
GENERAL PURCHASE TERMS

OF COMPANY Ferdinand Bilstein GmbH + Co. KG
and Bilstein Handel GmbH + Co. KG

Edition 10/2022

General Purchase Terms

Effective 01.01.2018

§ 1 General - Scope

(1) Our purchase terms apply exclusively; we do not accept any conflicting or deviating terms of the supplier unless we have expressly consented to their application in writing. Our purchase terms apply even in case we accept a delivery from the supplier where we are aware that such supplier has deviating terms. They also apply to all future transactions with the supplier.

(2) All understandings entered into between us and the supplier for the purpose of performing this agreement shall be documented in writing. This also applies for any waiver of the aforementioned written form requirement. The same applies for subsequent modifications of this agreement.

(3) Our general purchase terms apply only vis-à-vis entrepreneurs. As defined in Sec. 14 of the German Civil Code ("BGB"), an entrepreneur means a natural or legal person or a partnership with legal personality who or which, when entering into a legal transaction, acts in exercise of his or its trade, business or profession. The term entrepreneur under this clause shall include public law legal entities or public law separate estates.

§ 2 Offer - Offer Documents

(1) Orders (offers) must be accepted by the supplier within 7 days of the order date by an order confirmation in text form. Any additions, restrictions or other deviations from our order and/or any related offer documents require our written consent.

(2) We reserve the ownership and copyrights in any images, drawings, calculations and other offer documents; they may not be disclosed to any third party without our express written consent. They may exclusively be used for the purpose of manufacturing based on our order and must be returned to us immediately and on supplier's own initiative upon completion of the order. The supplier has not right of retention with regards to such documents. They shall be kept secret from any third party. In this respect, the provisions of § 13 of these general purchase terms additionally apply.

§ 3 Prices - Payment Terms

(1) The prices stated in our order are fixed prices carriage paid. Any reservations of a right to increase prices require our express written consent.

(2) Unless agreed otherwise in writing, the price includes free delivery and packaging.

(3) To the extent the price has not been agreed to include packaging, any packaging may be charged on an actual cost basis only. We are not obliged to return or pay for packaging material. To the extent such material is returned in deviation from the preceding provision, the supplier shall bear the costs of such return. Any charges for packaging must credited to us in the full amount in this case.

(4) Statutory value added tax is not included in the price. It shall be stated in the invoice at the statutory rate effective on the invoice date.

(5) Any invoices shall include, in three copies, our order and article numbers, the supplier's delivery note numbers and our account and cost centre numbers. The supplier is liable for all consequences of any breach of this obligation, except to the extent supplier proves it is not responsible for the breach.

(6) The payment method is at our discretion. Invoices are paid either on the 25th day of the month following the receipt of the goods and the invoice or after 90 days. For payments on the 25th day of the month following receipt of the goods and the invoice, we are entitled to deduct a 3% discount from the gross invoiced amount; any later payments shall be without deduction. All payments are made subject to the provision that we reserve our rights in connection with any defective delivery. To the extent any defects are already known at the time payment would be due, we are entitled to withhold such payment.

(7) Any assignment of supplier's claim resulting from the agreement to any third party requires our prior written consent. Third parties may not collect on such claims.

(8) Supplier may set-off against any of our claims resulting from the business relationship only with claims that have been established by sentential judgment or that are undisputed. The same applies for the exercise of any right of retention.

(9) We have set-off and retention rights to the statutory extent.

§ 4 Parts of the Agreement - Use of Third Parties

(1) The basis of the individual agreements are the terms of our order and the related documents such as drawings, technical delivery terms, building instructions, materials instructions, etc. as well as the applicable safety regulations. Any statements as to performance or technical, physical, chemical, mechanical or other properties, as well as DIN, VDE and other referenced norms with a scope of application beyond individual enterprises are considered guarantees of the relevant properties.

(2) Supplier warrants that any and all delivered goods and any and all provided services comply with the current state of the art, any applicable statutory rules and administrative orders as well as the regulations of employer's liability insurance organisations and professional and trade associations, perform the functions defined by us and comply with any and all agreed specifications.

