

# SEG Automotive Germany GmbH

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## Terms and Conditions of Purchase

Applicable to business transactions with companies, legal entities under public law and special funds under public law.

### 1. General

Our Terms and Conditions of Purchase apply exclusively; general business terms and conditions of the supplier conflicting with or deviating from our Terms and Conditions of Purchase are only recognized insofar as we expressly agreed to them in writing. Acceptance or payment of goods and services from the supplier (hereinafter referred to as Products) does not constitute agreement even if the acceptance or payment is made with knowledge of conflicting or supplementary terms and conditions of contract of the supplier. Similarly, any terms and conditions of contract of the supplier previously agreed upon that conflict with or supplement these Terms and Conditions of Purchase shall no longer be recognized.

### 2. Conclusion of and Modifications to the Contract

- 2.1 Orders, contracts and order releases as well as modifications and supplements thereto must be placed and made in writing.
- 2.2 Oral agreements of any kind – including subsequent modifications and supplements to our Terms and Conditions of Purchase – must be confirmed by us in writing to become effective.
- 2.3 The written form requirement is also deemed complied with if communications are sent by telefax, remote data transmission or email.
- 2.4 Cost estimates are binding and are not to be compensated unless otherwise expressly agreed.
- 2.5 We are entitled to cancel the order if the supplier does not accept the order within two weeks of receipt thereof.
- 2.6 Order releases within the framework of order and order release planning become binding if the supplier does not object within two working days of receipt thereof.
- 2.7 The Packaging Specifications and the Logistics Manual of SEG Automotive Germany GmbH shall apply (can be viewed in the download area of Purchasing and Logistics at the SEG Homepage).

### **3. Delivery**

- 3.1 Agreed periods and dates are binding. Punctual compliance with the delivery periods and delivery dates is determined by the date of receipt of the goods by us. Unless delivery “free at factory gate (frei Werk)” is agreed (DAP or DDP Incoterms 2010), the supplier shall make the goods available in good time, taking account of the time for loading and shipment to be agreed with the forwarder.
- 3.2 If the supplier is responsible for set-up or installation, the supplier shall bear all the necessary expenses such as travel expenses, provision of tools and daily allowances.
- 3.3 The provisions of statute shall apply if agreed dates are not met. If the supplier anticipates difficulties with respect to production, the supply of precursor material, compliance with the delivery period or similar circumstances that could interfere with supplier’s ability to deliver punctually or to deliver the agreed quality, the supplier must immediately notify our ordering department.
- 3.4 The unconditional acceptance of a delayed delivery or service does not constitute a waiver of claims to which we are entitled due to the delayed delivery or service; this applies pending full payment of the amounts owed by us for the delivery or service in question.
- 3.5 Partial deliveries are inadmissible in principle unless we expressly agreed to them or can reasonably be expected to accept them.
- 3.6 The values established by us during the incoming goods inspection shall determine the quantities, weights and measurements subject to the reservation of different values being proved.
- 3.7 Unless otherwise stipulated in the supplementary Terms and Conditions of Purchase for Software we shall together with delivery receive simple rights of use, unrestricted in terms of time and territory, to use software belonging to the scope of delivery. Our permissible use encompasses, in particular, duplication, loading and running the software. It also encompasses sublicensing, renting and every other form of passing the software on to companies affiliated to us with the meaning of § 15 AktG (Stock Corporation Act).
- 3.8 We also have the right to use such software, including the software documentation, with the agreed performance characteristics and to the extent necessary for the use of the product in accordance with the agreement. We also have the right to make a reasonable number of backup copies.
- 3.9 The supplementary Terms and Conditions of Purchase for Software apply to software (can be viewed in the download area of Purchasing and Logistics at the SEG Homepage).

### **4. Force Majeure**

- 4.1 Acts of God, operational disturbances without fault, unrest, governmental measures and other unavoidable events discharge us from our obligation to take punctual delivery for the duration of such event. During such events and for a two week period thereafter we are entitled – notwithstanding our other rights – to withdraw from the contract in whole or in part, provided that such events are not of inconsiderable duration and our requirements are considerably reduced as the goods have to be procured elsewhere as a result thereof.
- 4.2 The provisions of paragraph 4.1 above also apply in the case of labor disputes.

