

## 1. Order and order confirmation

- 1.1. **Offers:** Offers should refer exactly to the items in the Kautex request. Prices must be itemized as prices per unit for each item and summarized by a total sum. Kautex shall not bear any of the costs involved in the presentation, communication or preparation of offers and cost estimates by the contractor.
- 1.2. **Order and order confirmation:** Kautex shall be bound by the order for 5 working days after receipt at the contractor's. If the contractor does not submit an order confirmation within this 5 days' period stating a binding delivery date in text form, then Kautex shall be entitled to cancel the order without stating reasons. Unless Kautex rejects the order confirmation within 5 days upon receipt, the contract shall be deemed concluded.
- 1.3. **Examination of the order documents:** The contractor is obliged to carefully check the order documents for obvious errors, unclear and/or conflicting information, achievability, and completeness while, in particular comparing the order documents with any parts lists, drawings and indexes thereto provided. The contractor must check and ensure that its existing technical installations and testing methods or those of its subcontractors are appropriate to fulfil the order in accordance with technical regulations and all the quality requirements demanded. If there is a need for clarification, errors are detected or the contractor has suggestions for modifications or improvements, then the contractor shall immediately communicate them to Kautex in text form.
- 1.4. Kautex shall not be subject to any **minimum obligations to buy** as regards quantity or value.
- 1.5. **Information in documents:** All documents (bills of lading, invoices, credit notes, dispatch notifications, etc.) must contain the following information: KM order number, KM order line number, KM parts number (if included in the order), weight per unit, total weight of the order line, total weight of the consignment, country of origin, customs tariff number.
- 1.6. **Product modifications:** Kautex must be notified of modifications to materials, components or manufacturing processes at least six months prior to execution of such intended measures and such modifications are admissible only after explicit consent in text form.

## 2. Terms and conditions of packaging and delivery

- 2.1. **Packaging:** Delivery items shall be packaged for shipping purposes in a practicable and professional manner. Unless agreed otherwise, the packaging costs shall be borne by the contractor. Damage to delivery items that are attributable to unsuitable packaging or securing for transport shall be at the contractor's expense.
- 2.2. **Disposal of packaging material:** The contractor shall be in charge of proper and appropriate disposal of the packaging material of its delivery items. Where the contractor fails to adhere to this obligation, Kautex has the right to charge the costs of appropriate disposal to the contractor.
- 2.3. **Terms of delivery:** Unless agreed otherwise, the following shall apply: DAP (Incoterms 2010), place of destination: see delivery address stated in the order. Deliveries must be made within the Kautex goods receiving times. The current goods receiving times can be concluded in the relevant order.
- 2.4. **Dispatch notification:** If the delivery consists of more than 3 Euro-pallets or the weight exceeds 3 tons, then Kautex must be informed of the delivery by email to lieferavis@kautex-group.com in good time prior to dispatch.
- 2.5. **Place of performance / Passing of risk:** The delivery address stated in the order after unloading and acceptance (signing of bill of lading) of the consignment by Kautex shall be regarded as the place of performance and of transfer of risk.
- 2.6. **Refusal of acceptance:** Kautex shall be entitled to refuse acceptance of consignments if the consignment is incomplete or is apparently damaged or does not contain proper shipping documents.

