

## **Global Terms and Conditions of Purchase** (revised: January 2023)

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**See the attached Addenda to determine their applicability.**

**Definitions:**

In these Global Terms and Conditions of Purchase ("GTCP"), the terms below are defined as follows:

Affiliate	An entity that (a) controls a party, (b) is controlled by that party, (c) is controlled by the same legal entity as the party, or (d) is jointly controlled by the same natural persons as the party. Control within the meaning of the preceding sentence is the direct or indirect holding of a majority of the shares or the voting rights (and/or the possibility to determine the financial and business policy).
Buyer	Any company in the Brose Group that has entered into a Delivery Contract with the Supplier.
Buyer's Tools	All Tools used in the supply of Goods for Buyer that are owned by the Buyer or the Buyer's customers including all accessories, all repairs and replacements, add-ons, attachments, equipment and materials.
Component	Component of the Goods that is not manufactured by the supplier itself but is purchased by the Supplier from a subcontractor.
Defective Goods	Goods that do not comply with the requirements listed in X. (a).
Delivery Contract	Any Order accepted by the Supplier pursuant to Section I. (b) of these GTCP or any contract otherwise concluded regarding the delivery of Goods or the provision of services.
Delivery Date	Firmly defined time for delivery of Goods that is stated in the Order or the Release or otherwise agreed on between the parties.
Goods	Production Materials, Production Equipment as well as other products, materials, parts, components, systems and associated services, or other services that are provided by the Supplier to the Buyer.
Incoterms	The trade terms published by the International Chamber of Commerce in effect at the time the Delivery Contract is issued. Such terms can be found in the Brose Procurement Logistics Manual, available at <a href="http://www.brose.com">www.brose.com</a> under Purchasing > Download > Handbooks/ Templates or upon request from the Buyer).
Industrial Property Rights	All patents, rights to utility models and designs, trademarks, copyrights and other rights to intellectual property.
Information	All construction, assembly, component and installation drawings, testing protocols, test logs and results, documents, and other data relating to Goods and Tools and all technical and business-

	related knowledge arising from drawings, Specifications, drafts or other confidential data or documents.
Order	The Buyer's offer to the Supplier regarding the delivery of Goods or the provision of services, in written or electronic form, as well as any changes thereto.
Production Equipment	Mechanical equipment, manufacturing equipment, operating equipment, test and measurement equipment, industrial trucks and related services.
Production Materials	Goods that are used in a product for a vehicle or another Brose product.
Purchase Right	The Buyer's irrevocable right, exercisable at any time, to purchase Tools from the Supplier that are necessary in order to manufacture the Goods intended for the Buyer.
Release	Communication by the Buyer to the Supplier in which the Buyer orders a certain volume of Production Material to be delivered by the Supplier, specifying the Delivery date, the time of day if applicable, and the place of delivery.
Specifications	Drawings, specifications, Brose standards and other requirements applicable to the Goods.
Supplier	The party receiving an Order, supplying the Goods and/or entering into the Delivery Contract.
Tools	All tooling and equipment, including all accessories such as templates, matrices, measuring instruments, jigs, forms, samples and associated software, drawings and other related documentation that are required to produce the Goods.

**I. Applicability and conclusion of contract**

(a) The GTCP, including the applicable addenda in each Delivery Contract, shall apply to the Buyer's purchases of Goods from the Supplier and its Affiliates.

(b) The Order and the GTCP shall be considered accepted by the Supplier or its Affiliates in full and without changes, if the Supplier or an Affiliate accepts an Order in writing or via electronic data communications or begins any work to provide the deliveries or services that are the subject of the Order. Only the Buyer's GTCP shall apply to the Delivery Contract. Any deviating terms and conditions of the Supplier shall only be binding upon a signed, written confirmation by the Buyer. Buyer's acceptance of or payment for the Goods shall not constitute acceptance of any deviating terms and conditions, unless previously accepted in writing by the Buyer.