## **5. Advice of Dispatch and Invoice**

The details in our orders and order releases shall apply. An invoice showing the invoice number and other allocation references is to be sent in one copy to the respective printed mailing address; the invoice must not be enclosed with the shipments.

## **6. Pricing and Passing of Risk**

Unless otherwise agreed, the prices are "Delivered at Place" (DAP ® Incoterms 2010) including packaging. Value added tax (VAT) is not included. The supplier bears all risks of loss or of damage to the goods until the goods are received by us or by our representative at the location to which the goods are to be delivered in accordance with the contract.

## **7. Payment Terms**

Unless otherwise agreed, the invoice shall be paid either within 20 days subject to deduction of a 3 % discount or within 30 days without any deduction, with effect from the due date of payment and receipt of both the invoice and the goods or performance of the service. Payment is subject to invoice verification.

## **8. Notification of Defects**

- 8.1 An examination of the goods is conducted by us at incoming goods only to establish whether there is any obvious damage, in particular transport damage and discrepancies in terms of the identity or quantity of the delivery, except as otherwise agreed with you in a Quality Assurance Agreement.
- 8.2 We will give notice of any defects found without undue delay after their discovery.
- 8.3 To this extent the supplier waives the objection to delayed notification of defects.

## **9. Claims Based on Defects**

- 9.1 The provisions of statute relating to defects as to quality and defects of title apply except insofar as otherwise provided herein below.
- 9.2 We have the right to select the type of supplementary performance. The supplier may refuse the type of supplementary performance we selected if it is only possible at disproportionate expense.
- 9.3 In the event that the supplier does not commence rectifying the defect immediately after our request to remedy it, in urgent cases, especially to ward off acute danger or to prevent greater damage, we are entitled to undertake such rectification ourselves or to have it undertaken by a third party at the expense of the supplier.
- 9.4 In case of defects of title, the supplier shall also hold us harmless from any third party claims possibly existing, unless the supplier is not accountable for the defect of title.

- 9.5 The limitation period for claims based on defects is 3 years – except in cases of fraudulent misrepresentation – unless the thing has been used in a building construction in accordance with its customary use and caused the defectiveness thereof. The limitation period commences when the Product is delivered (passing of risk).
- 9.6 If the supplier performs its obligation to effect supplementary performance by supplying a substitute product, the statute of limitations of the goods delivered in substitution shall start to run anew after delivery thereof unless, when effecting the supplementary performance, the supplier explicitly and appropriately made the reservation that the substitute delivery was effected purely as good will, to avoid disputes or in the interests of continuation of the delivery relationship.
- 9.7 Should we incur expenses as a result of the defective delivery of the Product, in particular transport, carriage, labor costs, assembly and disassembly costs, costs of material or costs of incoming goods control exceeding the normal scope of the control, such costs shall be borne by the supplier.
- 9.8 The supplier is accountable for the fault of its sub-suppliers as it is for its own fault.

## **10. Product Liability and Recall**

- 10.1 In the event a product liability claim is asserted against us, the supplier is obliged to hold us harmless from such claims if and to the extent the damage was caused by a defect in the Product supplied by the supplier. In cases of liability based on fault, this only applies, however, if the supplier is at fault. Insofar as the cause of the damage falls within the area of responsibility of the supplier, the supplier must prove that it is not at fault.
- 10.2 In the cases of paragraph 10.1 above, the supplier assumes all costs and expenses, including the costs of any legal action.
- 10.3 In all other respects the provisions of statute shall apply.
- 10.4 Prior to any recall action which is partially or wholly due to a defect in a Product supplied by the supplier, we shall notify the supplier, give the supplier the opportunity to collaborate and discuss with the supplier the efficient conduct of the recall action, unless no notification of or collaboration by the supplier is possible on account of the particular urgency. The costs of the recall action shall be borne by the supplier insofar as a recall action is due to a defect in a Product supplied by the supplier.

