



## **General Terms and Conditions of Purchase Hirschmann Car Communication GmbH**

### **1 General - Area of Application**

- 1.1 These Terms and Conditions of Purchase will apply exclusively to all contracts, deliveries and other services, unless expressly agreed otherwise.
- 1.2 We do not acknowledge any general terms and conditions of the Supplier deviating from our Terms and Conditions of Purchase, unless we have expressly agreed to their validity in writing. Our Terms and Conditions of Purchase will also be applicable if we accept delivery or make payment unconditionally, having knowledge of terms and conditions of the Supplier that conflict with or deviate from our Terms and Conditions of Purchase.
- 1.3 Our purchasing conditions will apply only to the business relationship between Hirschmann Car Communication GmbH and its subsidiaries with companies, legal persons under public law and special funds under public law in accordance with § 310 Para. 1 Bürgerliches Gesetzbuch (BGB – German Civil Code).

### **2 Ordering - Order Confirmation, Changes in Delivery Item**

- 2.1 Supply contracts (order and acceptance), delivery schedules, and other agreements, as well as changes and additions to them, must be in written form. Written form is also preserved by fax and e-mail. Delivery schedules may also be issued by remote data transmission.
- 2.2 If the Supplier does not accept the order within two weeks of receipt, we will be entitled to cancel the order. Delivery schedules will become binding if the Supplier does not object to them within a period five (5) business days from the time of receipt.
- 2.3 Orders may also be placed by means of delivery schedule releases. Delivery quantities specified in delivery schedule releases with delivery times within the specified production and material approval period are deemed binding orders for which purchaser has to accept delivery. Quantity classifications in excess of this will be non-binding. Order confirmations stating otherwise will be invalid. Production and material approval will be a rolling approval. This will update itself automatically in accordance with the delivery schedule release until we issue a change notification.
- 2.4 Within the limits of what is reasonable for the Supplier, we may request modifications to the construction and design of the delivery item. The effects of this, particularly with regard to cost increases or decreases, and delivery dates, should be settled reasonably between the parties by mutual agreement.

### **3 Commissioning of Third Parties, Relocation, Delivery Guarantee**

- 3.1 The Supplier may subcontract the entire or a substantial portion of the production volume only with our prior written consent. Even if consent is granted, the Supplier is fully responsible for fulfilling the contract.
- 3.2 The Supplier may not relocate the production facility for the manufacture of goods or parts thereof without our prior express written consent.



3.3 The Supplier will be obliged to manufacture and deliver supply parts and components that are installed in our products for a period of 15 years after the series expires.

#### **4 Prices, Transfer of Risk**

4.1 The prices agreed upon at the time when the order is placed are net fixed prices and include all necessary ancillary services required to fulfil the contract. If no special agreement is made, the prices are for delivery with duty paid (DDP-INCOTERMS 2010). The purchase price includes delivery without additional delivery charges to either the purchaser's premises or the place of use, including reusable packaging.

4.2 In each case, the applicable statutory value-added or sales tax is not included and is to be shown separately in the invoice.

4.3 The Supplier bears the material risk until the goods are accepted by us or our agent at the place where the goods are to be delivered in accordance with the order. If delivery includes assembly or installation or the performance of services, the transfer of risk takes place upon acceptance.

#### **5 Invoices, Payment Terms, Assignment**

5.1 Invoices are to be submitted separately from the delivery and have to state the order number given in our order, the order date, and our material number (if given). For every case of failure to comply with this obligation, the Supplier is responsible for any consequences, unless the Supplier proves that he is not responsible for these consequences.

5.2 Unless agreed separately, we either make payments within 30 days with 3% discount or within 60 days without a discount after receipt of invoice and after receipt of the goods and determination that the delivery is correct. If early deliveries are accepted, the payment period referred to in sentence 1 will only begin on the agreed delivery date.

5.3 Payment is made at our discretion either by bank transfer, check, offsetting against counterclaims, or by another method. If participation in the credit note procedure has been agreed, the payment will be made by credit based on the order.

5.4 Our payments do not include recognition of the conformity of the delivery or service to the contract or the correctness of the calculation.

