



General purchasing conditions

I. SCOPE OF APPLICATION

1. All legal business – including future transactions – conducted between Artega GmbH and the supplier shall be subject to the following terms and conditions. Conditions of purchase and delivery issued by the supplier shall not be recognised. Supplier's terms and conditions that are contrary to, or which deviate from, the purchasing conditions of Artega shall only apply if Artega has issued written confirmation to the effect. Neither failure to declare on our part nor our acceptance without reservation of the supplier's goods or services nor payment for the same shall be construed as implying such confirmation.

2. Artega's purchasing conditions only apply to registered traders under the terms of article 14 of the German Civil Code (BGB), legal entities registered under public law and/or special organisations or partnerships within the meaning of article 310 BGB. Registered traders within the meaning of article 14 BGB are individuals, legal entities or legally-constituted companies with whom a business relationship is entered into in the course of commercial activity or operation as a self-employed professional.

II. BASIC TERMS OF THE AGREEMENT / ORDER OF PRIORITY

The rights and obligations of Artega and those of the supplier shall be subject to the following provisions in the order of priority indicated:

- a) Individual arrangements such as specific orders and general agreements;
- b) Agreements to supply;
- c) These general purchasing conditions;
- d) Statutory provisions.

III. CONCLUSION OF THE AGREEMENT AND CONTRACTUAL AMENDMENTS / ORDERING

1. Orders, including their amendments and/or additions and requests to deliver, shall only be binding if issued or confirmed by Artega in writing.

2. Verbal accords reached before and in the course of entering into the agreement must be confirmed in writing. Verbal side-agreements are not permitted.

3. If the supplier fails to confirm the acceptance of an order in writing within five working days of receipt, Artega shall be entitled to cancel.

4. Artega may, within reasonable limits, ask the supplier to carry out changes to the design and configuration of the items supplied. The effects of such action are to be dealt with appropriately and by agreement, with particular reference to increases and decreases in cost and/or changed delivery schedules.

IV. PRICES AND CONDITIONS OF PAYMENT

1. The agreed prices are fixed prices. Unless otherwise agreed, they shall be considered to include packing and shipping to the corresponding points of receipt (Incoterms 2010), but to exclude value added tax (VAT).

2. Unless otherwise agreed, payment shall be settled by the twenty-fifth day of the month following delivery, subject to 3% discount; or without discount within 120 days. The discount period shall be counted from the day on which the invoice is received, but not before receipt of the corresponding goods. In the event of acceptance of a delivery date being brought forward, its payment deadline shall continue to correspond to the schedule originally agreed to.

3. Artega shall only pay packing costs if subject to prior written agreement.

4. Artega reserves the right, in the event of defective or incomplete deliveries, to withhold full or partial payment until the order has been satisfactorily fulfilled.



5. Artega reserves the right to offset payment claims against (for example) complaints or returns.
6. Payment shall always be made subject to verification of the invoice concerned. Invoices must include Artega's order number, item number and article number; along with the supplier's delivery-note number and the supplier number. Invoices are to be issued in duplicate.
7. Invoices corresponding to deliveries from within the territory of the European Union must be accompanied by a supplier's declaration of origin conforming to EU Regulation 1207/2001. An exception applies to suppliers within the Federal Republic of Germany, who may issue a global declaration.
8. If these provisions are not fulfilled, the corresponding invoices shall be treated as if they had not been issued, until clarification or fulfilment on the part of the supplier. Artega shall notify the supplier immediately of any anomaly detected in its invoices.
9. Settlement shall be by means of payment selected at Artega's discretion, in cash or by transfer to the place of payment indicated by the supplier.
10. The supplier shall not, without the prior written permission of Artega (which cannot be refused without good reason), subcontract or otherwise transfer to any third party or parties its claims against Artega. If the supplier transfers to a third party or parties a claim against Artega, contrary to sentence 1, without the consent of Artega, the assignment shall nevertheless stand. Artega shall then however be entitled, at its discretion, to settle payment with the supplier or directly with the third party concerned.

