to the characteristics

subject to documentation and what the results of the required quality tests were. The test documents must be kept for 15 (in words: fifteen) years and submitted to Hermann Schnierle GmbH if required. As a guide, reference is made to the VDA document "Parts requiring documentation at automobile manufacturers and their suppliers, implementation and documentation" in the respective valid version, compliance with which hereby becomes an integral part of the contract. The supplier shall impose the same obligation on upstream suppliers to the extent permitted by law.

14.9 If authorities responsible for motor vehicle safety require access to the production process and test documents of Hermann Schnierle GmbH in order to verify certain requirements, the supplier agrees, at Schnierle's request, to grant these authorities the same rights in its plants and to provide all reasonable support.

14.10 The supplier is obligated to provide Hermann Schnierle GmbH with all necessary declarations regarding the customs origin of the goods in a timely manner. The supplier is liable for all disadvantages incurred by Schnierle due to an improper or delayed supplier declaration, unless the supplier is not at fault. At Schnierle's request, the supplier must provide evidence of the origin of the goods by means of an information sheet confirmed by the customs office.

### **§ 15 Documents, confidentiality, property rights (of third parties) and old property rights**

15.1 The supplier shall be obliged to treat as confidential all information not in the public domain, in particular specifications, drawings, templates, models, tools, documents, software and other data carriers, which Hermann Schnierle GmbH has made available to the supplier on the basis of this contract or in connection with it, and not to pass it on to third parties or reproduce it, unless this is absolutely necessary for the performance of the contractual services. This shall not apply if this information

- a) are or have become generally accessible or
- b) have been disclosed to the recipient by an authorised third party without an obligation of confidentiality, or
- c) were already demonstrably known to the contractual partner prior to the date of receipt.

The supplier shall ensure that his employees and vicarious agents are bound to secrecy accordingly. Hermann Schnierle GmbH reserves all property rights and copyrights to the information and objects listed in the above sentence, which it has made available to the supplier on the basis of this contract or in connection with it. At our request, all information originating from Schnierle (including copies and records made) and items provided on loan must be returned to us immediately and in full or destroyed.

15.2 If the supplier realises that confidential information has come into the possession of a third party or that a confidential document has been lost or destroyed, he shall inform Hermann Schnierle GmbH immediately.

15.3 The obligation of confidentiality and restriction of use applies during the business relationship with Hermann Schnierle GmbH and for a period of 3 (in words: three) years thereafter.

15.4 Within the scope of the business relationship with Schnierle, the supplier undertakes to comply with the applicable statutory data protection regulations (such as the General Data Protection Regulation and applicable national data protection laws).

15.5 Products which are manufactured according to documents designed by us, such as drawings, models and the like or according to our confidential information or with our tools or copied tools, may neither be used by the supplier itself nor offered or supplied to third parties. This shall also apply mutatis mutandis to our print orders.



- 15.6 The supplier undertakes to indemnify Hermann Schnierle GmbH against all third-party claims arising from the delivery or service due to infringements of property rights and to reimburse all costs and expenses.
- 15.7 This does not apply if the supplier has manufactured or rendered the delivery items or services according to drawings, models or other equivalent descriptions or information provided by Schnierle and does not know or, in connection with the services rendered by him, should not have known that this would infringe the property rights of third parties.
- 15.8 The supplier shall draw attention to the use of published and unpublished own and licensed industrial property rights and applications for industrial property rights to the delivery item.
- 15.9 The supplier shall transfer to Hermann Schnierle GmbH the exclusive ownership of the development result, including industrial property rights, produced occasionally or on the occasion of the fulfilment of the delivery relationship, insofar as the development was commissioned by Schnierle; insofar as Schnierle has not paid for the development result, Hermann Schnierle GmbH shall receive a simple, free, irrevocable, transferable and sub-licensable right of use, unlimited in terms of subject matter, location and content. The transferable and sub-licensable right to use, reproduce and modify industrial property rights in all forms is also granted for unrestricted disposal.
- 15.10 The supplier grants Hermann Schnierle GmbH a simple, free, transferable, sub-licensable and irrevocable right of use to the know-how, development results and/or industrial property rights of the supplier which existed before the co-operation ("old industrial property rights") in order to be able to use the development result specified in clause 10.6 or the delivery and/or service provided by the supplier in whole or in part in all types of use.
- 15.11 Schnierle alone is entitled to register and assert industrial property rights to developments against payment that arise in co-operation between Hermann Schnierle GmbH and the supplier. Inventions made by the supplier's employees during the term of the contractual relationship and with regard to the fulfilment of the contract are to be claimed by the supplier accordingly. With regard to gratuitous developments, the Supplier shall be entitled to the right to register, but Schnierle shall at least be entitled to a right of use to these property rights in accordance with Section 10.6 above. Any legally prescribed employee invention compensation for its employees shall be borne by each contractual partner. In all other respects, the statutory provisions shall apply.
- 15.12 Hermann Schnierle GmbH shall also be entitled to these rights in the event of premature termination of the contractual relationship and shall also refer to the (partial) development results achieved up to the time of termination.

