

**Section 1 Scope**

(1) All deliveries, services and offers from our contractors shall exclusively be subject to these Standard Terms and Conditions of Purchase. They shall apply for all future deliveries, services or offers made to the Contractor even in those cases where they are not specifically incorporated by reference.

(2) The business terms and conditions from our contractors or third parties shall not apply even if their applicability is not specifically objected to in any given case. Even if we reference a writing or correspondence from the Contractor or a third party containing or referencing its business terms and conditions, this shall not be considered acceptance of the applicability of these business terms and conditions. The acceptance of goods or services as well as any payments made by the purchaser does not constitute assent to the Contractor's general business terms and conditions.

**Section 2 Orders and Acknowledgment**

(1) STRATEC SE (hereinafter: the "Purchaser" or "STRATEC") may revoke the purchase order, if the designated contractual partner (hereinafter: the "Contractor") does not accept within one week of receiving the purchase order in writing ("Acknowledgment of Order").

(2) If the Contractor's Acknowledgment of Order differs from the purchase order, the Purchaser shall not be bound by any conditions contained therein, unless the Purchaser has assented to the different terms in writing. Amendments or additions to the purchase order shall only be effective if consented to by the Purchaser in writing. These terms and conditions may only be waived in writing.

(3) "Goods" within the meaning of these terms and conditions are items that the Purchaser procures from the Contractor through a purchase agreement including computer software; "services" within the meaning of these terms and conditions are work and services, which are rendered by the Contractor for the Purchaser.

(4) We shall be entitled to alter the time and place of delivery as well as the type of packaging at any time upon written notice of at least 5 (five) calendar days before the stipulated delivery date. The same shall apply for changes to product specifications to the extent that these changes can be implemented within the scope of the Contractor's normal production process without the incurring of considerable effort and expense, whereupon in these cases we will notify Contractor according to the above sentence at our earliest point in time. We shall reimburse the Contractor any reasonable and verifiable additional costs that accrue by virtue of any changes. If these changes result in a delay of delivery, which is unavoidable taking into account reasonable efforts undertaken in the Contractor's normal production and business operations, the originally stipulated delivery date shall be adjusted correspondingly. The Contractor must seasonably inform us in writing about any anticipated additional expenses or delivery delays before the date scheduled for delivery according to the Contractor's diligent assessment at least 5 (five) business days after receipt of our notice pursuant to the 1<sup>st</sup> sentence of this subsection above.

**Section 3 Prices, Payment Terms, and Invoicing Details**

(1) The price specified in the order is binding.

(2) Unless otherwise provided for in writing, the price shall include shipping and handling, which shall also include packing, to the address specified in the contract.

(3) If according to the concluded agreement the price does not include packing and the consideration for packing has not been expressly set forth – this does not apply to packing that is provided on loan – then the consideration charged therefor shall be based on the verifiable cost price. Upon our request the Contractor must take back packing material at its expense.

(4) Unless otherwise agreed, we shall remit payment of the net purchase price within 60 days of invoice receipt and delivery of the goods or discount the purchase price by 2% if after delivery of the goods payment is made within 20 days of invoice receipt. The timing of payments due and owing shall be determined by our bank's receipt of our payment order.

(5) Our order number, the article number, quantity and address for delivery must be provided in all Acknowledgments of Order, bills of lading and invoices. If any of this information is missing, which causes processing delays within the scope of our normal business operations, then the payment periods specified in subsection 4 hereto shall be extended by the period of the resulting delay.

(6) In the event of payment default, default interest may be charged at 4 percentage points over the base interest rate pursuant to section 247 of the German Civil Code (BGB).

**Section 4 Delivery and Tender, Risk of Loss**

(1) The delivery time set forth in the order (delivery date or delivery period) shall be binding. Early deliveries shall not be permissible. The tender of deliveries shall be carried out according to Incoterms (in its latest revision) at the delivery address found on the face of the purchase order. Unless otherwise agreed to delivery shall be made CPT (Incoterms in its latest revision) Birkenfeld.

(2) The risk of loss shall pass to us when the goods are tendered at the stipulated destination (*Versendungskauf*).

(3) The Contractor is obligated to inform us in writing without undue delay if circumstances arise or become apparent, which indicate that delivery dates and times cannot be met.

(4) If the contract specifies the last day by which delivery must be tendered, the Contractor shall be in default at the end of this day without there being a requirement that we notify the Contractor about its contractual default.

(5) In the event of a delay in delivery we shall be entitled to the full array of statutory causes of action including rescission and claims for compensatory damages in lieu of specific performance after the expiration of a reasonable period for cure.