V. ITEMS AND SERVICES SUPPLIED

1. Despatch and delivery shall be carried out, at the supplier's expense and risk, to the reception points designated by Artega. All delivery terms shall be subject to Incoterms 2010. Additional costs arising from urgent shipping required to maintain delivery times shall be borne by the supplier.
2. Each delivery must be notified to Artega, and the receiving party designated by Artega, on the corresponding date of despatch. Shipping paperwork, delivery notes and packing documents must include details of Artega's order, along with the corresponding order number, item number and Artega article number. Delivery notes are to be issued in duplicate for each shipment.
3. If ex-works delivery is agreed, both Artega and its designated receiving party shall be notified, in a timely manner, of the dimensions and weight of the shipment concerned. If the haulage contractor is engaged by the supplier on Artega's behalf, it should be indicated that transport insurance is covered by Artega.
4. If reusable packing containers designed for prepaid return to the supplier are used, Artega shall be entitled to reimbursement equal to the value of the containers concerned.
5. If the items produced by the supplier for delivery to Artega are destined for export, the supplier undertakes to provide, using a form template specified by Artega, a customs-compliant declaration of origin for the items concerned. This declaration must be supplied to Artega by no later than the initial delivery. Artega is to be notified immediately and voluntarily of the origin of new items destined for delivery and/or changes of origin. The supplier shall be liable for any loss or damage incurred by Artega as a result of incorrect or delayed submission of the supplier's declaration. The supplier shall, as required, verify its statements regarding the origin of goods by means of notification confirmed by its corresponding customs authority.
6. The ordered goods must be shipped to the designated receiving points in accordance with the agreed delivery schedules or deadlines. A delivery date or schedule shall be regarded as fulfilled once the goods in question have been received by the specified date on Artega's premises or at a place designated by Artega.
7. If the supplier discovers, after an order has been confirmed, that it cannot abide by the agreed delivery date, it must notify Artega without delay. If Artega has undertaken to pay in advance, it may withhold payment if it becomes apparent, after the conclusion of the agreement, that Artega's entitlement to consideration is likely to be jeopardised by inadequate performance on the part of the supplier. This right to withhold payment shall not apply if delivery is completed or a corresponding guarantee is provided. Artega shall be entitled to set a reasonable deadline by which the supplier should, simultaneously with payment and at its discretion, complete the delivery or provide a corresponding guarantee. If this deadline expires without result, Artega shall be entitled to withdraw from the agreement.



8. Artega shall be entitled to refuse shipments that are delivered before the date shown on the order, and to return the items concerned or store them on its own premises or those of a third party at the expense and risk of the supplier.

9. The supplier shall notify Artega immediately and in writing, with indications of its grounds for doing so, of all and any delays, and of the envisaged duration of such delays, that are likely to affect the delivery of its goods and services.

10. Artega shall be entitled to charge the supplier a contractual penalty in the event of delay. This shall amount to 0.5% of the total value of the shipment concerned for each week, or part thereof, by which delivery is delayed, subject to a maximum of 5% of that value. Agreement regarding contractual penalties or their settlement shall not affect any other delay-related claim of Artega. Any contractual penalties that are paid shall be offset against eventual claims for damages. A contractual penalty can be claimed until payment of the delayed shipment has been settled.

11. Labour disputes, riots, the application of official measures and other unforeseeable, unavoidable, or serious incidents shall provide sufficient grounds for the supplier and Artega to be released from their contractual obligations for the duration of the situation in question and/or its consequences. This provision shall also apply if the affected party is in arrears with regard to payment or delivery at the moment in which the situation arises. The affected party shall keep the other party fully informed in a timely manner, and do everything reasonably within its power to limit the effects of such events.

VI. QUALITY AND DOCUMENTATION

1. The supplier shall ensure, in a timely manner, its full familiarity with the main details, circumstances and conditions required for fulfilling its contractual obligations, along with the intended purpose of its deliveries. The supplier shall be responsible for ensuring that (i) its deliveries perform all services that are necessary for specified, regulated, safe and efficient use, that (ii) they are suitable for their intended purpose and that (iii) they comply with the latest applicable technical standards. The supplier shall likewise, when carrying out its deliveries, observe all relevant standards, laws and regulations, with particular reference but not limited to environmental-protection, hazardous-substance and accident-prevention regulations, along with generally-recognised rules governing health and safety in the workplace.

2. The supplier shall subject the quality of its goods and services to constant monitoring. It should develop and maintain for this purpose a system of quality assurance conforming to ISO/TS16949, VDA 6.1 and/or US9000-9004.