## **§ 16 Dangerous goods/ hazard notification**

- 16.1 For materials (substances, preparations) and objects (e.g. goods, parts, technical equipment) which, due to their nature, properties or condition, may pose a risk to human life and health, to the environment and to property and which therefore require special treatment in terms of packaging, transport, storage, handling and waste disposal due to regulations, the supplier shall provide Hermann Schnierle GmbH with a fully completed safety data sheet in accordance with § 14 of the Hazard Ordinance and an applicable accident leaflet (transport) with the offer. In the event of changes to the materials or the legal situation, the supplier shall provide Schnierle with updated data and information sheets. The supplier undertakes to submit a valid long-term supplier's declaration to Schnierle annually without being asked, stating the article number and the corresponding code number (list of goods, foreign trade statistics).
- 16.2 If the supplier offers a delivery item which Schnierle has already purchased from him, he must, irrespective of further obligations to inform, point out changes without being asked if the specification has changed in comparison with a delivery item previously delivered under the same designation.

- 16.3 The supplier must provide Hermann Schnierle GmbH with all information that is relevant for an assessment of the risk to the safety and health of users of the delivery item or third parties in accordance with Section 4 (1) of the Equipment and Product Safety Act. In particular, the following must be taken into account
- the characteristics of the delivery item including its composition, packaging, instructions for its assembly, installation, maintenance and service life,
  - its effects on other products, insofar as its use with other products is to be expected,
  - its presentation, labelling, warnings, instructions for use and disposal and any other product-related data or information,
  - the group of users who are exposed to a greater risk than others when using the delivery item.
- 16.4 The supplier is obliged to provide Schnierle with all information required for registration in accordance with Regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals of the European Community ("REACH") and all registration confirmations, if already available. The same applies with regard to information and/or registration confirmations based on Regulation (EC) No. 1272/2008 ("CLP Regulation") for the classification, packaging and labelling of hazardous substances. The Supplier confirms that it fulfils its obligations under REACH and/or the CLP Regulation. The Supplier shall comply with the latest state of the art, the applicable safety regulations for the automotive industry (e.g. VDA standards) and the generally applicable regulations under public law (such as the End-of-Life Vehicles Ordinance, the Commodities Ordinance, the Chemical Ozone Layer Ordinance, IMDS safety data, EU directives relating to the ban on heavy metals of 18 September 2000 (2000/53/EC and 27 June 2002 (2002/525/EC) etc.) and the agreed technical data and other specifications for its delivery item and/or service.
- 16.5 The Supplier shall ensure that its (sub-)suppliers are obligated in accordance with these provisions of Clause 15.4 and, in addition, shall obligate their respective (sub-)suppliers in such a way that all (sub-)suppliers in the supply chain, including the manufacturer, are obligated in accordance with the Supplier.

