



General Terms & Conditions of Purchase of AVL Zöllner GmbH

1. Applicability

- 1.1 Where there is no agreement to the contrary, these General Conditions of Purchase shall apply to all deliveries and services (hereafter referred to jointly as "deliveries") that a seller, contractor or a service provider (hereafter referred to jointly as "Supplier") performs on our behalf.
- 1.2 Our Conditions of Purchase shall apply exclusively. Conditions of the Supplier that conflict with or deviate from our Conditions of Purchase shall not be recognised by us, unless we agree to their validity expressly in writing. Our Conditions of Purchase shall also apply where we accept delivery without reservation in knowledge of Supplier's conditions that conflict with or deviate from our Conditions of Purchase.
- 1.3 Our Conditions of Purchase shall only apply to businesses in accordance with Section 310 Para. 1 of the German Civil Code (BGB).
- 1.4 Our Conditions of Purchase shall apply in their current version as a framework agreement to all future contracts on the sale and delivery of goods with the same Supplier, even if we do not refer to them again in each individual case.
- 1.5 Individual agreements with the Supplier made in specific cases (including ancillary agreements, additions and changes) shall have precedence in every case over these Conditions of Purchase. A written contract or our written confirmation shall be binding in terms of the content of such agreements.
- 1.6 Legally relevant statements and notifications that are to be submitted by the Supplier after conclusion of contract (e.g. deadlines, warnings, declaration of withdrawal) shall require written form to be valid.

2. Offer, purchase order

- 2.1 A job is confirmed following a written purchase order from us and its acceptance by the Supplier. If the Supplier does not accept a purchase order within five working days, we shall have the right to revoke it.
- 2.2 Subcontracting of our orders in whole or to a large extent may only be done with our written consent. Breach of this provision shall entitle us to withdraw from the order without substitution.
- 2.3 The Supplier is not entitled to assign his claims arising from this contractual relationship to third parties. This shall not apply to monetary claims.
- 2.4 We shall retain ownership and copyright in all figures, drawings, calculations and other documents. Said items must not be made accessible to any third parties without our express written consent. Said items must only be used for the production pursuant to our order, and must be returned to us without specific request upon completion of said order. These items are subject to confidentiality. Clause 10 shall apply additionally.

3. Delivery

- 3.1 The delivery deadline given in the purchase order is binding.
- 3.2 The Supplier shall be obliged to inform us immediately in writing if circumstances occur or become known to him, the result of which is that the delivery deadline cannot be kept. However, this shall have no influence on the responsibility of the Supplier to keep to the agreed delivery deadline.
- 3.3 In case of any delivery defaults, we shall be entitled to statutory claims, in particular to indemnification and cancellation from this contract. The provision in Clause 3.5 remains unaffected.
- 3.4 If deadlines are not kept for reasons for which the Supplier is liable, the Supplier undertakes to employ the fastest method of transport available, without prejudice to the shipping method specified in the purchase order, to minimise the delay. The costs of such accelerated transport shall be borne by the Supplier.
- 3.5 If the Supplier overruns the delivery deadline, the Supplier shall be obliged to pay a contractual penalty. This shall be 0.3% for each working day of delay, to a total of no more than 5% of the total net fee. We shall be entitled to claim this contractual penalty until final payment is made, even if we have not expressly reserved this right on acceptance of delayed delivery. Our statutory rights regarding delay shall remain unaffected by this agreement on contractual penalty, and by its enforcement.
- 3.6 The underlying contract can be terminated by either party to the contract for cause – without observing a period of notice. Cause shall be assumed if there are facts on the basis of which the terminating party cannot be expected to accept continuation of the contract, taking into account all the circumstances of the specific case and the interests of the parties to the contract.
- 3.7 If failure of receipt or acceptance by us is caused by force majeure, industrial action or other events outside of our control, we may request that delivery be made at a later, appropriate time, in whole or in part. The Supplier shall not be able to assert any claims against us on this basis. However, if the period is extended by more than six months, either party to the contract shall be entitled to withdraw from the contract. Similarly in such a case, neither party to the contract shall be able to assert any claims against the other party to the contract. Clause 3.7 shall also apply if fulfilment of contract is made impossible or substantially more difficult for us.