5.5 In case of incorrect or incomplete delivery or services we are entitled, without prejudice to our other rights, to withhold the payment proportionally until the order has been properly fulfilled.

5.6 The Supplier is not entitled to assign his claims against us or have them collected by a third party without our prior written consent, which may not be unreasonably withheld. If the Supplier assigns a claim without our consent to a third party, the assignment will be valid in any case. At our discretion, we can then either make the payment either to the Supplier or also to the third party with the effect of discharging the obligation.



## **6 Delivery**

- 6.1 Unless otherwise agreed in writing, delivery is to be made without additional delivery charges to either the purchaser's premises or to the place of use (DDP – INCOTERMS 2010). Deliveries including assembly and/or installation or the performance of services will always be made without additional delivery charges to the place of use.
- 6.2 Agreed dates and deadlines are binding. The delivery period begins - unless a specific date is given - on the date on which the order is issued. The delivery date will only be considered to have been met if the goods are received on our premises or at the agreed place of use. If delivery including assembly and/or installation or the performance of other work is the subject of the contract, these will only be considered to have been completed when they have been formally accepted. The schedule for the inspection and, if necessary, revision of the work should be determined by mutual agreement. In any case, we will have a reasonable period of at least twenty (20) working days to review the work.
- 6.3 If delivery not agreed DDP (INCOTERMS 2010), the Supplier must provide the goods in a timely manner, taking into account the usual time for loading and shipment. The deliveries are to be handled according to our instructions.
- 6.4 As soon as it is possible for the Supplier to recognize that he will not be able to meet his contractual obligations in full or in part, or not on time, he must inform us of this immediately in writing stating the reasons and the expected duration of the delay.
- 6.5 In case of delays in delivery, we are entitled to claim lump-sum damages in the amount of 1% of the order value per calendar week begun, but not more than a total of 10% of the order value. We are, however, also entitled to assert a claim for the specific loss incurred, which may exceed the amount of lump-sum damages; we reserve the right to assert further legal claims (especially withdrawal and damages instead of performance). The Supplier has the right to prove to us that no damages at all or much lesser damages were incurred.
- 6.6 The unconditional acceptance of a late delivery does not constitute a waiver of further rights and claims.
- 6.7 The Supplier is obliged to state our order number on all shipping papers and delivery notes. In addition to the drawing number, the relevant index should also be stated on the delivery note if available. If the Supplier omits this information, we will not be responsible for the resulting delays in processing.

## **7 Force Majeure**

- 7.1 Force majeure, operational disruptions that are not the fault of the contracting party, unrest, governmental measures and other unforeseeable, unavoidable, and severe events release the contracting parties from their obligation to perform for the duration of the disruption and to the extent of their effect. We are entitled to obtain supplies elsewhere for the duration of the delay.
- 7.2 If the disturbance is of significant duration and results in a significant decrease in demand, we will be entitled - without prejudice to our other rights - to withdraw from the contract with regard to the portion not yet fulfilled.



- 7.3 The Supplier must inform us immediately in writing of any emerging delays as defined under Section 7.1. If the Supplier fails to give notice or if notice is given too late and the Supplier is responsible for the omission or the delay in the notification, the Supplier must pay compensation for the damages, which could have been avoided if timely notification had been provided.
- 7.4 The Supplier will be obliged to provide us with an appropriate emergency plan.

