

## 1. General Provisions and Application

- 1.1 These General Conditions of Purchase ("Conditions of Purchase") shall apply to any contract between us, the VARTA AG and its affiliated companies as defined in section 15 of the German Stock Corporation Act, and a merchant, a legal entity under public law and special assets under public law in respect of the provision of services or the delivery of goods (together "Services") by the seller or supplier (together "Supplier").
- 1.2 These Conditions of Purchase shall apply exclusively. Contrary, supplementary or differing terms and conditions of the Supplier shall not apply except if we expressly acknowledge them in writing. This shall also apply to terms and conditions which are included in offers or (order) confirmations of the Supplier. Furthermore, these Conditions of Purchase shall apply if we unreservedly and with knowledge of contrary, differing or supplementary terms and conditions accept services of the Supplier.
- 1.3 These Conditions of Purchase shall be part of the contract and any supplements. They shall also govern all future transactions between us and the Supplier (also "Party" or "Parties").

## 2. Formation of Contract, Announcement of Discontinuation and Termination

- 2.1 Offers and quotations of the Supplier shall be legally binding and submitted to us at no charge.
- 2.2 Each agreement between the Parties shall only be valid if it is in writing. Verbal side agreements shall not be part of the contract.
- 2.3 A contract shall only be deemed to have been entered into when, after receipt of an offer made by the Supplier, we send a declaration of acceptance in writing or when the Supplier, after receipt of an offer made by us, sends a declaration of acceptance.
- 2.4 The following terms shall have the following meaning in contracts:
  - "Order": (1) agreement on one-time receipt of services or goods according to fixed terms (2), within a current "Contract", i.e. a Quantity or Value Contract: request for services or goods within this Contract.
  - "Scheduling Agreement": agreement on receipt of services or goods according to fixed terms and in a specified quantity on predetermined dates (as specified divisions).
  - "Quantity Contract": agreement on receipt of services or goods up to a specified quantity according to fixed terms.
  - "Value Contract": agreement on receipt of services or goods up to a specified total value of orders according to fixed terms.
- 2.5 In case of Orders as defined in section 2.4, the announcement of discontinuation of goods or services by the Supplier shall not be permitted. Insofar as a Scheduling Agreement, a Quantity Contract or a Value Contract as defined in section 2.4 or another contract includes an ordinary right of termination, the announcement of discontinuation shall also not be permitted. In all other cases (e.g. of a Quantity Contract without an ordinary right of termination) announcement of discontinuation shall be permitted in writing with one year's notice.
- 2.6 Continuing obligations may be terminated for cause by each Party without notice. We shall be entitled to a termination for cause if, for example, a substantial deterioration of the Supplier's financial situation occurs or may very likely occur and the fulfilment of obligations towards us is thereby endangered.

## 3. Prices, Invoice, Payment

- 3.1 The price named in a contract shall be a fixed price and binding, unless explicitly agreed upon otherwise (e.g. by the use of the term "estimated price"). In case of goods, the price named shall be based on "delivery carriage paid" and include the costs of packaging and transport, unless explicitly agreed upon otherwise. If we explicitly agree on bearing specific costs for Supplier's Services (e.g.

transport costs), only the Supplier shall be entitled to issue an invoice to us with regard to these costs; if a third party (e.g. freight forwarder assigned by Supplier) issues such an invoice to us, we shall be entitled to reject this invoice at Supplier's expense.