3. All and any modifications affecting the items supplied and/or their manufacturing process shall require the previous written consent of Artega. Reference is made, for the purposes of initial-sample testing, to the VDA document entitled "Ensuring the quality of deliveries – supplier selection / production process and product approval / quality performance in series production". Series production and delivery shall not begin until Artega has approved the corresponding sample. The supplier shall nevertheless, and regardless of the above provision, carry out constant checks designed to maintain and improve the quality of the items to be delivered. The contracting parties shall keep each other informed accordingly of possible improvements in quality. The supplier undertakes, at Artega's request, to enter into a quality-management agreement and abide by the specifications contained therein. This quality-management agreement shall become an integral part of these purchasing conditions.

4. In the case of vehicle components contained in technical documents or subject to special agreement (e.g. those marked with a capital "D"), the supplier shall keep special additional records of when, in what way and by whom the delivered items concerned were inspected in order to verify their specified characteristics, along with the results of the quality tests concerned. These inspection documents are to be held on file for ten years and supplied to Artega as required. The supplier's own service providers are to be subject to the same obligations insofar as permitted by law. Reference is made in this respect to the VDA guide entitled "Verification management – guidelines for the documentation and archiving of quality requirements". If official authorities responsible for motor vehicle safety, emission regulations and similar matters demand access to inspect, for the purpose of verifying certain requirements, the production processes and test documents corresponding to Artega, the supplier shall agree, at Artega's request, to provide Artega with the same right of access to the supplier's premises and provide it with all reasonable assistance in this respect.



VII. CONFIDENTIALITY

1. The supplier undertakes to treat as strictly confidential all commercial and technical information (including but not limited to images, drawings and calculations) provided to it in the course of its business relationship with Artega, and not to divulge such material to any third party or parties, unless and insofar as it is already demonstrably in the public domain. This provision shall continue to apply after termination of the agreement. This information shall not be copied or used for commercial purposes without Artega's previous written consent, unless it is required for the purposes of delivery to Artega.
2. Artega shall retain title to all technical drawings, standard specifications, templates, models, profiles, tools, moulds, hardware, software, data and know-how supplied by it. These items must be kept confidential and shall not be divulged to any third party or parties or combined with items produced by a third party or parties or otherwise offered, supplied or made public in any way. This provision also applies to items produced on the basis of such information. All and any waiving of the above provisions shall require the advance written consent of Artega. This provision shall likewise apply accordingly to all documents and information that concern or include the supplier's contractual contribution (results of work) to the items and services delivered, with particular reference but not limited to its involvement in development work. Misconduct in this respect shall result in corresponding claims for compensation, and shall entitle Artega to withdraw from the agreement, in whole or in part, without any further obligation on its part.
3. Drawings, models, templates, samples, software and/or similar items must not be supplied or otherwise made accessible to any unauthorised third party or parties. The copying of such items is permitted only in the context of operational requirements and subject to the corresponding copyright provisions.
4. All information supplied by Artega (including but not limited to copies of documents and records) and items loaned on a temporary basis (such as models, templates, etc.) must be returned or irretrievably destroyed immediately and in full at Artega's request. Artega shall retain copyright and intellectual-property rights to all such information.
5. This obligation likewise applies to any subcontractors who may be involved.
6. The supplier may only advertise its relationship with Artega if it has prior written permission from Artega to do so. Enquiries in this respect should be directed to Artega AG, in Delbrück (Germany).

VIII. COMMERCIAL AND PATENT RIGHTS

1. The supplier shall assume full and independent liability for ensuring that the delivery and use of the items ordered and/or other contractual goods or services (results of work), with particular reference but not limited to the results of development work, do not infringe the commercial or patent rights of third parties based in Germany or elsewhere, and shall free Artega from all claims that might be made against Artega as a result of infringement of such commercial or patent rights. The supplier shall, upon receiving the first written request to do so, free Artega and customers of Artega from all third-party claims. The expiry period for such claims shall amount to ten years, counted from the conclusion of the agreement. Artega shall also be entitled, in the event of infringement of third-party rights, to make all statutory and contractual claims against the supplier, other than claims for loss and damage, arising from defects and defects of title; with this provision also applying to components obtained by the supplier from third parties.
2. The supplier shall ensure, when exercising third-party rights on the basis of a licence agreement which is territorially-limited in scope, that such use is permitted in all countries where the corresponding rights apply.
3. If the supplier exercises rights that have as their object the application of the products or results of work delivered by the supplier, or which are necessary for the use of such results of work, the supplier shall grant to Artega free, irrevocable, worldwide rights in this respect, in the sense that the agreed remuneration for the delivery concerned shall fully settle all and any fee that might be due for such shared usage in the course of use or exploitation of the items or results of work supplied, or of important parts thereof to the extent required. This right shall expressly include Artega's entitlement to grant sub-licences to third parties, to the extent that this might be required to allow the use and exploitation of the items and/or results of work supplied. The same shall apply to know-how.
4. The supplier shall at Artega's request assign published and unpublished own intellectual-property rights and patent-application rights to the items supplied.