## **8 Quality and Documentation**

- 8.1 With regard to his deliveries, the Supplier must comply with the applicable statutory and regulatory requirements in the country of production, the country of delivery and the countries in which the delivery items are intended for use, the recognized rules of technology, safety regulations, in particular the applicable health and safety regulations and accident prevention regulations, any DIN standards, the agreed technical data and specifications, and the quality agreement concluded with us. In addition, our Supplier Guidelines will apply in the version that is valid at the time of the conclusion of the contract, which are available to download online at: <http://www.hirschmann-car.com/en/downloads>, → Company-Information, → Supplier-Guideline. If and when the Supplier becomes aware that he is unable to meet these requirements, the Supplier shall notify us immediately.
- 8.2 The Supplier is obliged to observe the prevailing conditions in the manufacturer's and the customer's country, and in the country of use, with regard to the environment, electricity, and electromagnetic fields. The REACH Regulation (EC) no. 1907/2006 must be observed.
- 8.3 The Supplier grants us and our customers the right to review compliance with Sections 8.1 and 8.2 on the Supplier's premises after prior appointment. The Supplier hereby agrees to the evaluation of the effectiveness of his quality assurance system either by us or our customers by means of quality audits.
- 8.4 Changes in the delivery items, including changes in materials, tools, or processes in manufacturing require our prior written consent. The Supplier must review the specifications and notify us immediately of any necessary changes.
- 8.5 The shipment of the first series production (including in case of product changes) can only begin if our written approval is in place after the initial sample required in accordance with the supplier guidelines. With regard to the reviewing of initial samples, we refer to VDA (German Automobile Association) publication "Quality Assurance for Deliveries - Selection of Suppliers/Production Process - and Product Approval/Quality of Series Performance" as amended from time to time. Irrespective of this, the Supplier will permanently control the quality of the goods delivered. The contractual parties will inform each other of the possibilities for improving quality.
- 8.6 In the event that the kind and extent of testing, as well as the instruments and testing methods, are not agreed between the Supplier and us, we will, if the Supplier so desires, agree to discuss the testing with the Supplier to the extent of our expertise, experiences, and opportunities in order to determine the necessary status of testing



techniques in each case. In addition, we will, upon request, inform the Supplier about the applicable safety regulations.

- 8.7 The Supplier must also state in his quality records for all products when, how, and by whom checks were carried out to ensure the defect-free manufacture of the deliveries. These records must be kept for 15 years and presented to us upon request. The Supplier is entitled to reduce the retention period for documentation if he is able to exclude the possibility of risk to life and health in the use of his products. The Supplier is required to obligate any sub-suppliers to the same extent as far as is legally possible. As guidance, reference is made to the VDA publication "Verification - Guidelines for Documentation and Archiving of Quality Requirements" in their respective most current version.

## **9 Acceptance, Complaints**

- 9.1 Acceptance requires an explicit declaration on our part.
- 9.2 We will only perform an incoming goods inspection with regard to externally recognizable damage and discrepancies in identity and quantity. We will provide immediate notification of any such defects. We will also provide notification of any other defects as soon as they are identified in the course of proper business procedure. In this respect, the Supplier will waive any objections due to late notification of defects.

## **10 Liability for Defects**

- 10.1 Unless otherwise stipulated in the following, claims for defects will be based on the legal regulations.
- 10.2 The Supplier warrants that the delivery items comply with the requirements referred to in Section 8 para 1 and 2.
- 10.3 In case of the delivery of parts that can be seen to be deficient before the commencement of manufacturing (processing or installation), we first give the Supplier an opportunity to sort out and rectify the defect or to provide a subsequent (replacement) delivery, insofar as this is not unreasonable for us. If the Supplier is not able to do this or if he fails to do so immediately, we can withdraw from the contract without further notice and return the goods at the Supplier's risk. In urgent cases, we may rectify the defect ourselves or have it rectified by a third party in consultation with the Supplier. The Supplier shall bear the costs resulting from this. If the same goods are repeatedly delivered with defects, after a written warning, we will be entitled to withdrawal in case of further defective delivery. The withdrawal will also apply to the scope of delivery not fulfilled.
- 10.4 If a defect is only determined after the commencement of manufacturing:
- a) The Supplier shall rectify the defective delivered parts free of charge, or send a new delivery of the parts, and also compensate us for the expenses we incur for the installation and removal of the delivered part. In addition, the Supplier shall also bear those costs, which our customers (e.g. car manufacturers) justifiably claim from us due to the defect (in particular transport, travel, labour, and material costs) or



b) We may reduce the purchase price.

10.5 In the event of a culpable breach of an obligation over and above the delivery of defective goods (e.g. breach of a duty to inform, advise or inspect), we may claim compensation for the consequential damages resulting from the defect, as well as the consequential damages resulting from the defect refunded by us to our customers pursuant to law in accordance with Section 11. Consequential damage resulting from the defects refers to the damages that we have suffered as a result of the delivery of defective goods to legal interests other than the goods themselves.