## **11. Rights of Withdrawal and Termination**

- 11.1 In addition to the statutory rights of rescission we have the right to withdraw from the contract if there is or threatens to be a fundamental deterioration to the financial circumstances of the supplier and as a result of this the performance of a supply obligation to us is in jeopardy.
- 11.2 We further have the right to withdraw from the contract if
- the supplier meets the criteria for insolvency,
  - the supplier stops making its payments,
  - the supplier meets the criteria for imminent insolvency pursuant to § 18 InsO (German Insolvency Statute) or over-indebtedness of the supplier becomes apparent,
  - if an application is filed by the supplier with respect to the assets or operation of the supplier for the opening of insolvency proceedings or of comparable debt settlement proceedings or
  - if the opening of insolvency proceedings with respect to the assets of the supplier is rejected due to lack of funds.

- 11.3 In the event of a contract for performance of a recurring obligation, paragraphs 11.1 and 11.2 shall apply by analogy provided that the right of withdrawal shall be substituted by an extraordinary right to terminate the contract without notice.
- 11.4 If the supplier rendered part performance, we only have the right to cancel the whole contract if we have no interest in the part performance.
- 11.5 If we withdraw from or terminate the contract by virtue of the foregoing contractual rescission rights or respective termination rights, then the supplier must compensate us for the loss or damage incurred as a result, unless the supplier was not responsible for the rights arising to withdraw from or terminate the contract.
- 11.6 Statutory rights and claims shall not be limited by the regulations included in this Section 11.

## **12. Conducting Work**

Persons who carry out work on our factory premises in fulfillment of the contract must observe the respective plant regulations. The liability for accidents suffered by these persons on our factory premises is excluded except to the extent caused by willful or gross negligent breach of duty by our legal representatives or persons employed in the performance of our obligations.

## **13. Provision of Materials**

Materials, parts, containers and special packaging provided by us against payment or free of charge remain our property ("Provisions"). These may only be used as designated. The Provisions are processed and assembled for us. It is agreed that we are co-owner of the products manufactured with our materials and parts in proportion to the value of the Provisions in relation to the value of the whole product; such products shall be kept safe for us by the supplier to this extent. We reserve the right to joint ownership of the products manufactured using our Provisions pending settlement in full of the claims accruing through the Provisions. The supplier has the right to on-sell the products manufactured using our Provisions in the normal course of business subject to reservation of title. The supplier assigns to us in full now already all of the claims and ancillary rights accruing to the supplier from such sale. The assigned claims serve as security for the claims accruing to us through the Provision. The supplier has the right to collect the assigned claims. We may revoke the supplier's rights pursuant to this paragraph 13 if the supplier fails to duly perform its obligations to us, is in default of payment, stops making its payments, or if the supplier applies for the opening of insolvency proceedings or of similar debt settlement proceedings with respect to its assets. We may also revoke the rights of the supplier under this paragraph 13 if the financial circumstances of the supplier should deteriorate fundamentally or threaten to do so or if the supplier meets the criteria for insolvency or over-indebtedness. If the value of the security existing for us should exceed the value of our claims by more than 10 % on aggregate, we shall release security at our discretion to this extent on request by the supplier.

## **14. Documentation and Confidentiality**

- 14.1 The supplier shall keep confidential with respect to third parties all business and technical information made available by us (including features which may be derived from objects, documents or software provided and any other knowledge or experience) as long and to the extent that it is not proven public knowledge, and it may only be made available to those persons in the supplier's business facility who necessarily need to be involved in the use thereof for the purpose of delivery to us and who are also committed to confidentiality; the information remains our exclusive property. Without our prior written consent, such information must not be duplicated or exploited commercially – except for deliveries to us. At our request, all information originating from us (if appropriate also including any copies or records made) and loaned items must be, without undue delay, returned to us in full or destroyed. We reserve all rights to such information (including copyright and the right to file for industrial property rights such as patents, utility models, semiconductor protection, etc.). In the event this is provided to us by third parties, the reservation of rights also applies for the benefit of such third parties.
- 14.2 Products manufactured on the basis of documentation drafted by us such as drawings, models and the like, or based on our confidential information, or manufactured with our tools or with tools modeled on our tools, may neither be used by the supplier itself nor offered or supplied to third parties. This also applies analogously to our print orders.

