

I. Standard Conditions

1. The legal relationship between the supplier and Prevent TWB GmbH & Co. KG (hereinafter "Purchaser") shall be in accordance with these Terms and Conditions and any other agreements. Amendments and additions need to be made in writing.
2. All orders and call-offs of the purchaser must be made solely on the basis of these German Terms and Conditions of Purchase. These General Terms and Conditions of Purchase are an integral part of all supply contracts, which the purchaser concludes with the supplier through the deliveries or services offered by the supplier. They also apply to all future orders and call-offs.
3. The general terms and conditions of business of the supplier or third parties shall not apply, even if the purchaser does not reject their validity separately in specific cases. Even if the purchaser refers to a letter, which contains the terms and conditions of business of the supplier or a third party or makes mention of such, this shall not constitute any agreement to the validity of such terms and conditions of business.

II. Ordering

1. Supply contracts (orders and acceptance) and call-offs as well as amendments and additions thereto must be concluded in writing. Call-offs may also be made through remote data transmission.
2. If the supplier does not accept the order within three weeks of its receipt, the purchaser shall be entitled to revoke the order. Call-offs become binding if the supplier does not object within two weeks of receiving the order.
3. The purchaser can, to a reasonable extent, request changes to the delivery item, in terms of its design and execution. Any effects of this, particularly with respect to any increase or reduction in costs and delivery deadlines, shall be settled appropriately by mutual consent.

III. Payment

1. Payment shall be made in accordance with the agreement in the respective supply contract. In the case of acceptance of early deliveries, the due date shall depend on the agreed delivery date.
2. The payment shall be made by bank transfer or cheque.
3. If a delivery is defective, the purchaser shall be entitled to withhold payment pro rata by value until orderly completion of the delivery.
4. The supplier shall not be entitled to assign his claims against the purchaser or to arrange for such claims to be collected by third parties without the prior written consent of the purchaser, which shall not be refused without good reason. If, contrary to clause 1, the supplier cedes his claim against the purchaser to a third party without the consent of the purchaser, the cession shall nevertheless be valid. The purchaser may, however, make payment to the supplier or the third party at his own discretion with the effect of discharging his obligations.

IV. Notice of defects

1. The purchaser shall inspect the contractual products, immediately after receiving the delivery, for externally apparent damage, damage during transportation and externally apparent deviations in terms of identity and quantity. The purchaser shall notify about any such defects in writing without delay.
2. Defects that are not discovered during the incoming goods inspection shall be reported by the purchaser in writing to the supplier within a reasonable period of time, as soon as these are found during the normal course of business. In this respect, the supplier foregoes the right to object to delayed notice of defects.

V. Confidentiality

1. The contracting parties undertake to treat as trade secrets all commercial and technical details, which are not common knowledge and which they come to know through their business relationship.
2. Drawings, models, templates, samples and similar other

items must not be passed on or made accessible in any way to unauthorised third parties. The reproduction of such items is permitted only within the realms of business requirements and copyright laws.

3. Sub-suppliers must be obligated accordingly.

4. The contracting parties are permitted to use their business relationship for the purpose of advertising only with prior written consent.

VI. Delivery dates and periods

The agreed dates and periods are binding. Adherence to delivery date or the delivery period shall be determined by the date of the receipt of the goods by the purchaser. If the delivery is not agreed as "carriage and duty paid to factory", the supplier must make the goods available in time, taking into consideration the time usually necessary for loading and shipment.

VII. Late delivery

The supplier is obliged to compensate the purchaser for loss or damage caused by the delivery delay in accordance with the statutory provisions. In the case of ordinary negligence, the compensation for damage shall be limited to the additional freight costs, retrofitting costs; and after the expiry of an ineffectual grace period or in case of loss of interest in delivery, the compensation for damage shall be limited to the additional expenses incurred for the covering purchases.

VIII. Force majeure

Force majeure, labour disputes, riots, acts of governmental or regulatory authorities and other unforeseeable, unavoidable and serious events release the contracting parties from their obligation to perform for the duration of the disruption and to the extent affected by such occurrences. This shall apply also if these events occur at a time when the affected contracting party is behind schedule/in default. The contracting parties are obliged to provide the required information to the extent reasonable, without delay, and to adapt their obligations to the changed circumstances in good faith.

