

## General Conditions of Purchase

### of Lippert GmbH & Co. KG

Version: 12/2020

#### 1. Scope

Orders of every kind (afterwards: "supply" or "performance") of Lippert GmbH & Co. KG (afterwards: "LIPPERT" or "we") are made exclusively on the basis of the following conditions of purchase ("General Conditions of Purchase"). Our General Conditions of Purchase can be accessed on the internet at <https://www.lippert.de/en/conditions-of-purchase/> and can be saved in reproducible form and printed out by contractual partners ("suppliers") at any time. To the extent that nothing else has been agreed, the version of our Conditions of Purchase which is valid at the point in time of our order, or in any case in the form last provided to the supplier, shall apply to future agreements without us having to make reference to them on a case-by-case basis. Our General Conditions of Purchase only apply to businesses (section 14 of the German Civil Code [BGB]), legal entities of public law and special funds of public law according to section 310 of the German Civil Code. Conflicting terms and the purchase conditions of suppliers are hereby expressly excluded. The general terms and conditions of our contractual partners shall only apply if we have given our express written consent to this on a case-by-case basis. The requirement that consent must be given applies in every case, e.g., even when LIPPERT accepts the supplier's deliveries unconditionally although it has knowledge of the supplier's conditions of purchase. Additions to this agreement or ancillary agreements must be made in writing. This also applies to any amendment to this requirement of written form.

#### 2. Acceptance of contract

Acceptance of our orders is to be made in writing within 5 days of the order being made or in particular to be carried out by unconditionally dispatching the goods. An order confirmation that is received later than this or that differs in content from the order shall be deemed to be a new offer and must be accepted by LIPPERT in writing to be effective.

Requests for deliveries or services shall become binding after 14 days at the latest unless the supplier has countermanded them in writing.

Prior written notice by LIPPERT is necessary for the order to be transferred to third parties, including for rights and liabilities arising from it to be assigned. If this provision is not observed, we reserve the right to withdraw from the contract by

written declaration and/or to demand appropriate damages.

#### 3. Delivery schedules and deadlines

Agreed delivery and service schedules shall be deemed to have been fulfilled if the goods have arrived at the delivery address at the point in time indicated in the order or the service has been provided at the agreed time.

The supplier undertakes to inform LIPPERT in writing without delay of circumstances that could affect timely delivery or service as soon as these circumstances become known, giving grounds for these and their expected duration. LIPPERT reserves the right to grant extensions to delivery times.

The supplier shall be in default without notice being given as soon it exceeds the delivery time and is liable for this. If delivery schedules and times are not adhered to, LIPPERT reserves the right to withdraw from the contract by written declaration after an appropriate supplementary deadline has been set. Apart from this, the supplier shall be liable - alongside further statutory claims - for the following amounts in damages for loss due to default: A contractual fine of 0.5% of the value of the delivery or service subject to default for each working day in default, but only to a maximum of 5% of the total value of this delivery or service. We reserve the right to assert losses above and beyond this contractual penalty.

The supplier shall include a delivery or service note with each delivery or service stating the delivery and order number. The supplier shall affix the appropriate inspection certificates to the delivery. Furthermore, the wording of the delivery or service note must correspond exactly to the order and order confirmation and to all relevant details, in particular to the date (date issued and dispatched) as well as to the contents of the delivery (all individual parts, weights, measures, goods nos.) and also include the LIPPERT order number and order date.

#### 4. Conditions of payment

The price of deliveries or services agreed in writing is a fixed price and shall apply to deliveries or services without charge for delivery to the delivery address or place where the service is to be rendered. It includes packaging, transport, import duties, carriage, insurance and similar, if nothing else has been agreed.

The supplier shall make its invoice in the currency which was given in the order. VAT is to be separately stated in the order confirmation and the invoice as a percentage and a sum. The invoice must contain all the relevant details of the delivery or service note.