10.6 Upon request, the Supplier shall receive the parts to be replaced by him promptly and at his own expense.

10.7 The limitation period for asserting warranty claims expires after 36 months from the time of transfer of risk. Sentence 1 will not apply if the mandatory provisions of § § 445a, 445b BGB apply. Notice of the defect given within this period of limitation shall suspend the limitation period.

10.8 If defective goods are delivered, claims under product liability law, tort and agency of necessity will not be affected by Section 10.

10.9 In case of repeated delivery of defective parts, "Controlled Shipment Levels" may be introduced at the expense of the Supplier.

## **11 Liability, Approval, Insurance Coverage**

11.1 Subject to other liability provisions contained elsewhere in these Terms and Conditions, the Supplier will be obliged to pay compensation for damages that we incur directly or indirectly as a result of the delivery of defective goods, the violation of governmental safety regulations, or for other legal grounds of Supplier liability.

11.2 We are entitled to claim compensation from the Supplier for the expenses that we have to bear in relation to our customers because they have a claim against us for compensation of the expenses required for the purposes of subsequent performance, in particular costs incurred for transport, travel, labour and material.

11.3 The Supplier will release us from all claims that our customers may assert against us as a result of the delivery of defective goods or other noncontractual performance attributable to Supplier. If the claim by one of our customers relates to a breach of obligation on our part, the release will not apply.

11.4 The Supplier undertakes to maintain an public/product liability/recall costs insurance with appropriate coverage of at least € 5 million per claim and provide proof of this insurance coverage upon request. Any further claims for the compensation of damages remain unaffected by this.

11.5 If the Supplier is responsible for product damage, he will be obligated to release us from claims for damages from third parties upon first request if the cause lies within his control and organization and if the Supplier himself is liable with regard to external relationships.





- 11.6 As part of his liability for damages as defined in Section 11.5., the Supplier is also obligated to reimburse any expenses in accordance with §§ 683, 670 or §§ 830, 840, 426 BGB that arise from or in connection with measures performed by us or our customers in order to avert danger (e. g. recall measures). We will inform the Supplier of the content and extent of the recall measures to be performed, as far as is possible and reasonable, and give the Supplier the opportunity to give his opinion. This will not affect other statutory claims.
- 11.7 If employees, representatives, subcontractors, or other representatives of the Supplier (the "Vicarious Agents of the Supplier") spend time on our premises or those of one of our customers, the Supplier will be liable for all acts and omissions of his agents on our premises or on those of our customers. The Supplier undertakes to indemnify us against and release us from all liabilities for property damage, personal injury, or death (including court and legal costs) resulting from acts or omissions attributable to the Vicarious Agents of the Supplier, regardless of whether this occurs in accordance with the delivery contract or not.

## **12 Third-Party Rights, Intellectual Property Rights, Defects of Title**

- 12.1 The Supplier warrants that no third party rights, including intellectual property rights and copyrights are infringed in connection with his delivery.
- 12.2 The Supplier will release us upon first written request from all claims in case of infringements of third party rights from all claims that are asserted against us by the third parties, unless such infringements were caused by us. This will apply to claims based on foreign statutory provisions only if the Supplier is aware in which country the goods are delivered or in which country we use services provided by the Supplier.
- 12.3 The release obligation on the part of the Supplier relates to all expenses necessarily incurred by us as a result of or in connection with the third party claim.
- 12.4 The limitation period is 36 months from the time of the transfer of risk.

## **13 Reservation of Title, Provision**

- 13.1 We recognize only the simple retention of title of the Supplier.
- 13.2 If we provide parts to the Supplier, we reserve the right to ownership of these. The Supplier will perform the processing or modification for us. If our goods subject to retention of title are processed with other goods not belonging to us, we will acquire joint ownership of the new item in line with the ratio between the value of our items (purchase price plus VAT) and the other processed items at the time of processing.
- 13.3 If the items provided by us are inseparably mixed with other items that do not belong to us, we will acquire joint ownership of the new item in line with the ratio between the value of our items (purchase price plus VAT) and the other mixed items at the time when the mixing occurred. If the mixing is performed in such a way that the Supplier's item is to be regarded as the main item, it is considered agreed that the Supplier has transferred proportional joint ownership to us; the Supplier holds the sole or joint ownership on our behalf.