5. Artega and its subsidiaries and affiliated companies shall be assigned, with respect to the results of work, and with particular reference to the results of commissioned development work, in whole or to a substantial extent, an exclusive, unrestricted and irrevocable right to exploit, which shall be transferable and covered by the remuneration paid for delivery. If the results of work are wholly or partly protected by copyright, the supplier shall grant Artega and its subsidiaries and affiliated companies exclusive, irrevocable, transferable rights, unlimited by time, place or content, to use these results of work in any manner whatsoever, with particular reference to the right to copy, amend and alter/edit the items concerned.

6. Artega shall have the right of first refusal to acquire the intellectual-property rights relating to all and any inventions and discoveries made in the course of commissioned development work carried out by the supplier and/or its employees, or carried out jointly with employees of Artega. The supplier shall notify Artega immediately of all and any inventions and discoveries that are registered or which otherwise come to its notice, and offer their transfer to Artega free of charge. The supplier shall be solely responsible for remunerating its employees in accordance with legislation covering inventions and discoveries made by employees. The supplier agrees, at its own expense, to provide assistance and submit any declarations that may be necessary for the obtaining or granting of rights.

7. If Artega is not interested in acquiring intellectual-property rights in accordance with section VIII 6., the supplier may apply for such legal protection on its own behalf and at its own expense, while granting Artega a non-exclusive, worldwide, irrevocable, royalty-free license to all intellectual property rights that are based on the invention or discovery concerned. If the supplier does not wish to exercise such intellectual-property rights, it shall previously contact Artega in writing to offer a corresponding free transfer. If the supplier intends to transfer the rights concerned to a third party, it must first notify Artega accordingly and in writing. Artega shall then have the right of first refusal to the commercial and patent rights concerned, subject to reasonable terms and conditions, which Artega may exercise within two months of receiving the corresponding written notification. In the event of the commercial and patent rights defined in section VIII 7 being transferred to a third party, the supplier shall ensure that this party recognises Artega's rights as defined in section VIII 7.

8. If the supplier makes use of a subcontractor, it must likewise ensure that this party recognises Artega's rights as defined in sections VIII 5 to VIII 7.

IX. CLAIMS FOR DEFECTS AND NON-FULFILMENT

1. The supplier shall ensure at all times that work is carried out correctly, professionally and according to specifications, using high-quality, defect-free raw materials and with full responsibility for the presence of guaranteed characteristics.

2. The goods must in all respects fulfil the corresponding generally-recognised technical standards, while complying with all applicable health-and-safety and accident-prevention regulations, as specified in the corresponding norms, statutory requirements and other recognised technical documents. Artega shall be entitled to carry out verification on the basis of random sampling. This may also take place at the site of production. The confirmation of reception of a delivery shall not exclude the right to claim for defective quality and/or quantity discovered after receipt.

3. The statutory regulations covering material and legal defects shall apply, unless otherwise stated in the following provisions. The provisions of section VIII shall remain unaffected. Artega shall be entitled, in the event of defective delivery and at its discretion, to demand rectification or replacement from the supplier, and to demand a reduction in payment if the corresponding legal requirements are fulfilled; or to withdraw from the agreement. This shall expressly not affect the right to seek further compensation for loss or damage.

4. In the event of any danger affecting operational safety or an unusually-high risk of serious loss or damage, or if the supplier is in arrears regarding the rectification of such a defect, Artega shall be entitled, after previous notification of the supplier, to rectify the defects concerned itself or have the work carried out by a third party. The costs incurred in either case shall be borne by the supplier.

5. The supplier shall meet all costs and expenses arising from rectification (repair of defects and replacement). Rectification (repair of defects and replacement) shall take place free of charge at the corresponding point of use.

6. If defective deliveries create a need to carry out 100% itemised inspections of shipments, the supplier shall meet the corresponding costs.