## 3. Prices, conditions and terms of payment

- 3.1. **Prices:** The agreed prices are inclusive of all ancillary costs and exclusive of statutory VAT.
- 3.2. **Price adjustments:** If the price in the order is based on a price agreement with a fixed price period between Kautex and the contractor, the agreed prices shall be deemed maximum prices. Price increases shall only be possible to the expiry of the agreed term and must be announced 3 months in advance and must refer to the product (groups) and the grounds must be stated in a comprehensible manner by stating the cost drivers and their portion in the item. In the event price increases become necessary upon expiration of the agreed term, the parties agree to follow suitable and mutually accepted price indices and to accept the development of such indices as a cap of an admissible price increase request.
- 3.3. **Payment terms:** Unless agreed otherwise, the payments shall be made within 30 days subject to an early payment discount of 3 % or alternatively within 90 days without deduction after proper invoicing and receipt of the invoice at Kautex. A payment shall be regarded as having been made within the specified period if it is made in the weekly payment cycle that follows expiry of that period. Payments shall be made in euros using a valid means of payment selected by Kautex (such as bank transfer). Payments will always be made with the reservation that goods/services have been properly supplied/rendered and that prices and calculations are accurate. In the event that a defect subject to [statutory] warranty is discovered, Kautex shall be entitled to withhold payment until the warranty obligation has been performed.
- 3.4. **Invoicing:** Invoices must be issued in an auditable form and comply with the statutory requirements. Invoices may be sent electronically per email as an attached open PDF document to rechnungseingang@kautex-group.com or on hardcopy to Kautex Maschinenbau GmbH, Rechnungswesen, Kautexstrasse 54, 53229 Bonn, Germany. Invoices not containing the agreed details shall not fall due.
- 3.5. **Reservation of ownership:** The Contractor shall retain title to the goods to be delivered until payment is made in full. However, in the normal course of trade Kautex is entitled to sell the delivery items individually or to integrate them or process them in order to produce a sellable end product for its own purposes or for the purpose of resale. By way

of compensation, Kautex shall assign to the contractor all or part of its claim to the purchase price to the extent of any outstanding payment (without costs and interest). Only in the case of Kautex being insolvent or with Kautex's express consent will the contractor itself pursue claims against third parties based on such assignment.

- 3.6. **Assignment of claims:** Without Kautex' written consent, the contractor shall not be entitled to assign its receivables owed by Kautex to third parties or have them collected by third parties. This shall also apply, but is not limited to, factoring and debt collection.

## 4. Foreign trade, export restrictions

- 4.1. **Export restrictions:** The Contractor shall inform Kautex in each order confirmation, bill of lading, or invoice, whether its delivery items are subject to export restrictions under German or European law, and if so, to which countries this applies. Kautex shall confirm for its delivery items to obtain all required authorisations required for exporting the Kautex machine and its extras to the Kautex customer.
- 4.2. **Long-term contractor declaration:** Upon request, the contractor shall provide Kautex with the country of origin (in the case of non-preferential origin) and contractors' declarations on the preferential origin or certificates attesting to the preferential status of its delivery items.

## 5. Dealing with problems in the supply chain

- 5.1. **Completeness and timeliness of the delivery:** For the purposes of determining whether the confirmed delivery date has been satisfied it is that the delivery items **have been delivered to the agreed place, on the agreed date, free of defects and completely** and by adherence to the Kautex goods receiving times. If either one of the stated conditions is culpably failed to be adhered to, then the relevant delivery shall be deemed as not in time and the Contractor shall be in default in delivery. A special warning shall not be required. The volume of the relevant subject-matter of the contract shall also comprise the pertinent proofs and checking documents as well as the technical documentation in the required languages.

- 5.2. **Financial consequences of default in delivery:** The Contractor shall be obliged to reimburse Kautex for the damages incurred due to default. For the consequences of default, Kautex shall charge the following amounts as liquidated damages for each delayed order line:

- € 150 plus VAT for the first calendar week or partial calendar week
- € 75 plus VAT for the second calendar week or partial second calendar week
- € 50 plus VAT for any further calendar week or partial calendar week

Kautex reserves the right to assert any claims for further damages due to default (such as liquidated damages of the Kautex customer). If the claimed damages exceed the amounts already charged for the consequences of the default in delivery, then the charged amounts shall be credited against the claim for damages.

- 5.3. **Liquidated damages for default of delivery:** Other than claims for damages, Kautex may claim liquidated damages due to infringement for each order line, if the agreed delivery date has not been adhered to and the contractor is culpably in default. The liquidated damages shall amount to a lump sum of 0.3 % of the order value of the complained order line for each partial work day, but no more than 5 % of the order value or the relevant order line, until the relevant order has been performed as intended. Kautex is not obliged to reserve the right to claim liquidated damages upon acceptance but it is entitled to set it off against the amount of the final invoice. The right to compensation for damages shall remain unaffected by this.