(3) In the event that supplier has any concerns regarding the legal compliance or practical feasibility of any construction or performance requested by us, or our specifications, supplier is obliged to inform us accordingly without undue delay in text form.

(4) Any volume delivery may commence only after we have accepted the initial samples. In this case, as well as in other cases in which the placement of orders, delivery, etc. depends on the approval of a sample, the agreement shall be deemed a purchase on approval.

(5) An accepted initial sample shall be binding for any orders. Any intended modifications and other deviations must be notified to us in writing and require our confirmation (by prior sampling if applicable).

(6) The supplier may not assign its rights and obligations under the agreement to any third party without our prior express written consent. Even where such consent is granted, the third party involved by the supplier shall be deemed supplier's vicarious agent.

§ 5 Delivery Times

(1) The delivery times stated in the order are binding. The decisive event in determining whether supplier has complied with delivery deadlines is the date of receipt of the goods/services at the delivery address specified by us.

(2) The supplier shall inform us in writing without undue delay in the event that circumstances arise or become known that compromise supplier's ability to meet the agreed delivery deadlines. This information obligation leaves our rights in case of late performance unaffected.

(3) The delivery period we set starts at the date of the order. In the event the delivery deadline is designated, in individual cases, as "estimated", "approximate" or similar, the maximum allowable time period between the stated deadline and the actual date of delivery is 10 business days.

(4) To the extent not expressly agreed otherwise in writing, we do not accept deliveries ahead of the agreed delivery date. In the event of an unauthorized premature delivery, we reserve the right to return the goods at supplier's risk and expense. In the event that goods are not returned in such a case of premature delivery, they will be stored at our premises at supplier's risk and expense.

(5) We do not accept partial deliveries unless expressly agreed otherwise in writing. In the event of agreed partial deliveries, the delivery note shall identify precisely the missing part of the delivery include the date of delivery for such missing part.

(6) The supplier shall state our order number and any other agreed information (e.g. test reports, certifications) on any shipment documents, delivery notes, invoices and other correspondence; should supplier fail to do so, then we are not responsible for any delays in processing and the supplier is liable for any potential consequences of culpable omissions in this regard.

(7) Any Force Majeure event, labour disputes, civil unrest and/or other circumstances for which we are not responsible and that cause disruptions to our manufacturing processes or those of our customers, suspend our obligations to accept deliveries and/or pay damages for their respective duration and to their respective extent. In the event the supplier is impacted by such circumstances, we shall inform it without undue delay as soon as we learn of the end of the disruption.

(8) In the event of any delivery in default, we shall have all statutory claims and remedies. In particular, the supplier is liable for any and all direct and indirect damages resulting from such default. This liability remains unaffected by any acceptance of delayed goods/services by us.

(9) Furthermore, we are entitled in cases of any delivery in default to either claim damages in lieu of performance after unsuccessful expiration of a reasonable grace period or a contractual penalty of 0.5% of the value of the delivery per completed week, however not more than 10% of the entire value of the delivery. We are entitled to claim the contractual penalty in addition to specific performance; we shall declare a reservation of the right to claim the penalty to the supplier no later than 10 business days after acceptance of the delayed delivery.

§ 6 Passing of Risk - Delivery Modes

(1) To the extent not otherwise agreed, delivery shall be made carriage paid at supplier's risk to the point of destination stated by us. Supplier is liable for fortuitous damage or destruction until the time of delivery at the agreed delivery address.

(2) The supplier is not entitled to deliver excess quantities or shortages.

(3) Goods to be delivered shall be packed appropriately. If any of our packaging and/or shipment instructions are not complied with, we may refuse the delivery; such refusal shall not put us in default in acceptance.

(4) Supplier shall insure shipments against transport damages at its own expense.

§ 7 Warranty Claims

(1) In case of commercial purchases, we are obliged to inspect the goods for any defects within a reasonable time; any complaint shall be considered in good time if it is received by the supplier within 10 working days of receipt of the goods or, in the case of hidden defects, within 10 working days of discovery of the defect.