IX. Quality and documentation

1. The supplier must comply with the generally accepted technical standards, the safety regulations and the agreed technical data in the deliveries. Changes to the delivery item require the prior written consent of the purchaser. For first article inspection, the VDA publication "Sicherung der Qualität von Lieferungen - Lieferantenauswahl/Produktionsprozess – und Produktfreigabe/Qualitätsleistung in der Serie" Frankfurt am Main 1998, shall be referred to. Irrespective of this, the supplier must constantly check the quality of the delivery items. The contracting parties shall inform each other about possibilities of improving quality.

2. If the nature and extent of the quality inspections and the inspection/test equipment and methods have not been fixed between the supplier and the purchaser, at the supplier's request, the purchaser shall be willing to discuss, within the scope of his knowledge, experience and possibilities, to determine the required state of the art in inspection technology. In addition, the purchaser shall inform the supplier, upon request, about the relevant safety regulations.

3. Especially in the case of the motor vehicle parts, for example, parts identified with "D", in the technical documentation or through separate agreement, the supplier shall record in special records as to when, in what manner and by whom the delivery items have been tested for the features for which documentation is compulsory, and what results have been obtained from the required quality tests. The inspection/test documents must be preserved for ten years and presented to the purchaser, when required. The supplier shall obligate the upstream suppliers to the same extent within the limits of what is permitted by law. As a guide, the VDA publication

"Nachweisführung– Leitfaden zur Dokumentation und Archivierung von Qualitätsforderungen", Frankfurt am Main 1998, is referred to.

4. If authorities responsible for vehicle safety, emission regulations or the like demand to be given an insight into the production process and the inspection/test documents for verification of certain requirements, at the purchaser's request, the supplier agrees to grant the purchaser the same rights in his factory and to extend all support that can reasonably be expected from the supplier.

X. Liability for defects

1. In case of delivery of defective goods, if the relevant legal conditions and the conditions listed in the following exist and nothing to the contrary has been agreed, the purchaser may demand the following:

a) Before the start of production (machining or assembly), the purchaser must first give the supplier the opportunity to sort out and rectify defects or make a subsequent (replacement) delivery, unless this cannot reasonably be expected from the purchaser. If the supplier cannot carry out this or if the supplier does not fulfil this within the time frame set by the purchaser, the purchaser may withdraw from the contract without setting further grace periods and send the goods back at the supplier's risk. In urgent cases, after consulting the supplier about the possibility of a short-term defect rectification or subsequent (replacement) delivery, the purchaser may carry out the defect rectification by himself or through a third party. The expenses incurred as a result of this shall be borne by the supplier. If the same goods are repeatedly delivered defective, upon another defective delivery after a written warning, the purchaser is entitled to withdraw from the contract, even for the scope of delivery that has not yet been fulfilled.

b) If, in spite of complying with the obligation under Section IV (Notice of defects), the defect is found only after the start of production, then the purchaser may demand

- pursuant to § 439 paragraph 1, 3 and 4 of the German Civil Code (Bürgerliches Gesetzbuch - BGB) Subsequent Performance and Compensation—the cost of transportation (without towing charges) and the cost of dismantling and assembly (labour charges, cost of materials, if agreed upon) for the purpose of subsequent performance or

- reduce the purchase price.

c) In the event of a culpable breach of obligation that goes beyond delivery of defective goods (for example, obligation to inform, advise or investigate), the purchaser may demand compensation for the consequential damages resulting from the defect as well as for the consequential damage that the purchaser has reimbursed to his customers in accordance with the law, as defined in Section XI. Consequential damage caused by defects is the damage to other legal properties of the purchaser due to the delivery of defective goods (the damage caused to the legal properties other than the delivered goods themselves). The purchaser may raise further claims for reimbursement and compensation for damages due to the delivery of defective goods pursuant to § 437 of the German Civil Code (BGB) or directly from the provisions mentioned therein, only if this is contractually agreed. For new agreements to be concluded, Section XV, clause 1 must be observed.

2. The parts to be replaced by the supplier shall be immediately made available to the supplier by the purchaser at the supplier's request and at his expense.

3. Claims arising from liability for defects become time-barred after 24 months from the date of vehicle registration or installation of replacement parts, but no later than 36 months after the transfer of risk.