- 5.4. **Order modifications:** Within the limits of what is reasonable for the contractor, Kautex may require modifications to the design, model and quantity of the item ordered as long as the contractor has not fulfilled its obligations. In each individual case, the effects on the delivery dates and prices must be mutually laid down if the model and quantity are modified.

- 5.5. **Early warning system:** The contractor will immediately inform Kautex as soon as it is foreseeable that it probably cannot meet the agreed delivery date. The notice shall not affect any claims Kautex may have against the contractor.

- 5.6. **Delivery rescheduling:** As soon as the parties mutually agree on a new delivery date deviating from the initial order confirmation, such newly agreed delivery data shall replace the previously agreed binding delivery date. Kautex is entitled to request storage of the delivery items (for instance due to assembly delays) for a duration of up to 30 days on the contractor's premises free of charge.

- 5.7. **Premature delivery:** A delivery is premature if the agreed delivery date is fallen short by a grace period of more than 4 working days. In the event of premature delivery, Kautex reserves the right to refuse acceptance of the goods and to store them at a third party at the contractor's costs and risk until the agreed delivery date. Payment terms stated in invoices issued due to premature delivery shall only commence upon the agreed delivery date.

- 5.8. **Partial delivery:** The contractor is not entitled to perform partial deliveries, unless Kautex has explicitly given its consent to a partial delivery in text form.

- 5.9. **Failure to cooperate:** The contractor may only claim relief for failure to cooperate on the part of Kautex if it has demanded the cooperation required for manufacturing the delivery items in good time and has given a warning with a threat of refusal in text form.

- 5.10. **Force Majeure:** Force majeure is an unforeseeable and extraordinary event from external sources that cannot be prevented even by utmost carefulness. The damaging event must have been caused by elemental forces of nature or actions of third parties, it must be unforeseeable by human judgement and experience, cannot be prevented or rendered harmless with economically bearable means and even by utmost care and the most reasonable care as can be expected in the situation and its frequency of occurrence does not provide for it to have to be accepted.

Force majeure shall release the contracting parties from their obligations to perform for the duration of the disruption and to the extent of its effects, even if they are in default. The contracting parties are obliged to inform each other of such obstacle and of its end as well immediately. This shall not result in an automatic termination of contract; however the parties undertake to discuss how to proceed and to adjust their obligations to the changed circumstances. Examples of force majeure are natural disasters, riots, armed or terrorist

conflicts, industrial conflicts provided the latter occur at third parties (such as sub-suppliers).

## 6. Quality assurance

**6.1. Definition free of defects:** A delivery is free of defects if it is delivered in the agreed quality and completely at the agreed place at the agreed time. Free of defects means that the delivery items possess the agreed and represented characteristics and functionalities, are free of errors that undermine or reduce the value or their suitability for normal use or the intended under the contract, that delivery items are produced and/or assembled properly and professionally in accordance with generally recognized state of the art in science and technology as well as all pertinent legal and technical provisions, including, but not limited to, the provisions and guidelines issues public authorities, employers' liability insurance associations and professional associations, as well as the specifications and other design requirements of the order have been complied with. Free of defects shall also include a complete documentation free of errors that complies with the agreed or prescribed scope. Free of defects means that the delivery items are free of legal defects.

**6.2. Pre-delivery inspection at the contractor's:** In applying systematic checks and appropriate testing methods, the contractor shall ensure that only parts and sub-assemblies free of defects are delivered to Kautex. The contractor shall document the conducted quality checks in inspection sheets and enclose a copy of the inspection sheet with the delivery for the Kautex quality test. If, within six months after putting the delivery items into operation, a defect becomes apparent, then it is assumed that the item was already defective upon the passing of risk, unless this assumption is not compatible with the type of the item or the defect. The contractor is entitled to rebut this assumption.