To the extent that nothing to the contrary has been agreed, we pay invoices either within 30 days with a 3% discount, or within 60 days without a discount, in each case counted from the time we receive the invoice at LIPPERT headquarters in Pressath. If the goods only reach us after the invoice, this date shall count for determining payment deadlines and the deadline for the discount. Invoices that are incomplete and/or that cannot be checked, - in particular invoices that do not have an order number/orderer, order date and/or confirmation of receipt - will be sent back to the supplier to be completed. The period for payment shall only begin after the completed invoice has been received. If payment is made by bank transfer, payment shall be deemed to be on time if we have instructed our bank to make the transfer before expiry of the payment deadline; we shall not be responsible for delays to payments caused by the banks processing them.

LIPPERT is entitled to rights of retention and the defence of unperformed contract to the extent laid down by law. If performance is incomplete or defective, we shall be entitled to retain a proportionate amount of the payment due until proper performance has been rendered.

LIPPERT shall be entitled to set off all claims for payment that LIPPERT is entitled to against the supplier against the claims for payment that the supplier asserts against LIPPERT. The supplier shall only be permitted to set off claims for payment against LIPPERT if they are undisputed claims of the supplier's or claims that have been established in final judgment.

## 5. Confidentiality

LIPPERT retains all rights to ownership and copyright without exception to images, drawings, plans, layouts, calculations, materials, models, drafts, patterns, tools, devices and other aids, objects or documents belonging to LIPPERT; they may not be made accessible to third parties, be reproduced or used for purposes other than those determined by LIPPERT without our express prior permission in writing. They are to be used exclusively for carrying out the order made by LIPPERT.

The supplier shall undertake to treat all commercial or technical knowledge or data that is not commonly known as well as other information that it becomes aware of in the course of business dealings as business secrets and not to make them accessible to third parties. These obligations shall not apply to the extent that the supplier discloses the information exclusively to authorised persons who require them in order to execute the contract.

These obligations shall not apply - to the extent that the supplier can supply evidence - to such information that:

- become publicly known to an authorised person without the supplier breaching his duty or - to the extent the supplier can know - without an authorised person breaching his or her duty;
- were already publicly known when the contract was concluded;
- the supplier receives or received from a third party if the third party cannot know that the third party is obliged to keep confidentiality vis-à-vis LIPPERT;
- becomes known to the supplier independently from LIPPERT.

With respect to keeping information confidential, the supplier shall undertake to exercise at least the same care as it would in its own affairs, and in any case to exercise the care required for business dealings.

The supplier shall enjoin sub-suppliers that it commissions to keep the provisions above accordingly.

## 6. Warranty

The supplier shall ensure that the supplied objects are free from material and legal defects. It shall ensure in particular that its deliveries and services correspond to accepted engineering standards and the contractually agreed attributes, norms as well as safety, worker safety, accident prevention and other provisions.

Inasmuch as differing written agreements have not been made, claims for defects to supplied objects shall expire 24 months from initial operation/use of the final product. LIPPERT is entitled to the full extent of the statutory claims for defects. At LIPPERT's choice, the supplier shall either repair the defect or provide a replacement. The supplier is entitled to a maximum of two attempts to repair the defect within an appropriate period of time. If after notification of the defect has been given the supplier is manifestly unwilling or is unable to repair the defect as quickly as is necessary to avert disproportionately greater losses, LIPPERT has the right to repair the defect itself or have it repaired by third parties to make replacement purchases and to request reimbursement of the necessary costs. If the supplier has not repaired the defect after the expiry of an appropriate period set by LIPPERT or if repairing the defect has ultimately failed, LIPPERT shall also be entitled to reduce the purchase price, withdraw from the contract or to require the reimbursement of expenses or damages.

The supplier shall undertake to pay a general fee for costs amounting to €150,00 plus VAT for the

processing of each incidence. The period of limitations shall be 24 months if a longer period of limitations is not laid down by law.

## **7. Rights of third parties**

The supplier assures that there are no third party rights that conflict with the intended use of the purchased goods, and in particular that the proprietary rights of third parties are not infringed. If claims for potential infringement of third party rights, e.g., copyrights, patent and other proprietary rights, are nevertheless made against us, the supplier shall indemnify and hold us completely harmless from these and from all liability and damages in this regard.

