

# General Terms and Conditions of Purchasing

## I. General Terms and Conditions of Purchasing of AL-KO Vehicle Technology

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1.

All goods, supplies and services which you as a company or entrepreneur within the meaning of § 14 (1) BGB (hereinafter referred to as "Supplier") provide to **ALOIS KOBER GmbH** and its affiliated companies within the meaning of § 15 AktG shall be exclusively governed by these Terms and Conditions. They shall also apply to all future business relations, even if they are not expressly agreed again. Supplementary, conflicting or deviating terms and conditions of the Supplier, even without express rejection, shall in no case become part of the contract, unless AL-KO expressly agrees to their validity. These Terms and Conditions also apply if AL-KO is aware of opposing, supplementary or deviating conditions of the Supplier and unconditionally accepts the delivery of the Supplier.

2.

Insofar as framework agreements and individual legal agreements have been concluded between the parties, these take precedence.

3.

All agreements between AL-KO and the Supplier which are concluded for the execution of the contract, also modifications and amendments, must be made in writing. Insofar as agreements between the parties contain provisions which deviate from these Terms and Conditions, these individually agreed contractual provisions shall take precedence.

## II. Purchase Order

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1.

Orders, contracts and delivery call-offs require text form.

2.

If the Supplier does not accept our order within a period of 2 weeks after receipt of the order by written confirmation, a later acceptance shall be deemed a counter-offer and can be either accepted or rejected by us. Delivery call-offs shall become binding at the latest if the Supplier does not object within 2 weeks of receipt and he was informed of this consequence by us in the delivery call-off.

3.

The Supplier may only place subcontracts with our consent.

4.

We reserve the right to make changes to the customary quantities or quality tolerances as long as the price and/or the essential performance features or the delivery time are not changed as a result and the changes/deviations are reasonable for the contractual partner.

5.

If the need arises on our part for a reasonable amendment to the subject of delivery or the customary quantities after conclusion of the contract, the Supplier shall be obliged to conduct appropriate, open-ended renegotiations with us for this purpose. The effects of the amendment with respect to higher or lower costs and the delivery deadline will be taken into reasonable consideration in the renegotiations.

### III. Prices/Payment

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1. The price shown in the purchase order shall be binding. Unless otherwise agreed in writing, the price shall include delivery DAP (Incoterms® 2010\*) to the address of our ordering works, including packaging, freight, insurance, unloading, any taxes, duties and other charges. Price increases shall be valid only when they have been confirmed by us in writing.

\* **Legal notice:** "Incoterms" is a registered trademark of the International Chamber of Commerce.

2. Invoices must be submitted to us separately after delivery in proper form including a sufficient number of copies for processing. An invoice shall only be deemed to be in order if it contains the information required by § 14 (4) of the German Value Added Tax Act ("Umsatzsteuergesetz"). If the invoice does not contain the mandatory information pursuant to § 14 (4) German Value Added Tax Act, it shall not trigger any payment due date. On collective invoices, all orders must be listed separately. The Supplier is responsible for all consequences resulting from non-compliance with this obligation.

3. Unless otherwise agreed in writing, the purchase price shall be paid in the normal business manner and in the currency valid at our factory's place of business within 60 days of delivery of the goods/provision of the services and receipt of the invoice. The agreed period for payment shall begin in each case on the following 1st or 16th of the month after receipt of the goods and invoice.

4. We shall be entitled to any rights to set-off or retention to the extent permitted by law.

5. Any assignment of the Supplier's claims against us to third parties without our written consent is excluded.

### IV. Packaging

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Unless otherwise agreed by individual agreements or by reference to specific packaging standards, the goods shall be packed at least in such a manner as to avoid transport damage. Packaging materials shall be used only to the extent necessary for this purpose and in accordance with EU Directive 94/62/EC of 20.12.1994 on Packaging and Packaging Waste. Recyclable packaging materials shall be taken back by the Supplier freight-free. The Supplier shall be liable for the environmental compatibility of the supplied packaging materials and for any consequential damages resulting from any such breach of contract insofar as these are attributable to the Supplier.

### V. Time of Delivery

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1. The time for delivery shown in the purchase order shall be binding. As far as permitted by law, the Supplier shall be liable without limitation for the timely procurement of the sub-supplies and ancillary services required for the delivery of the agreed goods and provision of the agreed services.

2. The Supplier shall be obliged to notify us in writing without delay if incidents occur or become apparent which may result in delays in the agreed delivery dates.