(c) An Order can be withdrawn by the Buyer at any time before written acceptance by the Supplier, without any liability toward the Supplier. An Order shall not constitute an acceptance of the Supplier's quote, unless expressly accepted in the Order. A reference to the Supplier's quote in the Order shall also not be considered such acceptance without additional language

stating the quote and its terms are being accepted partly or in whole by Buyer. The contents of the Supplier's quote shall only become part of the Delivery Contract if and to the extent that they are accepted by the Buyer in the Order and do not conflict with other terms herein or terms in the Buyer's Order.

(d) After acceptance by the Supplier, these GTCP shall apply to the Supplier's present and future Affiliates. Supplier acknowledges and warrants that it has authority to bind its Affiliates.

## **II. Quantities, deadlines and changes**

(a) Quantities and delivery dates shall be specified exclusively in Orders or Releases. The Supplier must ensure that it has the necessary capacity to fulfill the quantities forecasted and quantities ordered in Orders or Releases. The Buyer's purchase obligation arising from Releases for Production Materials shall be limited to four (4) weeks of production of finished Goods and eight (8) weeks of the raw material inventory, continuously based on the last Release, unless otherwise agreed in the Release. Quantities that exceed these release periods are considered non-binding quantity forecasts and Buyer shall not be liable for any costs related thereto. Releases shall be subject to the requirements of the Delivery Contract. A Release is binding for the Supplier. This shall not apply if the Supplier refuses the Release in writing within three (3) business days after receipt due to unreasonable quantities or delivery deadlines and includes a notice stating the earliest possible alternate Delivery Date.

(b) Time and quantity are of the essence for the Delivery Contract. The Buyer is not obligated to accept Goods that are delivered before the Delivery Date. The Supplier shall bear the risk of loss or damage of any Goods delivered prior to the Delivery Date. The Buyer is entitled to return any excess deliveries at the Supplier's expense and risk; in particular, these expenses include without limitation all packaging, processing, sorting, storage and transport costs.

(c) The Buyer can postpone Delivery Dates from Releases by up to three (3) months. This shall not entitle the Supplier to change the price of the Goods or to claim compensation for costs or damage.

(d) The Buyer reserves the right to request changes to the Goods, drawings, Specifications and logistics processes (such as packaging and shipping) at any time. The Supplier shall immediately, and in no case later than within ten (10) business days of receiving the change request, outline the effects of such a change in terms of the price and Delivery Date by submitting a calculation (cost breakdown) and any other necessary documentation. Buyer and Supplier may agree upon a longer response period in reasonable cases. If such a change results in a revision of the price or Delivery Date, the Buyer and Supplier shall agree on an appropriate adjustment in the Delivery Contract.

(e) The Supplier may not replace materials or change the manufacturing location, manufacturing process or Specification of the Goods without the prior written consent of the Buyer.

## **III. Packaging and shipping**

(a) Goods must be properly packaged, labeled, and shipped with due care in a manner that warrants the lowest possible transport costs while maintaining timely delivery. Packaging, outer packaging, packaging materials and Goods carriers may not contain any hazardous materials, particularly radioactive materials, and must be recyclable unless a return agreement and/or Goods carrier pool system is in place. All applicable transport laws and regulations must be observed.

The Brose Procurement Logistics Manual (available at [www.brose.com](http://www.brose.com) under Purchasing > Download > Handbooks/Templates or upon request from the Buyer) applies to Production Materials. The current version of the Procurement Logistics Manual shall apply unless the Supplier has objected in writing within 14 calendar days after receipt of the information about the update of the Procurement Logistics Manual. If the Supplier rejects the updated version of the Procurement Logistics Manual in writing to Buyer within 14 calendar days after receipt of the information about the update to the Manual, the prior version of the Procurement Logistics Manual applies. The Supplier shall label the Goods, packing materials and packaging according to the Buyer's instructions and in compliance with any legal requirements and standards of the automotive industry and, unless otherwise agreed upon in the Delivery Contract, Labeling, documents accompanying delivery of Goods, and electronic notification shall be done as specified in the Brose Procurement Logistics Manual.