**6.3. Inbound inspection at Kautex:** For the commercial duty to examine and complain as part of the inbound inspection, the following applies: The duty to examine shall be restricted to apparent defects (such as damage during transit, including delivery of wrong goods or undershipment) as are detectable in the course of a visual inspection including a check of the delivery documents during the incoming goods inspection. If a component for a Kautex machine is acquired, then it shall only be deemed accepted as properly delivered after it has been assembled and the system was able to be put into operation properly. For this, Kautex shall have a minimum time of 6 weeks after delivery.

**6.4. Notifications of defects:** Of detected defects, the contractor shall receive a non-conformance report as a notification of defects. Notifications of defects on the part of Kautex shall be deemed as having been made immediately and in good time if detectable defects (for instance deterioration in transit) are notified to the contractor within 2 weeks after receipt of the goods and other defects 2 weeks after having being detected.

**6.5. Consequences of detected quality defects:** If, during the Kautex quality check or during acceptance by Kautex, defects in the delivery items are discovered, then Kautex shall charge a lump sum for complaints in the amount of 150 euros plus VAT. If the Kautex quality check is not carried out at Kautex, but, for instance, in the course of preliminary acceptance at the Contractor's factory or elsewhere, and defects in the delivery items are then detected, then Kautex shall also charge the Kautex' employees' travel expenses actually incurred including ancillary costs plus VAT to the contractor. Kautex reserves the right to assert any further damages. If the further damages exceed the amount of the lump sum amount for the complaint already charged, then the amount charged as a lump sum for the complaint shall be credited against the claim for damages.

**6.6. Liquidated damages for material defects:** Kautex shall be entitled to request liquidated damages for every defective delivery of an order line, if these defects were detected in the course of acceptance or inbound inspection, as the contractor has apparently failed to properly fulfil its obligation to perform a pre-delivery check in these cases. The liquidated damages shall amount to a lump sum of 0.3 % of the order value of the complained order line for each partial work day, but no more than 5 % of the order value or the relevant order line, until the relevant order has been properly performed. Kautex is not obliged to reserve the right to claim liquidated damages in the course of acceptance but it may set it off against the amount of the final invoice later.

## 7. Dealing with defects

**7.1. Documentation:** Where Kautex submits notifications of defects in the form of a non-conformance report to the contractor, the contractor is obliged to take measures and to document them in order to not to repeat the detected defects in future deliveries. Within 24 hours upon receipt of the notification of defects, the contractor will prepare an initial written statement and submit a written analysis of the defects including investigation of causes and a measures plan for fault elimination or future fault prevention within 10 days. Four weeks after receipt of the notification of defects, a documented proof of the implementation of the measures for fault elimination or future fault prevention (proof of effectiveness) respectively will be submitted.

**7.2. Cure:** The contractor must remedy or have remedied any and all detected and reported defects immediately and as soon as possible in coordination with Kautex by cure (*Nachbesserung*) or by a replacement delivery. After cure failed twice for the very same part, the contractor is obliged to deliver a new item. Kautex shall then also have the right to withdraw from the contract in full or in part or to claim relevant damages, such as for having a third party performance.

**7.3. Costs of cure:** Within Europe (including Turkey and the European part of Russia), the Contractor shall bear all required expenses for the purposes of cure, including but not limited to, transport, infrastructure, labour and material costs in the course of required reworking measure or within the limitation period respectively. Where delivery items have been installed into another thing or fixed to another thing according to its purpose of use, the Contractor shall bear the required expenses for removing the defective things and the installation or fixing of the cured or delivered things free of defects by a Kautex employee qualified to do so.

This shall also apply if the machine is located in a country outside of Europe and the contractor has a service point there or the repair can be carried out in a suitable repair plant pursuant to Contractor's standards in such country. If the Kautex machinery requiring cure is located outside Europe and the Contractor does not have a service point there, then the contractor shall bear the costs for repair of the component, including the associated labour and material costs. Both the contractor and Kautex shall each bear

50% of the costs for disassembly and assembly of the component by a qualified Kautex employee or service engineer at the machinery's location and the costs for transporting the component to the nearest repair plant and back.