4. Quality, documentation

- 4.1 All merchandise to be delivered to us must comply with applicable domestic and foreign regulations, accident prevention regulations, the respective ordinances and guidelines, acknowledged state-of-the-art standards and rules of technology, and must comply exactly with the documentation upon which the order was based, such as drawings, descriptions, samples, specifications, inspection and acceptance terms, etc.
- 4.2 The Supplier must carry out quality control, conforming in nature and scope to the latest technology.
- 4.3 For items to be delivered whose use is not generally familiar, such as devices, instruments, installation components or equipment, at the latest on delivery without specific request and at no extra cost, assembly, maintenance, operating and servicing instructions must be delivered to us, stating to which order the instructions apply.

5. Prices, payment terms

- 5.1 Unless otherwise agreed-upon in writing, the prices listed in the order shall be binding and unchanged until complete fulfillment of the order to the extent of delivery and services. The prices shall be based on the agreement "delivery duty paid" and shall include "free delivery", including packaging, transportation insurance paid, plus applicable VAT, unless otherwise agreed upon.



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- 5.2 Unless otherwise agreed-upon in writing, payment shall be made upon the contract-compliant receipt of goods, plus receipt of the proper and verifiable invoice, payable at our choice of 2% discount up to 14 days after receipt of invoice, or net in full within 30 days.
- 5.3 We shall be entitled to the statutory extent of offsetting and withholding rights.
- 5.4 Pursuant to the order specifications, all invoices shall include the order number stated therein, and any consequences suffered as a result of non-compliance shall be the responsibility of Supplier.
- 5.5 The Supplier only has a right to offset and/or retain legally established or undisputed counterclaims or counterclaims ready to be approved in a process pending in court.

6. Transfer of risk

- 6.1 If there is no agreement to the contrary, the Supplier must make "delivery duty paid" (delivered duty paid ... named place of destination) in accordance with Incoterms 2000. As an exception, any delivery within the Federal Republic of Germany shall be made "free delivery" at the place specified in our purchase order. If the place of destination is not given and there is no other agreement, delivery should be made to our place of business. The place of destination is also the place of performance.
- 6.2 Where acceptance is agreed, it shall be decisive in terms of the transfer of risk.

7. Investigation of defects, liability for defects

- 7.1 Where applicable, the statutory provisions (Section 377 of the Code of German Commercial Law (HGB)) shall apply to the commercial duty to inspect and notify, subject to the following limitation: our obligation to inspect shall be limited to defects that are immediately obvious to us (e.g. transport damage, incorrect or short delivery). Where acceptance is agreed, there shall be no obligation to inspect. Otherwise, it shall depend on the extent to which inspection is feasible in the regular course of business, taking into account the circumstances of the individual case. Our duty to give notice of defects for defects discovered later remains unaffected. In all cases, our notification (notification of defects) shall be without undue delay and in good time if it is issued within 10 working days.
- 7.2 We shall be entitled to unrestricted statutory claims for defects. In each case we shall be entitled to our choice of demanding defect remedy or replacement. Supplier shall bear all costs of such post-fulfillment. The right to assert indemnification claims shall be reserved. All replacement deliveries or repairs shall also be subject to the defect warranty specified in these Terms and Conditions for Purchasing.
- 7.3 In urgent cases, without detriment to our other rights, we shall be entitled to have defects remedied or to remedy defects ourselves if the Supplier refuses performance in earnest and finally, or if there are specific circumstances that warrant an immediate remedying of defects taking into account the interests of both parties. Any resulting costs shall be borne by the Supplier. This shall not apply, however, if the Supplier is not liable for such costs.
- 7.4 We shall be entitled to statutory claims for defects in the matter for a time period of 3 years following the transfer of risk. Construction services shall be subject to a 5-year warranty period following inspection and acceptance.