## **15. Export Control and Customs**

- 15.1 The supplier shall be obliged to inform us about any applicable (re-) export licence requirements or restrictions for the Products under German, European or US export control law and customs regulations as well as the export control law and customs regulations of the country of origin of the Products in its business documents and to send the following information on Products subject to licence requirements to SEG ([Customs\\_Export\\_Control@seg-automotive.com](mailto:Customs_Export_Control@seg-automotive.com)) in good time prior to the first delivery:
- SEG material number
  - Product description
  - All applicable export list numbers including the Export Control Classification Number pursuant to the U.S. Commerce Control List (ECCN)
  - Country of origin of the Products under commercial policy
  - HS Code of the Products
  - A contact person in its organisation to resolve any inquiries.
- 15.2 The supplier shall be obliged to inform us without undue delay of any changes to the licence requirements applying to the Products it supplied to us, as a result of technical changes, changes to the law or governmental determinations.

## **16. Compliance**

- 16.1 The supplier undertakes, within the framework of its business relationship with us, not to offer or grant, promote or accept any advantages, neither in its business dealings nor when dealing with governmental officials, which are in breach of applicable anti-corruption regulations.
- 16.2 The supplier undertakes, within the framework of its business relationship with us, not to make any agreements with other companies or to agree on concerted practices with other companies aiming to or bringing about a prevention, restriction or distortion of competition under applicable antitrust regulations.
- 16.3 The supplier guarantees that it will comply with the applicable laws governing the general minimum wage and commit sub-suppliers engaged by it to the same extent. On request, the supplier shall evidence compliance with the foregoing guarantee. In the event of a breach of the foregoing guarantee, the supplier shall hold us harmless from all third party claims and is obliged to reimburse any fines imposed on us in this connection.
- 16.4 The supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment. In this respect the supplier shall set up and further develop a management system in accordance with ISO 14001 within the realms of its possibilities. Further, the supplier shall comply with the principles of the UN Global Compact Initiative relating basically to the protection of international human rights, the abolition of forced labor and child labor, the elimination of discrimination when personnel is engaged and employed and the responsibility for the environment ([www.unglobalcompact.org](http://www.unglobalcompact.org)).
- 16.5 In the event of a suspected violation of the obligations under paragraphs 16.1 to 16.4, the supplier must investigate any possible violations without undue delay and inform us of the investigation measures taken. If the suspicion proves to be justified, the supplier must inform us within a reasonable period of time of the measures that it has taken internally within its organization in order to prevent violations in future. If the supplier fails to comply with these obligations within a reasonable period of time, we reserve the right to withdraw from contracts with the supplier or to terminate them with immediate effect.
- 16.6 In the event of severe violations of the law by the supplier and in the event of violations of the provisions of paragraphs 16.1 to 16.4, we reserve the right to withdraw from the existing contracts or to terminate them without notice.

## **17. Place of Performance**

The place of performance is the place to which the goods are to be delivered in accordance with the contract or where the service is to be rendered.

## **18. Miscellaneous**

- 18.1 If one of the provisions of these Terms and Conditions and of additional agreements reached should be or become ineffective, this shall not affect the validity of the Terms and Conditions in other respects. The parties hereto are obliged to agree upon a provision to replace the ineffective provision that approximates as closely as possible the economic intent of the ineffective provision.
- 18.2 The contractual relationships shall be governed exclusively by German law excluding the conflict of law provisions and the UN Convention on Contracts for the International Sale of Goods (CISG).
- 18.3 The venue for all legal disputes arising either directly or indirectly out of contractual relationships based on these Terms and Conditions of Purchase shall be Stuttgart. The Local Court of Stuttgart (Amtsgericht Stuttgart, 70190 Stuttgart) has jurisdiction and venue over cases brought before the Local Court. We further have the right to take legal action against the supplier at a court with jurisdiction over the registered office or branch office of the supplier or at the court with jurisdiction over the place of performance at our discretion.