(2) We are entitled to the statutory remedies in case of defects without restriction; independently thereof, we are entitled to claim from the supplier, at our option, repair of the defect or delivery of a replacement. In this event, the supplier shall bear all necessary costs of such repair or replacement. The right to claim damages, in particular damages for non-performance, is expressly reserved.

(3) In the event of serial defects (defects of the same type affecting at least 5% of the delivered goods/services), we are entitled to reject the entire shipment as defective and exercise our statutory warranty rights with regard to the entire shipment.

(4) In the event the supplier does not fulfil its warranty obligations within a reasonable grace period determined by us, we may, at our option, take the steps necessary to rectify the defect or purchase replacement goods, or have such either option exercised on our behalf, each at supplier's risk and expense, to the extent the supplier is not within its rights to refuse subsequent performance. A grace period is not required if the supplier seriously and definitively refuses performance, if the supplier does not render performance by a date specified in the contract or within a specific period and we have made the continuation of our interest in performance subject to performance being rendered in good time in the contract, or if there are special circumstances which, when the interests of both parties are weighed, justify immediate steps on our part to remedy the defect (e.g. in the event of an imminent shutdown of production in our facilities or those of one of our customers), if subsequent performance has failed or is unreasonable for us. In any such case, we will inform the supplier without undue delay.

(5) Any "best before" or "use by" dates stated by the supplier are considered guarantees of durability pursuant to Sec. 443 BGB.

(6) For the event of a defect in any product, the supplier waives its right of restitution of the product to the extent such restitution is not required in order to prove the defect and we have purchased the product at a price of less than EURO 30.-.

(7) Supplier will pay us a flat fee for our expenses incurred in this regard (so-called handling costs) of EURO 20.- per individual case in which a customer is entitled to a warranty claim for a defective product delivered by supplier or claims for recourse against us.

(8) The limitation period for claims based on defects of quality is 3 years, starting upon transfer of risk; the provisions of Sec. 445b, 476, 478 BGB remain unaffected. For any parts that cannot be operated during any investigation and/or repair of a defect, the applicable warranty period is extended by the duration of any such interruption. For any repair or spare parts as well as any parts repaired by supplier in the performance of its warranty obligations, the limitation period shall start anew at the time of repair/delivery of the replacement. These provisions shall not shorten any longer statutory limitation periods. To the extent that no more than six months have passed since the passing of risk, a defect is considered as having already been present upon passing of risk.

§ 8 Liability

(1) We are not liable for any damages that we, a statutory representative or a vicarious agent have caused with simple negligence. The foregoing applies irrespective of the legal nature of the asserted claim and in particular for claims based on default, other breach of contractual obligation or tort. This limitation of liability does not apply for any damage to life, body or health, for malice and to a breach of essential contractual obligations.

(2) The supplier is liable for any damages that it, a statutory representative or a vicarious agent have caused with negligence or wilful intent. The supplier bears the risk of any transport damage.

(3) The supplier is also liable for defects of title to the extent it is responsible for them. In this event, we are also entitled to claim damages. The limitation period for claims based on defects of title is 36 months from passing of risk.

§ 9 Product Liability - Indemnity - Liability Insurance

(1) To the extent one of supplier's products has caused a consequential damage or personal injury, supplier shall indemnify us upon first request against any third party damage claims to the extent the cause is located in supplier's sphere of control and organization.

(2) The supplier shall also reimburse us for any expenses arising out of or in connection with a product recall organised by us, pursuant to Sec. 683, 670 BGB as well as Sec. 830, 840, 426 BGB. We will inform supplier - to the extent reasonably possible - about content and scope of the recall measures to be implemented and afford supplier the opportunity to comment. Any other statutory claims remain unaffected.

(3) The supplier shall continuously monitor the quality of the goods and services. It will maintain a quality assurance program of reasonable type and scope and in compliance with DIN EN ISO 9000 ff. It will provide appropriate evidence hereof upon request. To the extent we deem it required, supplier shall enter into a reasonable quality assurance agreement with us.

(4) The supplier shall maintain product liability insurance with a lump sum coverage of EURO 5 million per personal injury/property damage and provide us with a copy of the insurance policy upon request; the coverage amount shall not be construed as a cap of potential damage claims.