3. In the event that a new delivery date is specified by the Supplier, our rights to rescission and damages shall be governed by the statutory provisions.

4. If the Supplier defaults on delivery due to circumstances for which he is responsible as a result of exceeding the contractually agreed delivery date, we shall be entitled to demand from the Supplier a lump-sum compensation for default amounting to 1% of the delivery value per completed week of default for additional costs incurred (e.g. for transport, insurance, storage, etc.), but not more than a total of 5% of the contract value in default. If a contractual penalty has been incurred in the event of late delivery, we may assert this in deviation from § 341 para. 3 BGB (German Civil Code) until full payment of the invoice.

We reserve the right to assert claims for proven higher damages, whereby the lump-sum compensation for delay shall be taken into account.

The Supplier reserves the right to prove lower or even non-existent damages.

## **VI. Force Majeure**

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In the event of force majeure, we shall be released from the obligation to accept the goods in good time for the duration of the force majeure.

## **VII. Passage of Risk / Load Securing**

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1.  
Unless otherwise agreed upon in individual contracts, the passage of risk shall be extended beyond the clause DAP (Incoterms® 2010) until after unloading of the goods at the place of destination. Unless otherwise agreed, the place of destination in each case shall be the address of our ordering works.

2.  
When transporting the goods intended for us, the Supplier shall observe not only the legal provisions regarding load securing, but also the applicable recognised rules of technology. The Supplier shall impose the above obligations also on any contracted shipping agents or transport companies.

3.  
If we have indicated a purchase order, inventory or article number in our purchase order, the Supplier shall be obliged to indicate this number in all correspondence and on all shipping documents and delivery notes. Additional work for us caused by the indication of incorrect numbers or the lack of indication of numbers and the consequences of resulting delays shall be borne by the Supplier, insofar as the omission of the numbers or the indication of incorrect numbers is attributable to the Supplier.

## **VIII. Quality and Documentation**

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1.  
Unless otherwise contractually agreed, the Supplier shall for his supplies observe at least the product liability regulations, the generally recognised standards of technology and safety regulations applicable at our contracting factory's place of business as well as the agreed technical data, and shall for this purpose and at his own costs install, maintain and provide evidence thereof, a suitable quality management system (such as DIN EN ISO 9000 ff, VDA 6, ISO/TS 16949 or equivalent).

2.  
We reserve the right to convince ourselves of the effectiveness of the quality management system in the Supplier's works. Changes to the specified product features or to the manufacturing processes influencing the product features shall be notified to or agreed upon with us.

3.  
The Supplier shall monitor the quality of the subjects of delivery at all times. The contract partners shall inform one another of any possibilities for improving the quality.

4.  
If the type and extent of the quality auditing as well as testing means and methods have not been agreed upon between the Supplier and us, we are willing on request by the Supplier to discuss such audits with him based on our know-how, experience and possibilities.

5.  
With regard to the features specifically marked in the technical documents, the Supplier shall furthermore document separately when, by which method and by whom the subjects of delivery have been audited for these features, and what results these audits have produced. The traceability with respect to the material employed and to the production process for the specifically marked features shall be assured by appropriate marking.

6.  
The audit documents shall be archived for ten years and shall be presented to us, on demand. The Supplier shall

oblige his sub-Suppliers to the same extent, as far as permitted by law.

## **IX. Transfer of Rights of Use**

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1.  
Insofar as the purchase involves a service/performance of work or another contract type for the provision of services that are protected by copyright and said copyright lies with the Supplier, the following points shall also apply:
2.  
Unless otherwise separately agreed upon, the originator grants us the non-exclusive right, unlimited in time, space and content and irrevocable right to use the delivery item in all conceivable ways.  
This applies in particular to distribution, exhibition, advertising as well as modification or processing.
3.  
For the granting of the above rights, the copyright holder shall receive a royalty that is already included in the agreed price.

## **X. Customer Supplies**

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Insofar as we provide materials, parts, tools, containers and special packaging ("Supplies"), these shall remain our property. The use of the materials provided may only take place as intended within the framework of the contracts concluded. The processing of materials provided by us and the assembly of parts using materials provided by us to form a new movable object shall be carried out for us. It is agreed that we are co-owners of the new products made from the materials provided in proportion to the value of the total product. The Supplier shall hold the co-ownership in safe custody for us.