8. Product Liability, Indemnification, Liability

- 8.1 Inasmuch as Supplier is liable for any product damages, Supplier shall be obligated to hold us harmless against any claims for damages from third parties upon a first request, to the extent that the cause is located within the realm of his organization and control, and if he himself is responsible to the outside world. .
- 8.2 As part of Supplier's liability for damages pursuant to Clause 8.1, Supplier shall also be liable for the reimbursement of any expenditures pursuant to §§ 683, 670 BGB [German Civil Code] as well as §§ 830, 840, 426 BGB which may result from or in connection with one of the recall actions implemented by us. Supplier shall be informed by us, to the extent possible and reasonable, of the contents and extent of recall actions to be implemented, and shall be given the opportunity to respond. Any other statutory claims shall remain unaffected by same.
- 8.3 Supplier shall be obligated to purchase and maintain product liability insurance with a flat-rate coverage amount of Euro 10 million per person/loss of property for the duration of this contract, i.e. up to the respective termination of the defect warranty.
- 8.4 Any additional indemnification claims to which we might be entitled, shall remain unaffected.

9. Intellectual Property

- 9.1 The Supplier undertakes to ensure that no rights of third parties are breached in connection with delivery.
- 9.2 If a claim is brought against us by a third party for breach of such rights, the Supplier shall be obliged to indemnify us against such claims upon first written demand. This shall not apply if the Supplier is not liable for infringement of the third-party rights. In case of indemnification, we shall not be entitled to conclude any agreements with the third party – and a settlement in particular – without the consent of the Supplier.
- 9.3 The obligation to indemnify shall apply to all expenses that necessarily arise to us from or in connection with the claim asserted by a third party.
- 9.4 The statute of limitations shall be 5 years, starting from the date of contract signing.

10. Confidentiality

- 10.1 The Supplier shall be obliged to keep strictly confidential all illustrations, drawings, calculations and other documents and information that he receives from us. The same shall apply to all our business and trade secrets.
- 10.2 The Supplier shall be obliged to treat all commercial and technical details relating to the contract concluded with us and to its implementation, as business or trade secrets. The Supplier shall also be obliged to maintain silence regarding the business relationship with us. Exceptions shall require our prior written consent.
- 10.3 The Supplier shall not be entitled to have delivery owed by him done by third parties (e.g. subcontractors) without our prior written consent. If such a third party is to be contracted, that third party must be obliged by the Supplier in writing to maintain secrecy within the meaning of this Clause 10. On request, the Supplier shall provide us with a copy of this secrecy obligation. The secrecy obligation shall continue to apply after termination of this contract. It shall expire if and insofar as the manufacturing knowledge contained in the supplied illustrations, drawings, calculations and other documents has become generally known.

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11. Data on foreign trade

- 11.1 The supplier is obliged to inform us of any goods-related restrictions in the case of (re-)exports of the delivered goods (goods, technology, software) in accordance with the German, European and US-American export and customs regulations as well as the export and customs regulations of the country of origin of the goods. For this he will provide the following information in his offers and order confirmations on the individual item of goods:
- the number of the EU – List of Military Equipment and the Dual Use List of Goods,
 - the ECCN (Export Control Classification Number) in accordance with the US Export Administration Regulation (EAR) for US goods,
 - the USML (United States Munitions List) category for US defence goods (so-called ITAR goods),
 - Details on the non-preferential origin of his goods (goods, technology, software) and their integral parts,
 - Details on goods, which were manufactured on the basis of controlled US-technology and/or contain controlled US components.
- The supplier is further obliged to inform the buyer listed on the purchase order on request in writing of all further foreign trade data as well as to inform him in writing of all amendments to the above-mentioned data without special request.
- 11.2 The legally binding acceptance of re-export restrictions (e.g. relating to existing/issued export permits and the re-export restrictions contained therein or on the basis of License Exceptions claimed according to EAR) is limited to such goods which require an export license from the perspective of the country of delivery (for the US, the currently applicable version of the EAR shall be applicable), which additionally are correspondingly identified in the delivery papers, and for which the supplier has explicitly informed us about re-export restrictions in offers and order confirmations.
- 11.3 Suppliers with a domicile in the EU are obliged to provide us with the original of the supplier's (long-term) declaration for products having preferential origin status in accordance with Regulation (EC) No. 1207/2001 in the then current version within one calendar week after our corresponding request. If the supplier does not comply with this obligation or if the supplier's declaration does not comply with the legal requirements, the supplier shall indemnify us and hold us harmless against any adverse consequences resulting from such non-compliance.