4. Claims for defects shall not arise if the defect is due to a violation of the operating, maintenance and installation instructions, due to inappropriate or improper use, faulty or negligent handling and natural wear and tear, and due to interference by the purchaser or a third party with the delivery item.

5. In the case of defective deliveries, the claims of the purchaser arising from the Product Liability Act, from unlawful acts and agency by necessity remain unaffected by this Section X. Quality

and durability guarantees must be expressly stated as such in detail, in writing.

XI. Liability

Unless another liability provision is made elsewhere in these Terms and Conditions, the supplier shall be obliged to compensate for the damage caused to the purchaser directly or indirectly as a consequence of defective delivery, due to infringement of official safety regulations or on any other legal grounds attributable to the supplier only as stated in the following.

1. The liability for damages exists if the supplier is at fault for the damage caused by him.

2. If a claim is brought against the purchaser on the basis of strict liability to third-parties regardless of fault, the supplier shall be liable to the purchaser to the extent that he himself would be directly liable.

The principles of § 254 of the German Civil Code (BGB) shall apply mutatis mutandis to the compensation for damage between the purchaser and supplier. The same applies also in the case of a direct claim against the supplier.

3. The obligation to compensate shall be excluded or limited, if and insofar as the purchaser, for his part, has effectively excluded or restricted liability to his purchaser. In this case, the purchaser shall endeavour to agree on limitations of liability, also to the benefit of the supplier, to the extent permissible under law.

4. Claims of the purchaser are excluded to the extent that the damage is attributable to the purchaser's violations of the operating, maintenance and installation instructions, improper or improper use, faulty or negligent handling, natural wear and tear or faulty repair.

5. The supplier shall be liable for the purchaser's measures to avert damage (e.g. product recalls) only to the extent he is obliged thereto by law.

6. In case the purchaser wants to raise a claim against the supplier pursuant to the above regulations, the purchaser shall inform the supplier without delay and comprehensively, and consult him. The purchaser must give the supplier the opportunity to investigate the case of damage. The measures to be taken for this, especially in settlement negotiations, shall be agreed by the contracting parties.

XII. Intellectual property rights

1. The supplier is liable for claims arising from the infringement of intellectual property rights and applications for intellectual property rights while using the delivery items as agreed in the contract, of which at least one of the rights from the family of intellectual property rights is protected either in the home country of the supplier, by the European Patent Office or in one of the states of the Federal Republic of Germany, France, Great Britain, Austria or USA.

2. The supplier shall hold the purchaser and the purchaser's buyers harmless against all claims arising from the infringement of such intellectual property rights.

3. This does not apply if (i) the supplier acted without fault or (ii) the supplier has produced the delivery items according to the drawings, models or other equivalent descriptions or specifications provided by the purchaser and does not know or need not know, in the context of the products developed by him, that intellectual property rights are thereby infringed.

4. Insofar as the supplier is not liable pursuant to clause 3, the purchaser shall hold him harmless against all claims of third parties.

5. The contracting parties undertake to inform each other without delay of any risks of infringements and alleged cases of infringement that become known to them and to give each other the opportunity to counter such claims by mutual agreement.

6. On the purchaser's request, the supplier shall inform about the use of published and unpublished, own and licensed intellectual property rights and applications for intellectual property rights pertaining to the delivery item.

XIII. Use of the manufacturing aids and confidential information of the purchaser

Models, dies, templates, samples, tools and other manufacturing aids/tooling, as well as confidential information provided to the supplier by the purchaser or paid by the purchaser in full, may be used for deliveries to third-parties only with the prior written consent of the purchaser.

XIV. Retention of title

The title to the delivered contractual products shall pass on to the purchaser upon full payment for these by the purchaser. Any prolonged or extended retention of title by the supplier is excluded.

XV. General provisions

1. When determining the amount of the compensation claims to be fulfilled by the supplier in accordance with Sections VII, X, XI and XII, the economic circumstances of the supplier, the nature, scope and the duration of the business relationship, any contributions the purchaser may have made to the cause and/or fault pursuant to § 254 of the German Civil Code (BGB) and a particularly unfavourable installation situation for the supplied part need to be adequately taken into consideration to the benefit of the supplier. In particular, the replacement services, costs and expenses, which the supplier has to bear, shall be reasonably proportionate to the value of the supplied part.
2. If a contracting party discontinues his payments or if insolvency proceedings against his assets or an out-of-court settlement proceeding is filed, the other party is entitled to withdraw from the contract for the unfulfilled part of the contract.
3. If one of the provisions of these terms and conditions and the other agreements concluded is or becomes ineffective, this shall not affect the validity of the remaining provisions.
4. The law of the Federal Republic of Germany shall apply exclusively, unless otherwise agreed. The application of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 is excluded.
5. The place of performance is the purchaser's registered office. Alternative provisions may be agreed for the delivery itself.
6. The court of jurisdiction shall be Wolfsburg, unless an exclusive, statutory court of jurisdiction exists.