**7.4. Third party performance / Self-help / Advance payment:** Kautex has the right to carry out any and all required measures to remedy a defect at the contractor's cost if cure has failed twice, a second cure cannot be reasonably expected or if it is an urgent case (such as a threat to the operating safety or the imminent occurrence of disproportionate damage) or the contractor refuses or delays cure and a time limit set by Kautex for eliminating the defects has expired unsuccessfully. Kautex has the right to demand an advance payment in the amount of the costs to be expected for eliminating the defects from the Contractor. After completion of the remedy of defects, the actual costs incurred shall be settled. The right to claim damages, withdrawal or reduction of price remains unaffected.

**7.5. Reduction of price:** In lieu of withdrawal, Kautex may reduce the agreed remuneration by declaring it towards the Contractor. In the event of reduction of price, the remuneration shall be reduced in the ratio of the value of the delivery items free of defects to the current value of the defective delivery items. It is agreed that the reduction of the price may also be determined by estimation.

**7.6. Withdrawal:** If the Contractor fails to perform a due delivery or not according to contract, then Kautex may withdraw from the contract, provided that an appropriate time limit for delivery or cure has expired unsuccessfully.

**7.7. Limitation:** The limitation period for claims for statutory warranty shall be 36 months starting on the date of the machinery has been put into operation / accepted, unless the law provides for longer time limits. In relation to parts that have been repaired or replaced, the warranty period of 24 months shall start anew.

**7.8. Returning defective parts** Kautex shall hand over defective parts exchanged in the course of cure to the contractor upon request and at the contractor's costs. Kautex shall not be subject to any obligation to retention after remedy of defects.

**7.9. Resolution of conflicts:** Where the parties disagree on warranty duties in a specific case, the parties, in order to prevent further damages such as by failure of machinery or other consequential damages, shall each bear 50 % of the costs incurred for remedy of the damages without recognizing any legal obligation; it may be clarified subsequently on how to assess the legal situation. In this regard, the contractor is obliged to make an advance payment of 50 % of the anticipated costs to be incurred plus statutory VAT.

## 8. Liability and damages

**8.1. Product liability:** The contractor shall be liable for its products pursuant to the statutory provisions and including, but not limited to, the German Product Liability Act. This same shall apply to product defects resulting from goods and services provided by the contractor's sub-suppliers and subcontractors.

**8.2. Material damages and pecuniary losses:** Liability for material damages and pecuniary losses and any resulting consequential damages shall be governed by the statutory provisions. Limitations of liability of the contractor by submission of contractor's general terms and conditions are explicitly refused and not accepted.

**8.5. Assertion of claims by third parties:** Insofar as the delivery items of the Contractor have legal defects, defects in the purchased items are responsible for injury to life and limb, for a product defect and/or a breach of safety requirements laid down by law or public authority, the contractor shall indemnify Kautex against third-party claims for damages and fines imposed by public authorities upon the first request. In addition, Kautex shall be entitled to reimbursement of all expenses incurred to an initiated necessary recall. Kautex reserves the right to assert further claims. This also applies, if assertion is made on the basis of another claim by law.

## 9. Data protection

**9.1. Confidentiality:** Technical information such as drafts, samples, drawings, production provisions, templates, calculations, technical specifications and design specifications, tools, equipment, prototypes, etc. whether in verbal, written, text or audio-visual form, made available to the contractor for the execution of orders, must be kept strictly secret and protected from access by unauthorized third parties. This shall also apply to information made available in the course of initiating business relations that serve the preparation of offers. The obligation to maintain secrecy also covers parts that are currently (parts in progress) or were (finished parts) produced by the contractor due to such confidential information or, as they allow conclusions to be drawn on classified information. The obligation to maintain secrecy shall end 10 years after termination of the business relationship. Where no business relation has been established, it shall end 10 years after Kautex has made the information available. For any infringement, Kautex is entitled to claim liquidated damages in the amount of 0.5 % of the envisaged or actual order volume.