(b) The Supplier shall promptly procure all complete documents and other information required under customs regulations and other applicable laws and regulations, in particular customs drawback documents, documents relating to the respective national export control, certificates of origin and any other information relating to the commercial or preferential origin of the goods and materials contained therein. Where necessary for customs purposes, the Supplier shall issue a trade invoice in duplicate. For free-of-charge deliveries, the Supplier shall declare the Goods as well as their verified nominal value and include the note "For Custom Purposes Only." The invoice must state the reason for the free-of-charge delivery (e.g. free shipping of samples).

#### **IV. Prices, payment and delivery terms and conditions**

The prices and payment terms shall be established in the Delivery Contract or the Order. Unless otherwise agreed, all prices shall be net prices, to which the value added tax legally owed by the Supplier shall be added, where applicable. The Buyer bears the charges and necessary expenses of his payment service provider, the Supplier as the payee bears all other charges and expenses. All deliveries shall be DAP (Incoterms) to the named place of destination, unless otherwise agreed. All prices and conditions stated in the Delivery Contracts shall apply at the time of receipt of the Goods by the Buyer. The timeliness of payment shall depend on the initiation of payment execution by the Buyer. Payment terms commence on the date Buyer receives the Goods.

The prices in a Delivery Contract are firm and not subject to change and represent the total price for manufacturing and delivering the Goods. The Supplier shall not be entitled to adjust prices and/or request additional costs of any kind without prior express written consent from the Buyer. Supplier invoices shall comply with applicable legal and contractual requirements for invoicing. If the Supplier is delayed in issuing its invoice or delivering the Goods or if it has delivered Defective Goods, the Buyer shall be entitled to withhold payment of the purchase price until the Supplier has met its contractual obligations. Where legally permissible, the Buyer shall perform payment through self-billing procedure in place of the Supplier's invoices. A separate contract will be concluded for the self-billing procedure.

#### **V. Value and cost analyses**

Upon Buyer's request, the Supplier shall conduct value and cost analyses for the Goods using adequately qualified personnel. To this end, the Supplier shall disclose all costs to the Buyer by providing the Buyer with a detailed cost breakdown according to the Brose cost breakdown formats.

#### **VI. Set-off**

In addition to the rights to set-off under law, the Buyer shall be entitled to set-off with claims from other Delivery Contracts with the Supplier.

**VII. Risk of loss and title of the Goods**

Title to the Goods and the risk of accidental loss, destruction or damage shall transfer at the time and place established in the Delivery Contract.

**VIII. Quality and control**

(a) When developing and manufacturing the Goods, the Supplier shall observe the latest state of the art and comply with all quality standards, legal provisions and other contractual requirements. For Production Materials the Supplier shall in addition comply with Buyer's customer's requests, IMDS requirements, and the Brose "Quality Management Regulations Purchased Parts", available at [www.brose.com](http://www.brose.com) under Purchasing > Download > Handbooks/ Templates or upon request from the Buyer. The current version of the "Quality Management Regulations Purchased Parts" shall apply unless the Supplier has objected in writing within 14 calendar days after receipt of the information about the update of the provisions. If the Supplier rejects the updated provisions in writing to Buyer within 14 calendar days after receipt of the information about the update of the provisions, the prior version of the Quality Management Regulations Purchased Parts applies. The Supplier shall fulfill all requirements in order to complete the materials approval process of the Buyer and the Buyer's customers by the agreed dates. Subject to other instructions by the Buyer, the Supplier shall undertake random sampling before delivery and record the inspection results in a suitable manner and form. If the Supplier supplies the Buyer with Production Material, the Supplier shall participate in quality and development programs of the Buyer or its customers upon Buyer's request.

(b) Before accepting the Order, the Supplier shall analyze and check the Specifications for the Goods. By accepting the order, the Supplier acknowledges that the Specifications are adequate and suitable for manufacturing the Goods in compliance with the Delivery Contract.