7. If the same goods are repeatedly delivered in a defective state, Artega shall be entitled, subject to the granting in writing of a reasonable period of grace, to withdraw from the agreement to the extent not satisfied by delivery, if the supplier fails to provide a remedy in a timely manner, i.e. by failing to deliver by the specified deadline or repeated delivery of defective items, other than in the case of minor defects. The supplier shall furthermore be liable for all direct and indirect loss and damage incurred by Artega as a result of defective delivery. If the supplier makes use of third parties in the delivery of its performance, it shall be liable for them as its appointed agents. The expiry limit for warranty claims shall begin to run anew after repair or replacement on the part of the supplier.

8. The warranty period shall be 48 months, counted from the transfer of the delivered item to the end-user, subject to a maximum of 60 months after receipt of the delivery at the place of performance.

9. This shall not affect Artega's right to recourse against the supplier within the meaning of articles 478 and 479 of the German Civil Code (BGB).

X. LIABILITY

1. If a defect in a product manufactured or delivered by the supplier should result in death, personal injury, damage to health or material damage of any other kind to any item which is normally designed for habitual use or exploitation by the injured party, the supplier undertakes to compensate the injured party and/or Artega, regardless of any liability on its part regarding the resulting loss and damage, including consequential loss and damage. If Artega is held liable for any such loss or damage, the supplier shall free Artega of all and any third-party claims – regardless of fault – and compensate Artega for all and any costs incurred in connection with the legal defence of such claims, provided Artega immediately notifies the supplier of such claims and assists it, without prejudice, in its defence, in court or extra-judicially, regarding such claims. If the presence of a defect gives rise to a general product-recall or the issue of a warning, the supplier shall compensate Artega for all expenses incurred in this respect, along with the costs, product-value included, of items that Artega must accept as returns.

2. The supplier shall furthermore be liable in accordance with the corresponding legal provisions.

XI. ITEMS PROVIDED BY THE CUSTOMER

1. All items provided to the supplier shall be used exclusively in the fulfilment of orders on Artega's behalf, and shall remain the property of Artega. The supplier shall not be granted rights of any kind to these items or to components based on them. If the items supplied are not required for orders to be fulfilled on Artega's behalf, they must be returned to Artega. Artega shall retain co-ownership of finished goods containing the items supplied, to the extent that their partial value accounts for the total value of the item concerned.

2. The supplier shall carry out preventive maintenance, as required, of the corresponding tools, moulds, etc.

XII. COMPLIANCE OF GOODS WITH LATEST TECHNICAL STANDARDS

1. The supplier undertakes, particularly in the case of extended delivery agreements, to ensure that the ordered items comply at all times with the latest technical standards. All and any intended technical or aesthetic modifications must be submitted to Artega for approval. Artega shall be entitled, for the duration of the contractual arrangement, to specify modifications of a technical, structural or aesthetic type.

2. Artega must be notified immediately of all and any cost amendments that this might entail. Artega shall likewise be credited accordingly if the costs of the items concerned are reduced by increased production or rationalisation.

3. The supplier undertakes to perform with the utmost care its services in accordance with the latest technical and scientific standards and with the full employment of its own knowledge and experience, and to comply with applicable statutory provisions.

XIII. RIGHT TO WITHDRAW

Artega shall be entitled to withdraw from the agreement if the supplier becomes insolvent within the meaning of article 17 of the German law governing insolvency (InsO), or excessively indebted within the meaning of article 19 of the same law; or if insolvency proceedings are opened against it or abandoned on the grounds of there being insufficient assets to recover.



XIV. GENERAL PROVISIONS

- 1.** This contractual relationship is subject to the laws of Germany. Application of the United Nations agreement with respect to international contracts to purchase is hereby excluded.
- 2.** The place of performance for the delivery of all goods and services shall be as indicated by Artega. The place of performance for payments is Delbrück, Germany.
- 3.** The exclusive place of jurisdiction shall correspond to Delbrück, unless otherwise established in law.
- 4.** Article 127 of the German Civil Code (BGB) shall remain unaffected. The requirement for written form may be fulfilled by electronic means (such as fax, e-mail or data transfer).
- 5.** Artega hereby confirms that personally-identifiable data shall be handled and stored in accordance with statutory requirements and in the context of the business transactions concerned.

Artega GmbH, 33129 Delbrück, Artegastr. 1

Delbrück, January 2019