**9.2. Binding subcontractors and employees to secrecy:** The contractor undertakes to conclude agreements with a similar content covering at least the provisions laid down in this Agreement with all subcontractors who have access to Confidential Information provided by Kautex and with whom no non-disclosure agreement with a similar content exists. The contractor will submit these agreements to Kautex upon request. The employees of the contractor must have their obligations to maintain secrecy about operational and business secrets under their employment contracts pointed out to them in writing as well.

**9.3. Purposefulness of the information:** All documents and information provided by Kautex to the contractor are exclusively allowed to be used for handling the order placed by Kautex.

**9.4. Forwarding of confidential information:** Forwarding of confidential information must be restricted to those employees and subcontractors who absolutely need access to it in the course of their work. It must be ensured that the extent of the forwarding of information is limited to the minimum necessary for work.

**9.5. Data backup:** The contractor undertakes to secure all information and data of Kautex against access by unauthorised third parties; including but not limited to, to protect them

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from theft, loss, manipulation, damage or reproduction. In the event that the contractor saves, works on or processes information and data in its data processing systems, the contractor shall ensure that unauthorised third parties cannot access these data, for instance by means of secure passwords.

- 9.6. Data deletion:** All documents provided by Kautex to the contractor must be completely returned and/or destroyed in an irreversible manner or deleted accordingly of all data carriers without being asked to following completion of the order. This shall also apply to any made copies. The contractor will ensure that this provision will also be implemented by the subcontracting companies that it has commissioned. Compliance with obligations of retention prescribed by the legislator shall have only a suspensive effect.
- 9.7. Hints for data abuse:** If the contractor becomes aware that unauthorised third parties have taken note or might have taken note of confidential information and data, it shall inform Kautex immediately and, in coordination with Kautex, take all required measures to clarify the matter and to prevent any potential future access.
- 9.8. Pecuniary penalty:** If the contractor, its persons employed in the performance of its activities and obligations or one of its subcontractors violates the agreements on data protection and non-disclosure made herein, then the contractor binds itself to pay a penalty in the amount five times higher than the order value, but no less than €50,000.00 for each proven case of data abuse. The obligation to compensate for further damage shall remain unaffected; the amount, however, will be credited against any higher and proven loss. The contractor shall be liable vis-à-vis Kautex for violations of its subcontractors and persons employed in the performance of its activities and obligations.
- 10. Protection of intellectual property**
- 10.1. Ownership and copyrights:** Kautex, as the author, shall also remain the sole owner without restriction of all technical documents, specifications and other information developed by Kautex and provided to the contractor. No rights of use other than for execution of the order shall be transferred.
- 10.2. Rights to work results:** Insofar as Kautex commissions the contractor to carry out development and design works, the ownership of the results, documents, and data shall pass to Kautex, including the right of exclusive use and exploitation, including but not limited to the case of commissioned development, programming and design works. The agreed remuneration shall include the alienation of any and all rights in the designs to Kautex. The same shall also apply to any resulting works results such as documentations, reports, diagrams, images, films, data carriers for visual reproduction, data carriers etc. Kautex shall obtain an exclusive, irrevocable, assignable exploitation right without restriction as to time, space and contents for all types of use in these results as well. These rights include, but are not limited to, the right to reproduce, distribute, exhibit, recite, present as well as the right to reproduce on image and sound carriers and the right to adaptation and transformation. This agreement shall not restrict the contractor's use and exploitation of industrial property rights that are not attributable to the business relationship with Kautex. Insofar as such rights are an integral part or a part of the result of the development and design works performed, the contractor shall grant Kautex free of charge a right of use and exploitation thereto. Without Kautex's consent, the Contractor will not register any exclusive right that is based on information provided by Kautex in full or in part or produced or developed for Kautex.
- 11. Final provisions**
- 11.1. Provision of material:** If Kautex provides the contractor with materials or parts for treatment or processing, Kautex shall remain the owner of such materials or parts. Processing or transformation by the contractor shall be performed for Kautex exclusively. Where the materials and parts are processed with other objects Kautex is not the owner of, then Kautex shall acquire co-ownership in the new items in the ratio of the value of the provided parts and materials (purchase price plus VAT) to the other processed object at the time of processing. This shall also apply if the Kautex ownership perishes due to mix or commingling. The contractor must treat and maintain any provided Kautex property just as its own property with the due diligence of a prudent businessman and owner and integrate it into its quality assurance system. The contractor shall be liable for all loss and damage. The contractor shall store the property provided by Kautex properly and professionally and separate from the Contractor's own property free of charge. Kautex must be granted access to the items owned by Kautex at any time. The contractor undertakes to inform Kautex immediately if the Kautex' property stored by the contractor is seized or seizure is impending. Any intervention costs shall be at the Contractor's expense. This shall also apply to provided tools, production machinery or testing equipment.
- 11.2. Advertising which makes reference to the business relationship:** Advertising which makes reference to the business relationship with Kautex requires Kautex' prior approval in text form.
- 11.3. Applicable law / Scope:** These General Purchasing Terms and Conditions shall apply to purchase agreements, contracts of work and labour, servicing and repair agreements and agreements of a hybrid type and are an integral part of all Kautex orders. If, in relation to a particular order, specific conditions at variance from those stated here are agreed by means of an individual agreement, these Purchasing Conditions shall have lower priority and apply by way of supplement. Diverging general terms and conditions of the contractor are explicitly objected to even in the case that they are transmitted to Kautex in confirmation letters or otherwise. Unconditional acceptance of order confirmations or supplies shall not be deemed acceptance of such conditions. This shall also apply where the conditions of the other party include matters not specified in these General Purchasing Terms and Conditions. The Kautex General Purchasing Terms and Conditions may be supplemented only by statutory provisions and individual agreements having greater priority. These General Purchasing Terms and Conditions shall apply to all transactions agreed between the contracting parties, including future transactions, unless Kautex expressly confirms other terms in writing. New General Purchasing Terms and Conditions that have been validly communicated shall supersede the relevant preceding General Purchasing Terms and Conditions. German law applies. UN Convention on the International Sale of Goods shall be excluded.
- 11.4. Place of jurisdiction / Language of the Agreement:** Place of jurisdiction for all disputes shall be Bonn, Germany. Kautex is, however, also entitled to sue the contractor at its