12. Production equipment and primary materials

- 12.1 Tools, appliances and models (hereafter referred to as "production equipment") that we provide to the Supplier or that are manufactured for contract purposes and are invoiced to us separately by the Supplier shall remain or become our property. The Supplier must indicate that the equipment is our property, store it with care, secure and insure it against damage of any kind and use it only for the purposes of the contract. The Supplier must handle such production equipment with care during the period of use and at his own expense, and must also carry out or have carried out all necessary maintenance at his own expense. The Supplier shall also be obliged to store such production equipment with care on our behalf for collection by us at any time, in condition ready for use, for 10 years from the final production date. On request, the Supplier shall be obliged to give up such production equipment to us in proper condition. The Supplier shall have no right of retention in this case.
- 12.2 Production equipment that the Supplier has produced or obtained and for which we have paid the production costs (tool costs) shall become our property on payment. Transfer of ownership shall be replaced by the Supplier's obligation to store the production equipment on our behalf in accordance with the provisions of the previous Clause 11.1. On partial payment for production equipment we shall acquire joint ownership of such in proportion of the actual amount paid to the outstanding sum to be paid. Production equipment must be labelled permanently (engraving, marking stamp) – even when only partially completed. The Supplier shall be responsible for implementing and maintaining labelling during the period of his ownership of the production equipment. The labelling must include the following as a minimum: "Property of AVL Zöllner GmbH". We shall be entitled to decide on the nature, size and the exact position of the labelling. We shall also be entitled to demand that the Supplier alter the labelling at any time. If compulsory enforcement measures are initiated by a third party or such measures are anticipated, the Supplier must inform us of such immediately in writing, and verbally beforehand.
- 12.3 If items provided to the Supplier by us (e.g. primary materials) have been mixed irreversibly with other items that do not belong to us, we shall acquire joint ownership of the new item in proportion of the value of the item subject to retention of title (purchase price plus VAT) to the other mixed items at the time of mixing. If mixing occurs in such a way that the Supplier's item should be viewed as the main item, it shall be considered agreed that the Supplier transfer joint ownership to us proportionally. The Supplier shall keep safe sole or joint ownership on our behalf. The same shall apply if the items provided are processed or altered by the Supplier.

13. Replacement parts

- 13.1 The Supplier shall be obliged to store replacement parts for the products delivered to us for a period of at least five years for electrical parts and 10 years for mechanical parts after delivery.
- 13.2 If the Supplier intends to halt production of replacement parts for the products delivered to us, he shall inform us of this fact immediately after the decision to halt production. This decision must be made at least six months before production is halted – subject to Clause 13.1 above.

14. General provisions

- 14.1 No remuneration shall be charged or awarded for the preparation of offers, plans, cost estimates, etc.
- 14.2 If the Supplier is a merchant, legal entity under public law or a public fund, the sole place of jurisdiction for all disputes arising from this contractual relationship shall be our place of business. However, we shall also be entitled to take legal action, at our own choice, at the place of execution of the obligation to carry out delivery, or at the Supplier's place of business.
- 14.3 The place of fulfillment for the delivery shall be the destination named by us. If such destination has not been named, the place of fulfillment shall be our business domicile.
- 14.4 The law of the Federal Republic of Germany, excluding the UN Convention on Contracts for the International Sale of Goods (CISG), shall apply to these Conditions of Purchase and all legal relationships between us and the Supplier.