## **8. Termination of orders/contracts**

The following provisions shall govern contracts/orders concerning the delivery of goods or contracts/orders for providing services:

Either party may withdraw from a contract for compelling reason at any time in writing without observing the notice period. A compelling reason shall be given in particular in the following cases:

- when one of the parties stops making payment, insolvency proceedings are opened against the assets of one of the parties or insolvency is refused due to a lack of funds or when one of the parties is liquidated;
- the breach of essential contractual obligations that must be fulfilled for the contract to be executed;
- one of the parties comes under the dominant influence of a competitor of the other party due to one of its members or shareholders.

In particular LIPPERT is entitled to rights to terminate in the following cases without becoming liable to the supplier for damages:

- the supplier violates the Minimum Wage Act
- in all cases of corruption and distorting competition
- in all suspected cases of child labour and violations of applicable human rights.

The supplier shall bear the duty of proof in the above cases. All terminations shall be made in writing.

If a contract is terminated or ended in another way, the supplier shall return all objects provided to it by LIPPERT, including all drawings and other documentation, devices and tools, without delay and without further request.

## **9. Observing the Minimum Wage Act**

The supplier shall assure that the wages paid to its staff at least correspond to the currently valid statutory minimum wage. The supplier also makes this assurance regarding its sub-suppliers. It will observe the provisions of the Minimum Wage Act [MiLoG] to their full extent in order to avoid violations.

## **10. Retention of title**

Ownership of the supplier goods shall pass to LIPPERT on full payment. Any other extended or expanded retention of title of the supplier's is excluded.

## **11. Force majeure**

LIPPERT shall be entitled to withdraw from orders due to disruption to production or delivery caused by unavoidable events, e.g., natural catastrophes, war, epidemics and pandemics as well as ordinances of public authorities; in all other cases where receipt is hindered without fault, the delivery and payment period shall be extended according to the duration of the delay.

## **12. Quality control**

The supplier shall notify the relevant person at LIPPERT in a timely way, at least 10 working days in advance of delivery, whenever changes are made to production procedures, materials or supplied parts, production locations, processes or installations for inspecting the objects to be supplied or to other measures that can have an effect on the quality and/or safety of the objects to be supplied. Changes to fixed specifications may not be made without the consent of LIPPERT.

All changes to the objects to be supplied and changes with relevance to products in the process chain are to be documented in a product life cycle. Items to be documented include: amendments to drawings, deviations, changes to procedures, changes in methods of inspection and frequency of inspection, changes in suppliers, supplied parts and working materials. Documentation of product life cycles is to be disclosed upon request.

## **13. Corruption, human rights, child labour, working conditions and the environment**

A supplier that enters into contractual relations with LIPPERT shall assure the following, among other things:

- It will strictly forbid corruption and the crimes related to it and thoroughly investigate and clarify every suspicion of the foregoing;
- It will respect internationally recognised human rights and support their observance. This includes rejecting the use of forced labour:
- It will not employ any form of child labour and also forbid it in its own delivery chain;
- It will prevent all forms of discrimination according to the applicable laws. This applies in particular to discrimination of staff members on the basis of their gender, race, disabilities, ethnic or cultural identity, religion or world-view as well as their age or sexual orientation.
- It will remunerate all its staff members according to collective agreements, as laid down by applicable law - this includes minimum wages, overtime and statutory social insurance benefits. Moreover, suppliers must observe the right of their staff members to join federations and unions, to act as staff representatives and to be able to join the works council in accordance with the law in force.
- It will correspond to the statutory provisions in force and international standards on protecting the environment. Effects on the environment must be kept as small as possible and protection of the environment continually improved.

Regarding this point (13.) LIPPERT reserves claims for damages amounting to a corresponding sum for each violation by the supplier.

#### **14. Place of fulfilment, legal status and jurisdiction**

The place of fulfilment for all claims arising from the legal relations with suppliers, that is for all deliveries, services and payments, shall be the place where the goods are to be delivered according to the order or where the service is to be provided.

These Conditions of Purchase and all legal relations between LIPPERT and the supplier shall be subject to the law of the Federal Republic of Germany to the exclusion of the United Nations Convention on the International Sale of Goods (CISG) of 11/04/1980.

The jurisdiction for all disputes arising from this contract directly or indirectly is Weiden in der Oberpfalz.