## § 17 Compliance

- 17.1 The supplier undertakes to comply with the applicable legal provisions within the scope of the business relationship with Hermann Schnierle GmbH. This also includes the applicable legal provisions at the following locations: Registered office of the supplier and the supplier's production site.
- 17.2 The Supplier undertakes (i) not to offer, promise or grant an advantage to a public official for himself or a third party in return for an official act; (ii) not to offer, promise or grant an advantage to an employee or agent of a company in the course of business in return for unfairly favouring him or another in the purchase of goods or commercial services; (iii) not to demand, be promised or accept any advantage for himself or a third party in return for unfairly favouring another in the purchase of goods or commercial services in the course of business; (iv) not to violate any applicable anti-corruption regulations and, where applicable, not to violate the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.
- 17.3 The Supplier undertakes (i) not to support or permit any working conditions in the provision of services that do not at least comply with the applicable legal provisions and industry standards as well as the conventions of the International Labour Organization (ILO conventions); (ii) to comply with the applicable environmental protection laws.

- 17.4 At the request of Hermann Schnierle GmbH, the supplier confirms in writing that it complies with the obligations under this section 17 and that the supplier is not aware of any violations of the obligations under this section 17. If there is a reasonable suspicion that the obligations under this section 17 have not been complied with, Schnierle has the right, within the framework of the applicable laws, after notification of the reasonable suspicion to the supplier, to demand that the supplier - at its own expense - authorise and cooperate in an auditing, investigation, certification or screening procedure to verify compliance with the obligations under this section 17. The aforementioned procedures can be carried out by the supplier, Schnierle itself or a third party who is obliged to maintain confidentiality, in compliance with the applicable laws.
- 17.5 If the supplier contacts, talks or negotiates with a public official on behalf of Schnierle, or commissions a third party to do so, the supplier is obliged to (i) notify Schnierle in writing in advance, stating the exact scope of the planned interaction, (ii) provide Schnierle with written minutes after each conversation or meeting with the public official upon request and (iii) provide Schnierle with a detailed monthly cost statement including original receipts. "Public official" is any person who performs tasks in the name of or on behalf of a public authority, government agency, public corporation or international organisation.
- 17.6 In the event that the supplier repeatedly breaches the obligations arising from this section 17 despite being notified to do so and fails to prove that the respective breach was not due to fault or that appropriate precautions have been taken to avoid future breaches, Hermann Schnierle GmbH has the right to withdraw from individual or all supply contracts or to terminate them without notice. These termination rights also exist in the case of one-off serious infringements, unless these are not culpable. Any additional contractual and/or statutory rights of termination shall continue to exist independently and without limitation.
- 17.7 The supplier shall fully indemnify Hermann Schnierle GmbH and its employees in respect of all claims, demands, liabilities, damages, losses, costs and expenses arising out of any culpable breach of this clause 17.
- 17.8 The Supplier shall endeavour to the best of its ability to pass on the contents of the provisions of this Section 17 to its suppliers, to oblige its suppliers accordingly and to regularly check their compliance in the supply chain.

## **§ 18 Information and cyber security**

- 18.1 The supplier expressly warrants that it will implement and maintain appropriate technical and organisational measures and other safeguards for the proper security of all information or data of Hermann Schnierle GmbH (including, but not limited to), no confidential information transmitted to the supplier by Schnierle, transferred to (a) any laptop computer or (b) any portable storage device that can be removed from the Supplier's premises, unless such data has been encrypted and such data is loaded onto the portable storage device solely for the purpose of storing such data off-site.
- 18.2 Supplier shall use commercially reasonable efforts to prevent password theft or loss or unauthorised access or use of Hermann Schnierle GmbH data or information, and Supplier shall promptly notify Schnierle of any password theft or loss or unauthorised access or use of Hermann Schnierle GmbH data or information. The supplier shall implement security measures and physical security procedures relating to the access and confidentiality of Schnierle's confidential information and data that (i) at a minimum, comply with industry standards for such sites and (ii) ensure adequate technical and organisational protection against accidental or unlawful loss, alteration or unauthorised disclosure of or access to Schnierle's confidential information or data, the supplier shall ensure that it has processes and security procedures in place to ensure that its information systems are free from viruses and similar defects. The supplier's systems shall not contain any viruses, Trojan horses, worms, time bombs or other

computer programming routines, devices or code that could reasonably be expected to cause damage to the system, data or information of Hermann Schnierle GmbH or adversely affect the system or data or information of Schnierle or surreptitiously intercept or decrypt data or information of Schnierle.