- 3.2 All order confirmations and any other necessary confirmations as well as shipping documents shall state our order number, the order position, the index or the version, the material number, the quantity supplied and the delivery address. Invoices shall be sent as single copies or – in case of an applicable agreement between the Parties – in electronic form as PDF-documents to the invoice address or invoice email address named in the contract and shall include the following information: order number, order position, index or version, material number, material description, quantity supplied, number of the shipping note, tax number as well as the Supplier's VAT number; VAT shall be shown separately on the invoices. Furthermore, the invoices shall comply with respective fiscal requirements. Insofar as any such details are omitted or requirements are not fulfilled, invoices shall only be deemed to have been received by us and properly invoiced at the time of receipt of the correct(ed) invoice.
  - 3.3 Payment shall be made in the manner and at the time as agreed upon by the Parties in each individual case. If not otherwise agreed upon, payments shall be made within 14 days of receipt of a correct invoice pursuant to section 3.2 with a 3 % discount or net within 60 days of receipt of a proper invoice; however, the period for payment shall not commence before the day of provision of services or receipt of the goods by us.
  - 3.4. Payment shall not constitute any acknowledgement that the corresponding Services were provided in accordance with the contract.
  - 3.5 Returns of defective goods are carried out by return debiting the invoice amount or issuing a (VAT) invoice reimbursement at Supplier's expense and risk. With regard to replacement deliveries, new invoices shall be issued which state the number of our return and debit note.
- ## 4. Set-off, Rights of Retention
- 4.1 We shall be entitled to set-off claims against claims of the Supplier by debit note (e.g. in case of partial services / deliveries, (partial) returns of defective goods or forfeited contractual penalties) or (VAT) invoice reimbursement. We reserve the rights to issue corresponding invoices and to carry out corresponding direct debits.
  - 4.2 The Supplier shall only be entitled to set-off claims with claims (including claims resulting from other legal relationships) that are undisputed or have been established as final and absolute by a court of law. The Supplier is not entitled to exercise rights of retention to the extent that such rights are based on other transactions with us. We shall be fully entitled to set-off or exercise our rights of retention within the limits of statutory regulations.
- ## 5. Services of Supplier, Cooperation
- 5.1 The Supplier provides the Services independently and on its own responsibility. Only the Supplier shall be authorized to give its employees instructions. The use of subcontractors requires our prior written approval.
  - 5.2 The Supplier will only use employees or subcontractors for the provision of Services who have the necessary qualification.
  - 5.3 In case of the provision of Services within our business premises, Supplier will comply with the applicable safety instructions, which are available at the entry of our business premises and provided to the Supplier on request, and follow safety instructions of our employees. Plant and visitor identity cards have to be worn visibly at any time and returned when exiting the business premises.
  - 5.4 The Supplier has to report an insufficient or late cooperation by us without undue delay in writing. Otherwise, we will not be in default with regard to our obligation to cooperate.

## **6. Terms of Service and Delivery, Transfer of Risk**

- 6.1 All service / delivery dates or service / delivery times and service / delivery place and destination stated in the contract or otherwise agreed upon are binding. If a service / delivery date is agreed upon, it shall refer to the provision of services or receipt of goods at our business premises, unless otherwise explicitly agreed upon; the agreement on a deviating Incoterms 2010 provision shall not constitute such an agreement. Early services / delivery shall not be permitted.
- 6.2 The Supplier shall be obliged to immediately inform us in writing of any impending or existing delay regarding service / delivery dates or service / delivery times, the reasons for and the anticipated duration of such a delay. The foregoing shall not affect the occurrence of a default in providing services or delivery.
- 6.3 In the event of a Supplier's default in providing services or delivery, we shall be entitled to charge a contractual penalty in the amount of 0.5 % of the price of the delayed Services for each working day of the delay, however, not exceeding 5 % of the said price. Even if the corresponding reservation of rights is not made upon the acceptance of the Services provided or their cure, this contractual penalty may still be claimed until the date of final payment. The contractual penalty shall be deducted from damage claims.
- 6.4 A partial provision of services or delivery of goods by the Supplier shall be subject to our prior written approval.
- 6.5 If not otherwise agreed upon, the risk of accidental loss or damage to the goods shall pass to us upon proper and complete delivery (carriage paid) at the agreed place of delivery; the goods shall be deemed to be sold "DDP" (delivery duty paid, Incoterms 2010). This shall also apply if shipment by a forwarding company has been agreed upon. The Supplier shall be obligated to deliver the original customs documentation to the agreed place of delivery.
- 6.6 The Supplier shall observe the terms of the VARTA Shipping and Packing Instructions and shall obtain approval in case of any deviations.

## **7. Requirements for Services / Examination of Contracts**

- 7.1 The Supplier warrants that its Services meet the requirements stated in the contract.
- 7.2 The Supplier shall examine the requirements stated in the contract and inform us if these are incomplete, incorrect or inconsistent, or if the Services cannot be provided by the Supplier according to the requirements (e.g. the index or version) stated in the contract.

## **8. Default and Warranty**

- 8.1 We shall be entitled, without limitation, to exercise all rights and remedies with regard to default for nonperformance or failure to render performance as owed under the applicable law. We are especially entitled, at our discretion, to demand remedy of defects or provision / delivery of services / goods free of defects. Furthermore, we are entitled to issue debit notes. We reserve the right to claim damages, especially the right to claim damages in lieu of performance.
- 8.2 Deviations in quality or quantities shall in all cases be deemed to have been duly reported if notification of deviation is received by the Supplier within 14 days after provision of the services or receipt of the goods. Notification of concealed defects shall in all cases be deemed to have been given duly if received by the Supplier within 14 days after their discovery.
- 8.3 Acceptance or approval of samples provided does not constitute waiver of warranty claims by us.
- 8.4 In cases of imminent danger, we shall be entitled, after giving notice to the Supplier, to remedy defects at Supplier's expense. The same shall apply if a deadline set by us for remedy of a defect has not been met.
- 8.5 The Supplier shall bear the costs and risk related to the return of defect goods.
- 8.6 Warranty claims shall become time-barred 36 months after the transfer of risk.
- 8.7 If negotiations between the Supplier and us with regard to our written defect notification are in progress, the limitation period of warranty claims shall be suspended.
- 8.8 The Supplier warrants that it fully owns the delivered goods and that no other third-party rights (such as liens,

other creditor positions resulting from the assignment of claims or factorization et cetera) prevent the sale and transfer of the full ownership of the goods.