13.4 If the security interest to which we are entitled under Section 13.2 and/or 13.3 exceed the purchase price of all of our goods subject to retention of title that have not yet been paid for by more than 10%, we will be obliged to request that the Supplier release the appropriate security interest at our discretion.

## **14 Confidentiality**

14.1 The Supplier will be obliged to keep strictly confidential all commercial and technical details that are not public information that he becomes aware of as a result of the business relationship. These details may not be disclosed to third parties without our express approval. Such information may be used only to execute orders for us and made available only to those employees whose involvement in the execution of the order is required. The Supplier must bind these employees to confidentiality accordingly.

14.2 We retain ownership and copyright to illustrations, drawings, calculations, samples, models, and other documents. They may not be provided or otherwise made available to third parties without our express written consent. They will be used exclusively for production based on our order. Reproduction is permitted within the operational requirements and the copyright regulations; after processing of the order, these must be returned to us without further request and without charge after the processing of the order.

14.3 Subcontractors must enter into a corresponding obligation.

14.4 The duty of confidentiality will apply even after the completion of the contract, it will lapse if and insofar as the production knowledge included in the illustrations, drawings, calculations, and other documents has become generally known.

14.5 The contractual partners may use their business relationship for advertising only upon prior written consent.

## **15 Production Equipment and Materials**

If we have commissioned tools or resources for the manufacture of the delivery item, the terms and conditions of the tool contract/tool rental agreement in the currently applicable version will take priority. Unless expressly agreed otherwise, the following provisions will apply:

15.1 Payment of tools is dependent on proof of process capability and the release of the samples produced with their aid.

15.2 Once approval of the initial sample is granted by us, ownership of both the tool and the design data (3D data) and design drawings (2D data) passes to us or the customer named by us. The delivery of possession shall be replaced by ceding the tool to the Supplier for use on loan.

15.3 The Supplier will be obliged to use our tools exclusively for the manufacturing of the goods ordered by us. The tools are to be permanently marked by the Supplier in such a way that they can always be identified as our property.





- 15.4 The Supplier is obliged to insure the tools belonging to us at the replacement value at his own expense against fire, water damage, and theft. At the same time, the Supplier already assigns to us all compensation claims under this insurance; we hereby accept the assignment.
- 15.5 The Supplier shall duly perform any necessary maintenance and inspection work, as well as all servicing and repair work at his own expense. The Supplier must report any failures to us immediately; if he culpably omits to do this, this will not affect claims for compensation for damages.
- 15.6 The Supplier will be obliged to return tools paid for or provided by us immediately upon our request.

## **16 Delivery Stipulations**

With regard to the delivery, our separate regulation "Delivery Instructions for Suppliers" will apply in the version valid at the time of the conclusion of the contract, which is available for download online at <http://www.hirschmann-car.com/en/downloads>, → Company-Information, → Delivery instructions.pdf.

## **17 Long-term Suppliers' Declarations**

- 17.1 Separate long-term Supplier's declarations in accordance with regulation (EC) no. 1207/2001 or country of origin statement is required for all goods delivered. Revocations of the statements of origin confirmed in the long-term Supplier's declaration must be reported to our customs department. The Supplier will be obliged to notify us of all export licenses that are needed for delivered materials. This notification must be made directly to the customs department by means of our long-term Suppliers' declaration. The Supplier will be responsible for all adverse consequences resulting from notifications that are not made or that are incomplete. Notification in other business documents is not permitted.
- 17.2 The Supplier will inform the customs department immediately if a delivery is subject in whole or in part to export restrictions under German law or any other law.