## **XI. Confidentiality**

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1.  
The Supplier shall undertake to treat all commercial or technical details which are neither public, nor publicly accessible and which become known to him through the business relationship with us, as business secrets.
2.  
Thus, the Supplier shall be obliged to treat all non-public drawings, models, templates, samples, illustrations, calculations and other documents and information received with the strictest confidence. They may only be disclosed or made accessible to third parties with our prior express authorisation. The duplication of such items is permitted only within the framework of the operational requirements and the copyright stipulations. The confidentiality obligations shall continue to apply even after completion of the contract; the obligation shall expire when and insofar as the know-how contained in the documents supplied becomes known in the public domain.
3.  
Information which is generally known, independently developed or lawfully obtained from a third party is considered to be public.
4.  
Sub-Suppliers shall be obliged accordingly.
5.  
The Supplier shall be entitled to advertise the business relationship with us only with our prior written approval.

## **XII. Claims for Breaches of Contract by the Supplier and Recourse**

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1.  
The Supplier warrants to the extent permitted by law that the goods delivered by him are free from non-conformities (defects), that they possess the warranted characteristics and comply with the agreed requirements, the statutory provisions, the relevant administrative regulations, the latest state of the art, the DIN standards and the relevant accident prevention regulations.  
The Supplier warrants furthermore that he fulfils the legal requirements for the provision of the ordered supply/service at all times, in particular that he or any sub-contractor mandated by him provides the personnel employed to carry out the service with the working and employment conditions required by law, by the public authorities and by the collective

agreement applicable in the country in which the contractual delivery/service is to be performed. The warranty shall cover in particular also payment of the personnel employed to carry out the service at a rate of at least any applicable legal or collective agreement minimum wage provisions and compliance with all associated reporting obligations.

2.

We undertake to inspect the goods within a reasonable period of time for any deviations in quality or quantity; the complaint shall be deemed to have been made in good time if, in the case of obvious defects, it is received by the Supplier within a period of 5 working days from receipt of the goods or, in the case of hidden defects, within a period of 5 working days from discovery.

In the event of a direct delivery by the Supplier to one of our customers or in the event of drop shipments by us, this period shall be extended by a further period of 5 working days unless the customer reports the fault directly to the Supplier.

3.

We shall be fully entitled to remedies for breach of contract by the Supplier including all remedies for defects in the delivery or service, whereby this shall apply without restriction in deviation from § 442 para. 1 sentence 2 BGB even if the defect remained unknown to us as a result of gross negligence at the time the contract was concluded. The applicability of § 439 para. 4 BGB is excluded.

4.

The Supplier's liability for defects shall last for three years, calculated from the date of delivery or performance.

5.

The provisions of these Global Purchasing Terms and Conditions, in particular also the provisions on warranty for defects, shall apply also to replacement deliveries or repairs insofar as these are performed willingly by the Supplier within the framework of the statutory subsequent performance.

6.

The Supplier shall indemnify us for all claims asserted against us by third parties due to a culpable act of commission or omission by the Supplier or by his vicarious agents. The indemnification obligation shall apply in particular also to claims by third parties arising out of a culpable infringement of the warranty assumed by the Supplier under sub-clause 1 above.

### **XIII. Rights of Rescission and Termination**

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1.

In addition to the additionally applicable legal rights of rescission, we shall also be entitled to withdraw from or to terminate the contract with immediate effect if

- a. The Supplier discontinues his deliveries,
- a. The Supplier defaults on payments, becomes insolvent or becomes overindebted,
- c. In the case of partial performance by the Supplier, we have no interest in partial performance and a reasonable grace period granted for the remaining performance has expired fruitlessly.

2.

Insofar as we withdraw from or terminate the contract on the grounds of the above contractual rights of rescission and termination, the Supplier shall compensate us for all resulting damage unless the reasons for the withdrawal or termination are beyond his control.

### **XIV. Defects of Title**

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1.

The Supplier warrants to the extent required by law that the goods supplied by him do not result in any violation of rights, and in particular any violation of laws, ordinances or any other official regulations.

2.

The Supplier warrants to the extent required by law that he owns full title to any and all goods supplied, and that such goods do not infringe any third party rights (such as industrial property rights, copyrights, liens, other creditors' rights from assignment of claims or from other collateral securities, factoring, hire purchase, purchase under reservation, etc.).

3.

Should any third party assert claims against us in connection with the supply of goods, the Supplier shall be obliged to indemnify us against these claims on our first written demand, insofar as he is responsible for the breach of obligation leading to the third-party claim against us.

4.

The Supplier's indemnification obligation shall apply to all expenses necessarily incurred by us arising out of or in connection with the third-party claim against us.