## **9. Product Liability, Insurance**

- 9.1 The Supplier shall indemnify us and hold us harmless from and against any and all liability or claims of third parties based on the manufacture, delivery, storage, or intended use of the delivered goods / provided services. The above indemnification shall not apply if the claim is based on our intentional or grossly negligent breach of a duty.
- 9.2 If we are forced to start a recall due to a defect of goods delivered by the Supplier, the Supplier shall bear all our expenses resulting from or in relation with such recall. The obligation to bear our expenses shall apply irrespective of whether the Supplier is at fault or not.
- 9.3 The Supplier shall, at all times during a contract based on these Conditions of Purchase, maintain product liability insurance with adequate minimum insurance coverage and show evidence of this on our request. Any further claims for damages shall remain unaffected.

## **10. Objects provided by us**

- 10.1 All objects provided by us, e.g. images, equipment, calculations, documents, components, materials, measuring instruments, models, patterns, plans, means of production, packaging, devices, tools, drawings or other objects, which we provide to the Supplier in order to enable the production of goods / the provision of services, ("Objects Provided"), remain in our property, unless otherwise explicitly agreed upon. The Suppliers shall be obliged to immediately check and inspect the Objects Provided; objections have to be reported in writing immediately. The Supplier may only use the Objects Provided for the provision of the services / delivery of goods and shall not use the Objects Provided for other purposes or grant third parties a right to use the Objects Provided without our prior written approval.
- 10.2 We remain owner of all copyrights and industrial property rights with regard to the Objects Provided.
- 10.3 The Supplier shall be obliged to label the Objects Provided as our property and store them separately at its own expense. Furthermore, the Supplier shall be obliged to use the Objects Provided with due diligence, to keep them in proper condition (e.g. to carry out the maintenance, care and partial renewal) and, if necessary, replace them. The Supplier shall be obliged to take out an adequate insurance for the Objects Provided against destruction and loss at its own expense and, upon request, prove this insurance to us.
- 10.4 Any processing, intermixture and combination (further processing) of Objects Provided shall be done for us.
- 10.5 Upon our, at any time possible, request, Supplier has to return the Objects Provided to us or destroy them and confirm the destruction in writing.

## **11. Intellectual Property**

- 11.1 All work results created in connection with providing the Services and all industrial property rights regarding such work results exclusively belong to us. The Supplier grants us an exclusive, irrevocable, perpetual, worldwide and, in terms of content, unlimited license regarding such work results. Insofar as already existing work results or industrial property rights are used for the provision of Services, Supplier grants to us a non-exclusive, irrevocable, perpetual, worldwide and, in terms of content, unlimited license with regard to these. We shall become owner of all objects which are handed over to us in connection with the provision of the Services by Supplier.
- 11.2 The Supplier warrants that no third-party intellectual property rights will be infringed in connection with its Services and that the work results can be used worldwide without infringing third-party intellectual property rights.
- 11.3 The Supplier shall indemnify and hold us harmless against all third-party claims arising from any infringement of the intellectual property rights named in section 11.2 and shall reimburse all our necessary expenses in this regard. This obligation shall apply irrespective of whether the Supplier is at fault or not.

11.4 The Supplier shall not be entitled to use our marks, logos or other symbols in order to refer to us as a reference.

## 12. REACH-Regulation/RoHS

- 12.1 The Supplier warrants to fulfill all its and our obligations under the regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH-Regulation"), as amended from time to time, according to the REACH-Regulation at its own cost.
- 12.2 Insofar as the REACH-Regulation prevents the transfer of obligations from us to the Supplier, the Supplier shall inform us in this regard without undue delay and shall fully support us in fulfilling our obligations free of charge.
- 12.3 If the Supplier has its headquarters outside of the European Union, Supplier shall be obliged to appoint an agent with its office within the European Union which fulfills the obligations under the REACH-Regulation and shall inform us in this regard.
- 12.4 The Supplier warrants to fulfill all its obligations under the regulation 2011/65/EU („RoHS“) in its latest version.

## 13. Conflict Minerals

The Supplier shall be obliged to comply with the provisions under section 1502 of the "Wall Street Reform and Consumer Protection Act" ("Dodd-Frank Act") on conflict minerals. If conflict minerals are necessary for the production or functionality of the goods delivered by the Supplier, the origin of these conflict minerals has to be revealed. Upon our request, the Supplier shall fully and without undue delay provide us with the documentation on the use and origin of conflict minerals.