general place of jurisdiction. The priority language of the Agreement is English, German texts are also valid.

- 11.5. Requirement of the text form:** In order to be effective, all agreements and subsidiary agreements made between the parties must be made in text form to be effective. This applies to the requirement of the text form as well.
- 11.6. Withdrawal for good cause:** A withdrawal from the order for good cause remains reserved. Grounds for good cause shall include severe infringements of contractual terms or substantial changes in circumstances that render it unreasonable for a party to remain bound by the contract. Such severe grounds are, for instance: Opening of insolvency or composition proceedings regarding the assets, payment difficulties jeopardizing the proper transaction of the order, arrangements made with other tenderers that are a breach of proper conduct, attempted bribery of employees, culpable delay or frustration of performance involving an entitlement to compensation for damages thus incurred, detection of contempt of legal provisions involving an entitlement to compensation for damages thus incurred, for instance regarding provisions on employment, labour and social law, obligations of notifications of authorities, work permit/entitlements to sponsor a worker, environmental and data protection, etc.
- 11.7. Severability clause:** Should individual provisions of this Agreement be invalid or impracticable or become invalid or impracticable after conclusion of this Agreement, then the validity of the remaining provisions shall remain affected. The invalid or impracticable provision shall be replaced by such valid and practicable provision that the parties would have agreed, had they reasonably interpreted the relevant provision in knowledge of the law. The foregoing provisions shall apply accordingly should the agreement prove to contain any gap.
- 11.8. No supplementary agreements** have been made at the time of the conclusion of the contract.