§ 10 Intellectual Property Rights

(1) The supplier represents and warrants - to the extent it is accordingly responsible - that no third party rights are infringed in connection with its delivery. This applies in particular to any industrial property rights such as patents, trademarks, designs, etc.

(2) In the event that a third party asserts any claims against us or our customers based on the alleged infringement of any of the proprietary rights named in para. (1), the supplier is obliged to indemnify us and the concerned customers upon first written request against such claims to the extent it is responsible for the infringement; we are not entitled to make any arrangements, in particular settle such claims, with the third party without supplier's consent.

(3) The supplier's indemnification obligation covers all our expenses necessarily arising out of or in connection with a third party asserting such claims.

§ 11 Provision of Items to Supplier

(1) To the extent that we provide items to supplier, we reserve our property rights in such items. Any processing, connection or transformation by supplier shall be on our behalf. In the event that our goods are processed, connected or transformed with other items not belonging to us, we acquire co-ownership in the new goods at the ratio of the value of our items (purchase price plus VAT) to the other processed items at the time of such processing, connection or transformation.

(2) In the event an item belonging to us is inseparably intermixed with other items not belonging to us, we acquire co-ownership in the new goods at the ratio of the value of our items (purchase price plus VAT) to the other intermixed items at the time of intermixing. In the event intermixing occurs in such a way that the supplier's item is considered as the main item, it shall be deemed agreed that the supplier grants us co-ownership; the supplier shall store the goods in or sole or co-ownership for us.

§ 12 Tools

(1) We reserve our property rights in any tools that we have provided, financed or partially financed; the supplier may use these tools exclusively for the purpose of manufacturing the goods ordered by us.

(2) The supplier shall, at its own expense, sufficiently insure the tools belonging to us, at their reinstatement value, against fire damage, water damage and theft. At the same time, the supplier hereby assigns to us, any and all compensation claims against the insurance company; we hereby accept such assignment.

(3) The supplier shall undertake any required maintenance and inspection work as well as any preventive maintenance and repair work on our tools at its own expense in good time. It shall notify us immediately of any disruptions; in the event it culpably omits such notice, damage claims remain unaffected.

§ 13 Drawings - Confidentiality

(1) Any and all specifications, drawings, drafts, models, samples, manufacturer instructions and other documents (hereinafter "Specifications"), including data for the manufacturing of product packaging, that we provide to supplier for the purpose of

preparing a cost quote or the performance of an order are shall remain our property and may not be copied or used for any other purposes, and may not be disclosed to any third party without our express consent.

(2) Any documents shall be returned to us without undue delay upon performance of the contract, e.g. delivery of the goods or provision of the services. The supplier has no right of retention with regards to such documents.

(3) The supplier shall treat any confidential information that becomes known to it in the course of our business relationship as confidential and shall not disclose it to any third party without our prior written consent. For the purpose of this agreement, confidential information includes all information and data, including business secrets, commercial and technical information and data, disclosed between the parties in connection with the purpose and the performance of the business relationship, regardless of their form or the medium on which such information is stored (including such information disclosed in visual or oral form). Confidential information also includes copies, summaries, concept excerpts, samples and parts of information as well as modules, examples and prototypes and parts thereof. Furthermore, supplier shall impose an according confidentiality obligation on its employees and, as applicable, subcontractors.

(4) The supplier shall treat the performance and the contents of the agreement as confidential. Any reference to our business relationship in marketing material, reference lists or similar documents require our prior written consent.

(5) The confidentiality obligations set forth in this § 13 shall survive the end of the business relations.

§ 14 Exclusivity

(1) The supplier may use our Specifications exclusively in order to produce the goods, packaging materials and documents ordered by us. It may not manufacture for any third parties any products complying with these Specifications or that could be confused with products made to comply with the Specifications. Furthermore, the supplier may not provide any products manufactured pursuant to our Specifications to any third party without our express prior written consent.

(2) The exclusivity obligations set forth in this § 14 para. 1 shall survive the end of the business relationship for 5 years.