## **XV. Product Liability; Manufacturer's Liability**

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1.

If the Supplier is responsible for a product fault as a result of a fault in the subject of the contract supplied by him, the Supplier shall be obliged to indemnify us against all claims by third parties on our first demand. Responsibility on the part of the Supplier shall be assumed in particular if the cause has been deemed to lie in his field of control and organisation and he is also liable himself vis-à-vis third parties.

2.

In the event of a fault-based liability (e.g. manufacturer's liability) on the part of the Supplier, this shall apply only if the Supplier is at fault.

3.

In this context, the Supplier shall also be obliged to compensate us for any expenses arising out of or in conjunction with a recall action initiated by us. We will inform the Supplier of the content and scope of the recall measures to be initiated - as far as possible and reasonable - in good time and give the Supplier the opportunity to comment.

4.

The Supplier undertakes to maintain product liability insurance with an appropriate sum insured for persons and property damage (at least € 1.5 million per person or € 1 million per property damage). If we are entitled to further claims for damages, these shall remain unaffected.

## **XVI. Compliance (rule conformity)**

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1.

The Supplier shall undertake to comply with the respective statutory regulations, in particular also the regulations treatment of employees, environmental protection and occupational health and safety, and to work in his activities to reduce any adverse impact on man and the environment. To this end the Supplier shall, within the scope of his possibilities, establish and further develop a management system (e.g. ISO 14001).

The Supplier shall endeavour to impose the obligations assumed above also on his sub-Suppliers.

2.

The Supplier shall undertake to observe the environmental protection regulations applicable at the seat of business of our plant being party to this contract concerning the manufacturing and condition of products for all supplies/services and also for all sub-supplies and ancillary services of third parties. The Supplier warrants in particular that goods and services to be provided to us are free from hazardous substances in accordance with the relevant statutory provisions. The Supplier shall be liable for the environmental compatibility of the products supplied and for all consequential damage resulting from failure to meet environmental regulations or from products containing hazardous substances, insofar as the Supplier is responsible for the infringement of the environmental regulations and/or for the products containing hazardous substances.

3.

The Supplier shall supply the subject of delivery (goods) with all the approvals and other technical and statutory preconditions for sale in Europe, and in particular also in the Federal Republic of Germany, e.g. (where applicable) with TÜV test mark, with CE mark including the corresponding CE declaration of conformity and, if applicable, also with correct registration with the Used Electronic Appliances Register (EAR). All the technical data relating to the goods must correspond with the data in the Supplier's quotation.

4.

The Supplier shall be obliged on demand by AL-KO to present all relevant certificates for the respective product in their latest version to AL-KO within 5 working days.

5.

AL-KO shall be entitled to terminate the contract with immediate effect or to withdraw from the contract if the contract partner does not comply with the above cardinal obligations. A prerequisite for this is a prior, fruitless written warning with the setting of an appropriate deadline for the cure of the breach of duty.

## **XVII. Place of performance, place of jurisdiction**

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1.

The place of performance shall be the seat of the registered office of our plant participating in the contract.

2.

Any disputes arising out of or in conjunction with this contractual relationship, including disputes over valid contract conclusion, contract modifications or termination, shall be settled by a single arbitrator appointed by the president of the branch of the International Chamber of Commerce (ICC) competent for the seat of business of our plant participating in the contract in accordance with the ICC Rules of Arbitration. The ruling of the arbitrator shall be final. The language of the arbitration proceedings shall be German. The place of arbitration shall be at the seat of the registered office of our plant participating in the contract.

3.

Instead of initiating arbitration proceedings, we shall also be entitled to assert our claim within ordinary state court proceedings. At the Supplier's request, we shall be obliged to exercise our right of choice in this regard within two weeks. Place of jurisdiction in this case shall be the seat of the registered office of our plant participating in the contract if the contract parties are businessmen, legal entities under public law or public special funds. We shall also be entitled, however, to initiate legal proceedings at the seat of the Supplier's head office or branch offices.

## **XVIII. Other Provisions**

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1.

Unless otherwise agreed, contract language shall be German.

2.

The contractual relationship shall be governed by the laws of the Federal Republic of Germany.

3.

Regarding the processing and use of personal data, reference is made to the separate data protection declaration of AL-KO.

4.

Should a provision in these Terms and Conditions or a provision within the framework of our other contractual agreements be or become invalid, the validity of the remaining provisions shall not be affected thereby. In this case, the contracting parties shall endeavour to reach an agreement that comes closest to the economic objective of the original, but ineffective, provision.

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