- 18.3 The supplier's information systems must not contain malware, backdoor programmes or other technological processes, devices or codes that could compromise the security or confidentiality of Hermann Schnierle GmbH's systems, information or data. The supplier shall take all reasonable measures to protect its site and equipment against "hackers" and other persons who make unauthorised attempts to modify or access the supplier's or Schnierle's systems or the information contained therein. The Supplier shall regularly test its systems for potential areas where security breaches could occur.
- 18.4 The supplier undertakes to inform Schnierle by telephone as soon as possible about a cyber security incident affecting access to data or information of Hermann Schnierle GmbH, but in any case within twenty-four (24) hours after the supplier discovers the cyber security incident.
- 18.5 The Supplier shall (i) provide Schnierle with a summary of known information about such cyber security incident, (ii) use commercially reasonable efforts to remediate the effects of such cyber security incident, (iii) upon request of Hermann Schnierle GmbH, provide reasonable information about the cyber security incident and the response thereto, and (iv) within two weeks of completion of the investigation of the cyber security incident, provide the following in a report to Schnierle: A description of the incident, the specific instances affected and what actions Supplier has taken to prevent future incidents of a similar nature, the timeframe of the incident, the alleged perpetrators, what Schnierle information or data may have been affected, or any potential financial impact to Schnierle. Any remedial actions identified as a result of the cyber security incident will be implemented no later than two months after the investigation of the incident is completed.
- 18.6 The supplier is obliged to indemnify and hold Schnierle harmless from any liability, in particular losses and damages, due to information or cyber security incidents of the supplier's information system. In the event that Hermann Schnierle GmbH has suffered a loss due to a cyber security incident of the supplier's system, the supplier is only entitled to receive payment for deliveries after and to the extent that Schnierle has conducted reasonable investigations and subject to all indemnification obligations of the supplier and all set-off rights of Schnierle in connection with the cyber security incident.
- 18.7 Delayed payments with regard to the delivery items supplied by the Supplier, which are caused by a cyber security incident of the Supplier's system, shall not constitute a delay in payment.
- 18.8 Hermann Schnierle GmbH has the right, either directly or through a third party appointed by Schnierle at its own expense, to visit the supplier's premises once per calendar year to inspect and review the supplier's business operations in connection with the supplier's goods or services with regard to technical infrastructure, information or data system interaction, organisation, quality, quality control, and personnel involved with the goods and services for Schnierle.

## **§ 19 Advertising**

- 19.1 The use of enquiries, orders, order confirmations from Hermann Schnierle GmbH and the associated correspondence for advertising purposes is not permitted
- 19.2 The supplier may only advertise their business relationship with the prior written consent of Schnierle.

## § 20 General provisions

- 20.1 If the supplier suspends payments or if insolvency proceedings are instituted against his assets or other judicial or extrajudicial composition proceedings are applied for, Hermann Schnierle GmbH is entitled to withdraw from the unfulfilled part of the contract. Schnierle is entitled to offset a due claim that Schnierle has against a company affiliated with the supplier within the meaning of § 15 AktG, or that a company affiliated with Schnierle within the meaning of § 15 AktG has against the supplier or against a company affiliated with the supplier within the meaning of § 15 AktG, against a claim of the supplier.
- 20.2 Should individual provisions of the above terms and conditions be or become invalid, this shall not affect the validity of the remaining provisions. The invalid provisions shall be replaced by such provisions that come closest to the economic purpose of the contract and the appropriate protection of the interests of both parties.
- 20.3 Contractual relations shall be governed exclusively by the law of the Federal Republic of Germany to the exclusion of the conflict of laws and the UN Convention on Contracts for the International Sale of Goods (CISG).
- 20.4 The place of jurisdiction for all claims arising from the business relationship with merchants and legal entities under public law is Augsburg. However, Hermann Schnierle GmbH is also entitled to sue the supplier at the court of his registered office or branch office or at the court of the place of fulfilment, at its discretion.
- 20.5 All previous "General Terms and Conditions of Purchase" are hereby invalid.