## 14. Code of Conduct

- 14.1 The Supplier shall be obliged to comply with the respective laws of the applicable legal system(s). Furthermore, the Supplier shall be obliged to observe the international standards on ethical conduct, especially as specified by the "European Convention on Human Rights" and the "Declaration of the International Labor Organization on Fundamental Principles and Rights at Work".
- 14.2 In accordance with the "ICC Rules of Conduct and Recommendations for Combating Extortion and Bribery" and the "Business Principles for Countering Bribery" published by Transparency International, the Supplier is prohibited from tolerating or becoming involved in any form of bribery or corruption.
- 14.3 The Supplier shall be obliged to promote equality of opportunity and equality of treatment of its employees regardless of their color, race, nationality, social origin, any disabilities, their sexual orientation or political or religious convictions, gender or age and to respect the personal dignity, the privacy and the personal rights of each individual.
- 14.4 The Supplier shall be obliged not to force anyone to work and not to employ anyone against his or her will. Furthermore, it undertakes not to tolerate unacceptable treatment of employees, such as physical punishment, mental cruelty, sexual or personal harassment or discrimination; moreover forms of behavior (including gestures, language and physical contact) which are sexual, coercive, threatening, abusive or exploitive.
- 14.5 The Supplier shall ensure fair payment of its employees, pay the same rate for the same work and observe any national legislation on minimum wages. Moreover, the Supplier shall comply with the maximum working hours laid down in individual countries and recognize, as far as legally permissible, the freedom of association of its employees and neither favor nor discriminate against members of employee organizations or labor unions.
- 14.6 The Supplier shall recognize and observe the right of children. The Supplier shall comply with Conventions 138 and 182 of the International Labor Organization banning child labor. It is forbidden for the Supplier to hire workers or employees under the age of 15; in countries which under the ILO Convention 138 qualify for the developing country exception the minimum age is reducible to 14.
- 14.7 The Supplier shall be obliged to take responsibility for the health and safety of its employees, to reduce risks and to take all possible precautions to avoid accidents and

occupational diseases as well as to train all employees in health and safety, in particular in the handling of hazardous substances.

- 14.8 The Supplier shall observe environmental protection within the framework of applicable legal standards, minimize adverse impact on the environment and constantly improve environmental protection. Moreover, the Supplier shall be obliged to put an environmental management system in line with ISO 14001 in place and/or apply such an environmental system.
- 14.9 Finally, the Supplier shall be obliged to take appropriate steps to promote compliance with this section 14 by its suppliers and to observe the principles of non-discrimination when selecting and dealing with suppliers.
- 14.10 We reserve the right to audit compliance with this section 14 by the Supplier at any time and without prior notification or to have compliance audited by independent third parties; such inspections in the premises of the Supplier shall be carried out in coordination with the Supplier, to the extent necessary, and in accordance with prevailing legislation.

## 15. Confidentiality

- 15.1 The Supplier shall be obliged to treat all trade and business secrets, or information and documents which are labeled as confidential, or for which the circumstances indicate that they are confidential, as confidential, to not disclose these to third parties and only use these for the performance of the contract. These obligations shall remain effective for a period 5 years after the end of the contract.
- 15.2 The abovementioned obligations shall not apply with regard to information which is generally known or is disclosed to Supplier by a third party without a breach of confidentiality obligations.
- 15.3 The Supplier shall be obliged to ensure that persons, who it uses to fulfill its contractual obligations, agree to the abovementioned obligations as well and comply with these.
- 15.4 Upon our, at any time possible, request, Supplier has to return the documents, which it received from us and which are subject to the foregoing obligations, without undue delay, or to destroy the documents and confirm the destruction in writing. The Supplier shall not be entitled to exercise rights of retention in this regard.
- 15.5 In addition, the Supplier shall not be entitled to use us as a reference without our prior, at any time freely revocable, written approval.

## 16. Severability Clause, Choice of Law, Jurisdiction

- 16.1. If one or more provision(s) of this contract are or become fully or partly invalid under the applicable law, this shall not affect the validity of other provisions of this contract. Each provision, which is fully or partly invalid, shall be replaced by a valid provision which realizes the intention of the invalid provision in the best way possible. The same shall apply in case of a regulatory gap.
- 16.2 This contract as well as all contracts based on these Conditions of Purchase shall be governed by and construed in accordance with the law of the Federal Republic of Germany, except for the conflict-of-law rules. The UN Convention on Contracts for the International Sale of Goods shall not apply.
- 16.3 Place of performance and place of jurisdiction for and any all disputes arising out of or in connection with this contract or contracts based on this Conditions of Purchase shall be Ellwangen, Germany. Nevertheless, each Party shall be entitled to file a claim at the other Party's place of general jurisdiction.