XVI. General requirements

Internally and when working together with our suppliers, we attach great importance to the topics of occupational safety, energy savings, environmental protection, social responsibility, compliance and adherence to relevant codes of conduct. That is why the following points are the foundation of our cooperation with our suppliers. We expect you and your employees to observe them and to incorporate them into your decision-making and course of action in a sustained manner. The order in which the individual points appear has nothing to do with their significance.

- People should not be harmed while performing their duties correctly. The protection of personal integrity must be the supreme good.
- Active and constantly evolving occupational safety, includes among other things, the provision of the necessary personal protective equipment to your employees; it is the basis for avoiding health impairments.
- The regular identification of all applicable laws, regulations and requirements and a strict and consistent compliance with them ensure an unbroken conformity with the normative requirements.
- When assessing business actions, social and ecological aspects must also be kept in mind.
- Universal human rights and principles of equal treatment must be upheld. Child labour must strictly be rejected, and bullying must be actively prevented.

- All types of corruption, bribery and corruptibility must be unequivocally rejected and combated through appropriate measures.
- Materials used/raw materials such as tungsten, tantalum, gold, tin or rare earth elements, and ores such as Coltan must not originate from civil-war or conflict zones. If required, the obligation to furnish evidence (conflict-free) may be called for.
- The encouragement and further development of the employees is an essential building block for the future viability of your company.

XVII. Environment

While executing a supply contract, the seller must use the necessary resources, in particular, materials, energy and water effectively and minimise the environmental impact, especially with regard to waste, waste water, air and noise pollution. This applies also to the logistics/transportation expenditures. For a quantitative assessment of the seller's resource efficiency, the seller must, upon request, provide the buyer with the following information relating to his total annual order volume from the buyer and the affiliated company:

- Total energy consumed in MWh;
- CO² emissions from energy generated by self and third-party in t;
- Total water consumption in m³;
- Process waste water in m³;
- Waste for disposal in t;
- Waste for recycling in t;
- VOC emissions (volatile organic compound) in t.

In addition, upon the buyer's request, the seller must provide the buyer with information (including information on material usage) for a life cycle assessment of the goods or parts of the goods in accordance with the VDA data collection format for life cycle assessments.

The seller undertakes to introduce and operate a certified environmental management system in accordance with "ISO 14001" or an environmental management system derived therefrom, which is recognised and certified, no later than two years after termination of the order and to provide evidence of this to the buyer by presenting a corresponding certificate.

XVII. Social Responsibility

For the buyer, it is of paramount importance that entrepreneurial activities take into consideration the social responsibility towards own employees and society. This applies to both—the buyer himself and his suppliers. Buyers and sellers commit to respecting the fundamental principles and rights adopted by the International Labour Organisation (ILO) in the "Declaration of Fundamental Principles and Rights at Work" (Geneva, 06/98), the UN Global Compact Initiative (Davos, 01/99) and the UN Guiding Principles on Business and Human Rights (2011). The following principles are of particular importance:

- Respect for human rights,
- Prohibition of child labour and forced labour,
- Positive and negative freedom of association,
- No discrimination based on gender, race, ethnic origin, religion or ideology, membership in trade union or the like, disability, age, sexual identity, nationality, marital status, political inclination, veteran status, or other local characteristics protected by law,
- Compliance with the requirements for occupational health and safety,

- Protection against individual arbitrary measures in human resource management,
- Ensuring employability through education and training,
- Compliance with socially adequate working conditions,
- Creating conditions that allow employees to enjoy a decent standard of living,
- Wage that secures subsistence, including social and cultural participation,
- Realisation of equal opportunities and family-friendly conditions,
- Protection of the rights of indigenous peoples,
- Prohibition of bribery and extortion,
- Compliance with applicable laws and regulations.