§ 15 Contractual Penalty

In the event of any culpable breach of any of its obligations under §§ 13 para. 1, para. 2, para. 3, para. 4, para. 5, 14 para. 1 and para. 2 of these general purchase terms, supplier shall pay to us a contractual penalty to be determined by us at our equitable discretion and which may be reviewed by the competent court in the event of any dispute. Our further statutory and contractual rights and remedies remain unaffected.

§ 16 Proof of Origin - Supplier Declarations

(1) Supplier shall provide any proofs of origin that we request complete with all required information and duly signed without undue delay.

(2) The Supplier undertakes to comply with the provisions of EU Regulation No 952/2013 or - to the extent applicable - the Decision No 1/95 of the EC-Turkey Association Council of 22 December 1995 (96/142/EC) and shall issue a long-term supplier's declaration with reference to all goods supplied by him to us for commodities with preferential origin status pursuant to EU Implementing Regulation No 2015/2447 or - to the extent applicable - pursuant to Decision No 1/2006 of

the EC-Turkey Association Council of 26 September 2006 (2006/646/EC), and renew such declaration in due time before its expiry. In the event this is not possible for individual deliveries of goods, the according proofs or origin must be provided no later than the invoice.

(3) If an additional charge is levied upon us or our customers by a customs authority on account of errors in the declaration of origin which are due to incorrect details of origin provided by the supplier, or if we suffer any other financial disadvantage as a result thereof, the supplier shall be liable for such costs.

§ 17 Export Restrictions

The supplier shall inform us without undue delay in the event any delivery is entirely or partially subject to any export restrictions under German or any other applicable foreign trade regulations. Any omission by supplier to notify us of any applicable export restrictions shall be deemed a confirmation that no export restrictions apply.

§ 18 Legal Venue - Place of Performance

(1) To the extent the supplier is a merchant, public law legal entity or public law separate estate, our business domicile is the legal venue; however we are also entitled to sue the supplier at the court of its domicile and at its business domicile.

(2) To the extent not stated otherwise in the order, the place of performance is our business domicile.

§ 19 Corporate Due Diligence in Supply Chains

(German original: Lieferkettensorgfaltspflichtengesetz with LkSG being the abbreviation. Herein the act will be referred to by its abbreviated form).

(1) The supplier is obliged not to violate the prohibitions specified in Section 2 para. 2 no. 1 to 12 LkSG (human rights-related obligations) and not to violate the prohibitions specified in Section 3 para. 3 no. 1 to 8 LkSG (environment-related obligations). This applies regardless of whether the supplier itself falls within the scope of the LkSG. 2.

(2). At our request, the supplier shall immediately provide all information that we or a service provider engaged by us for these purposes require in order to carry out a risk analysis in accordance with Section 5 para. 1 to 3 of the LkSG.

(3). If the risk analysis reveals a risk or an actual or imminent violation with regard to the prohibitions referred to in paragraph 1, or if there are actual indications of such a risk or violation, the supplier shall, at our request, without undue delay

a) agree on and take appropriate preventive measures with us in accordance with Section 6 of the LkSG or - if the supplier itself is not the alleged cause - agree on appropriate preventive measures with the cause and ensure their implementation, and

b) agree on and take appropriate remedial measures with us pursuant to Section 7 of the LkSG or - if the Supplier is not itself the presumed cause - agree on appropriate remedial measures against the cause and ensure their implementation.

The supplier shall immediately provide us with evidence of the measures taken in this respect.

(4). In the event of a breach by the supplier of one of its obligations under paragraphs 1 to 3 above, we shall be entitled, after prior warning and setting of a grace period, to terminate the contract for good cause or to withdraw from the contract.

§ 20 Liquidated damages

If the supplier has verifiably entered into an agreement or participated in any other act that constitutes inadmissible restriction of competition, they shall pay 15 per cent of the settlement total to us as liquidated damages, except if damage in a different amount is documented.

§ 21 Compliance

Compliance with and respect for the bilstein group Supplier Code of Conduct shall be decisive for both parties..

§ 22 Severability

In the event that one of the provisions above is entirely or partially unenforceable, the remainder of the provision and the agreement remain unaffected.