(6) In the event of delivery delay we shall be entitled upon prior written warning to the Contractor to liquidated damages in the amount of 0.5% for each week of delay or part thereof, but no more than 5% of the respective value of the order. Liquidated damages shall be credited against any loss or damage caused by the delay that must be compensated for by the Contractor.

(7) The Contractor may not make instalment deliveries without our prior written consent.

**Section 5 Title to Property**

(1) We shall retain title and copy and authorship rights to orders we submit as well as to the drawings, illustrations, calculations, descriptions and other documents furnished to the Contractor. The Contractor may not make such available to third parties or otherwise disclose such as well as use or duplicate or allow the third parties to use or duplicate such without our express consent. The Contractor must return all of these documents to us upon request therefor, if they are no longer required by the Contractor for the orderly course of business or in the event contractual negotiations do not lead to the conclusion of an agreement. Any copies made by the Contractor must be destroyed in such case, except for copies required to be maintained according to law as well as the storage of data for security purposes within the scope of standard data backup procedures.

(2) If we furnish a Contractor with parts, we shall retain title thereto and any processing or alteration by the Contractor shall be carried out on our behalf. If our goods so supplied are combined with items to which we have no title in, then we shall acquire a joint property right in the new article created proportional to the value of the goods we have supplied (purchase price plus VAT) as compared to the other items used at the time processing takes place.

(3) If an item that we have supplied is inextricably incorporated with articles that do not belong to us, then we shall acquire a joint property right in the new article created proportional to the value of the item we have supplied (purchase price plus VAT) as compared to the other articles used at the time incorporation takes place. If the incorporation is such that the Contractor's article must be viewed as the primary product, then the parties shall be in agreement that the Contractor shall assign and transfer to us a proportionate joint property interest therein; the Contractor shall take custody of the property as either a wholly owned interest or a joint property interest on our behalf.

(4) Tools, equipment, material, machines, special test devices, tapes and gauges, and other items, which have been provided to the Contractor or specially manufactured and separately invoiced to us by the Contractor shall remain or become our property. These items are to be marked by the Contractor as our property, which must be diligently maintained and insured against all types of losses as well as only used for the purposes intended according to contract. The Contractor shall be held liable for loss or impairment in value, save for normal wear and tear, and subject to replacement obligations. The Contractor shall promptly inform us about any damage to these items. The Contractor must surrender these items in proper condition upon request therefor, if they are no longer needed by the Contractor to render performance pursuant to the agreements executed with us. The items may not be used for other orders without the Purchaser's written consent.

**Section 6 Warranty Claims**

(1) In the event of any defect or non-conformity all statutory claims shall be at our disposal without limitation. In any event we shall be entitled at our discretion to demand repair or replacement from the Contractor. The warranty period shall be for a 24-month period commencing upon receipt of the goods.

(2) The German statutory provisions regarding the duty of inspection and notice (sections 377 and 378 of the German Commercial Code (HGB)) shall apply with the following provision: STRATEC shall conduct a stock receipt inspection with regard to patently outward damage and readily discernible deviations of type and quantity (e.g. transport damage, incorrect deliveries of type or quantity). Notice about these types of non-conformities shall be given promptly - at the latest within 5 business days. We reserve the right to conduct a more profound inspection. Furthermore, we shall provide notification of latent defects as soon as they become apparent during the due course of business. To this extent the Contractor hereby waives any defences regarding any failure to provide timely notice. If acceptance is stipulated to, there shall be no duty to inspect.

(3) The approval and acceptance of submitted samples or prototypes shall not mean that we waive any warranty claims.

(4) The Contractor's receipt of our written notice of defects shall toll the limitations period for warranty claims. In the event of repair or replacement the warranty period shall begin anew for the parts that have been repaired or replaced, unless we must assume based on the Contractor's actions that it did not view itself as being obligated to undertake such measures, but

rather carried out such repair or replacement work as an accommodation or sign of goodwill.

#### **Section 7 Product Liability**

(1) The Contractor shall be held liable for all claims asserted by third parties for personal injury or property damage attributable to the defective product delivered by the Contractor and shall indemnify and hold us harmless from any liability resulting therefrom. If we are obligated to conduct a product-recall action because of a defect in a product delivered by the Contractor, then the Contractor shall bear all associated costs of the product-recall action.

(2) The Contractor shall at its own expense maintain a policy of product liability insurance for coverage totalling at least EURO 1,000,000.00, which unless otherwise agreed to in the specific instance need not cover any risks of product recall or criminal fines or similar penalties. Upon request at any time the Contractor shall send us a copy of its policy of liability insurance.

#### **Section 8 Proprietary Rights**

(1) The Contractor represents and warrants that in connection with its delivery no third party proprietary rights are being infringed upon in the countries of the European Union, North America or other countries, in which the Contractor manufactures or authorises the manufacture of products.