## **18 Social Responsibility and Environmental Protection**

- 18.1 The Supplier undertakes to comply with the applicable statutory provisions on treatment of employees, animal protection environmental protection, health and safety at work, and to make every effort to prevent adverse effects on people and the environment within his activities. For this purpose the Supplier will set up and develop a management system in accordance with ISO 14001 within the realms of his possibilities. In addition, the Supplier shall comply with the principles of the UN Global Compact initiative (<http://www.unglobalcompact.org>) and the International Labour Standards of the ILO (<http://www.ilo.org>). These relate mainly to the protection of international human rights, the right to collective bargaining, the abolition of child labour and forced labour, the elimination of discrimination in hiring and employment, responsibility for the environment, and the prevention of corruption. Overtime should only be instructed on a voluntary basis and employees should be granted one day off



after 6 consecutive working days. Discrimination of employees in any form is not allowed. This applies to discrimination based on, for example, gender, race, caste, skin color, disability, trade union membership, political beliefs, origin, religion, age, pregnancy or sexual.

- 18.2 In particular, the Supplier pledges on behalf of his company that the manufacture or processing of the products to be delivered is/has been performed without exploitative child labour as defined in ILO Convention no. 182 and without any violations of obligations arising from the implementation of this convention or any other applicable national or international provisions for the combating of exploitative child labour. In addition, the Supplier pledges that his company, his suppliers and their subcontractors have taken active and effective measures to prevent exploitative child labour as defined in ILO Convention no. 182 in the manufacturing and processing of the products to be delivered. The Supplier will obligate his subcontractors and their subcontractors accordingly and will perform control measures in this respect. We are entitled to check the contents of this pledge. The Supplier will provide evidence of his measures upon request from us.
- 18.3 The Supplier guarantees that he will comply with the applicable laws governing the general minimum wage and commit sub-suppliers engaged by him to the same extent. On request, the Supplier shall evidence compliance with the foregoing guarantee. In the event of a breach of the foregoing guarantee, the supplier shall hold us harmless from all third party claims and is obliged to reimburse any fines imposed on us in this connection.
- 18.4 The Supplier will not use any conflict raw materials in the products he supplies. Examples of conflict raw materials are columbite-tantalite (Coltan), cassiterite (tin ore), gold, wolframite, and their derivatives from the Democratic Republic of Congo and the neighboring countries, defined in more detail in Section 1502 Paragraph e Figure 1 and 4 of the Dodd-Frank Act (USA). The Supplier will adopt and implement appropriate measures to ban the purchase and use of conflict raw materials. Should the Supplier use columbite-tantalite (Coltan), cassiterite (tin ore), gold, wolframite, and their derivatives in the products he delivers, he must provide evidence to us on an annual basis that this does not breach the ban on the use of conflict raw materials.
- 18.5 In the event that the Supplier repeatedly violates the law and/or the foregoing provisions and/or violates the law and/or the foregoing provisions in spite of a respective warning, and fails to provide evidence that the violation has been cured as far as possible, and that appropriate measures have been taken to avoid violations in future, we reserve the right to withdraw from existing contracts or terminate them without notice.

## **19 General Provisions**

- 19.1 If a contractual partner suspends his payments or if insolvency proceedings are initiated against his assets, then the other contractual partner will be entitled to withdraw from the part of the contract that has not been performed.
- 19.2 Offsetting against counterclaims or the exercising of a right of retention is only permissible if the counterclaim is undisputed or has been legally established.



- 19.3 The exclusive place of jurisdiction for all disputes arising directly or indirectly from the contract will be at the court with jurisdiction over our registered office (“Sitz”). We are also entitled to bring an action against the Supplier in his place of general jurisdiction.
- 19.4 Unless stated otherwise in the order, our registered office or the place of use desired by us will be the place of performance.
- 19.5 German law will apply exclusively to all legal relationships between the Supplier and us; the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the conflict of laws (international private law) will not apply. INCOTERMS 2010 will apply with regard to the interpretation of delivery clauses.
- 19.6 In the event that individual provisions of these terms and conditions and further agreements entered into are or become invalid, the validity of the contract will otherwise remain unaffected. The contracting parties will be obliged to replace the ineffective provision with an effective provision that comes as close as possible to being equivalent with regard to economic success.

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