(2) The Contractor shall indemnify and hold us harmless from all claims asserted against us by third parties because of an infringement of industrial intellectual property rights as specified in subsection 1 hereto, and shall indemnify us for all requisite expense and effort in connection with such a claim. This right shall exist independent of any fault on the part of the Contractor.

#### **Section 9 Non-Disclosure**

(1) The Contractor is under the obligation to keep and maintain the terms and conditions of the order as well as all information and documents provided for this purpose (with the exception of publicly available information) confidential for a period of 3 years after the termination of the contract and to only use such in order to execute the order. Promptly upon request this material shall be returned to us after all inquiries have been settled or the order completed.

(2) The Contractor may not reference the business relationship in advertising materials, brochures, etc. and exhibit items manufactured for us without our prior written consent.

(3) The Contractor shall correspondingly obligate its sub-contractors in accordance with the provisions of this Section 9.

#### **Section 10 Cancellation**

We may cancel any part of a purchase order at any time in writing or via electronic messaging without cause. In the event of such cancellation the Contractor shall discontinue all work in the scope specified by us with respect to the purchase order cancelled and shall likewise initiate the discontinuance of work by its contractors and sub-contractors. In the event of cancellation of a purchase order the Contractor may invoice only those verifiable costs that have been duly incurred before said cancellation and that are not otherwise covered. Under no circumstances shall the Purchaser reimburse the Contractor for expenses related to goods, stocks or services beyond those, which were necessary in order to satisfy the Purchaser's obligatory time schedule, and only to the extent that such goods, stocks or services may not otherwise be utilised by the Contractor or that may be sold to another customer.

#### **Section 11 Purchaser's Right of Inspection**

We shall have the right to inspect and audit the Contractor's books, business records and catalogues that are associated with the purchase order at any reasonable time upon five (5) days' written notice in order to assess the accuracy and reasonableness of amounts invoiced.

#### **Section 12 Money Allowances**

The Contractor represents and warrants that it has not given, nor in future will give any employee, agent or representative of the Purchaser any benefits in order to secure a business transaction with the Purchaser or to influence such persons with respect to terms and conditions or the performance under a purchase order or other agreement with the Purchaser.

#### **Section 13 Assignment**

The Contractor may not assign any claims other than debt arising from this contractual relationship to third parties. Any assignment of debt by the Contractor to third parties shall, however, require our prior written consent.

#### **Section 14 Amendment to These Standard Terms and Conditions of Purchase**

We may amend these terms and conditions at any time. We shall inform the Contractor about any amendments that have been implemented (e.g. the e-mail) and place an amended version on the Internet available at [http://www.strattec.com/en/instrumentation/about\\_us/terms\\_conditions/terms\\_conditions.php](http://www.strattec.com/en/instrumentation/about_us/terms_conditions/terms_conditions.php). If the Contractor does not object in writing to STRATEC within a month after notice is dispatched, then the amendments shall be considered as assented to by the Contractor independent of any Contractor signatures/acknowledgments.

#### **Section 15 Venue and Governing Law**

(1) Exclusive legal venue for all disputes and litigation arising from or in connection with this agreement shall be the County Court in Pforzheim (*Landgericht Pforzheim*) if the Contractor is a merchant. We may also institute a lawsuit or judicial proceeding before the court(s) having *in personam* jurisdiction where the Contractor maintains its principal place of business.

(2) The agreements executed between the Contractor and us shall be interpreted, construed and governed by the laws of the Federal Republic of Germany, excluding provisions for the incorporation of the United Nations

Convention on Contracts for the International Sale of Goods (CISG) and any conflict of laws provisions.

#### **Section 16 Compliance with Laws**

The Contractor shall, in the execution of its contractual performance hereunder, comply with the Code of Conduct for Suppliers and the Quality Assurance Agreement. These documents will be provided during the supplier qualification process.

#### **Section 17 Data Protection**

Within the course of contractual performance we will collect, process or use personal data about you or your employees, especially for the purposes of delivery or procurement of products and services as well as for servicing the contractual relationship. Personal data may include the following information: company name, contractual partner - identification number as well as cost centre, business address and telephone number, number of the firm - mobile telephone numbers, fax numbers and e-mail addresses. Processing personal data may also involve transmittal to a STRATEC undertaking in a country outside of the European Economic Area ("EEA"), which does not have an adequate level of protection for data. In these cases the transmittal of personal data shall be undertaken on the basis of standard contractual clauses for the transmittal of personal data to foreign countries ("Standard Contractual Clauses"). Accordingly, STRATEC undertakings outside of the EEA shall ensure that personal data will only be collected, processed, or used according to the EU Data Protection Directive (Directive 95/46/EC).