(c) The Buyer shall be entitled to inspect and audit the Supplier's manufacturing process of the Goods on site after prior notice, at any appropriate time and within a reasonable scope. The Supplier shall ensure that the Buyer is granted corresponding inspection and auditing rights for the Supplier's subcontractors.

(d) During its incoming Goods inspection, the Buyer shall only inspect the Goods in terms of identity (comparison between delivery documents and packaging marking), quantity of delivered packaging units, transport damages and other obvious damage. Buyer and its customers have no obligation to conduct any further inspections and no inspection by Buyer or its customers shall constitute an acknowledgment of the contractual conformity of the Goods or a waiver of proper contractual fulfillment and shall not release the Supplier from liability. The Buyer shall notify the Supplier without undue delay of any defects in the Goods, if such defects are discovered in the course of production following the inspection of incoming Goods. In this respect, the Supplier waives the objection of delayed notification of defects. Payment for the Goods shall not constitute a declaration of acceptance of the Goods.

(e) Buyer's approval and release of Supplier's development work shall neither exclude nor limit responsibility of Supplier for warranty and/or product liability claims.

**IX. Replacement parts and transition of supply**

(a) The Supplier shall fulfill Buyer's replacement parts requirement for Production Materials during program delivery and for fifteen (15) years thereafter. If the necessary raw material or component is likely to become unavailable on the market, the Supplier shall inform the Buyer without undue delay after having noticed this and shall suggest an alternative available raw material or component suitable for the Goods. In such cases, the Buyer may make a one-time

lifetime purchase of the respective raw material or component and/or use an alternative raw material or component and may also adjust the respective release procedures.

The price for replacement parts in the first 3 years after the end of serial production will be the last agreed price before the end of serial production, unless otherwise agreed. The prices for replacement parts during the following 12-year period shall be based on the last agreed price at the end of the series delivery plus any costs due to the end of the series production agreed between the Buyer and the Supplier.

For Goods that are not Production Materials, the Supplier shall ensure fulfillment of the Buyer's requirement for replacement parts at market prices for a duration of at least fifteen (15) years as of the date of the first delivery of the Goods.

(b) Upon expiration or termination of a Delivery Contract for Production Materials for any reason, the Supplier agrees to cooperate with the Buyer to support the transition of supply to an alternative supplier.

## **X. Warranty**

(a) The Supplier warrants that the delivered Goods will comply with the Specifications and are free from defects in materials and workmanship and are suitable for their intended use stated in the Delivery Contract. If and to the extent the quality according to the preceding sentence has not been agreed, the Supplier warrants that the Goods are merchantable and are suitable for their usual and/or reasonably foreseeable use. If and to the extent that the Supplier is responsible for the development and/or design and construction of the Goods, it shall also warrant the suitability of the development and/or design and construction of the Goods.

(b) If the Goods are Defective Goods, the Buyer may, at its own discretion, request the Supplier to repair the Goods at the Supplier's expense and risk, or replace them with non-Defective Goods. In the event the Buyer sets a reasonable deadline for the Supplier to cure the defect and the Supplier fails or refuses to cure the defect by the reasonable deadline, the Buyer may cure the defect itself or have it cured by a third party at the Supplier's expense. If setting a deadline is no longer economically reasonable for the Buyer or no longer possible for production-related reasons, the Buyer may cure the defect itself or have the defect cured by a third party at the Supplier's expense even without setting a reasonable deadline.

(c) The warranty period shall be thirty-six (36) months from the delivery of the Goods.

(d) The Buyer's rights provided in this Section shall apply in addition to all other statutory and/or contractual claims.

## **XI. Recalls**

The Supplier shall be liable and responsible for any measures required to remedy nonconformities in its Goods including but not limited to product hazards (recalls) to the extent that it is legally obligated to implement such measures.

## **XII. Liability and insurance**

(a) The Supplier shall compensate the Buyer for all costs and damages incurred as a result of the delivery of Defective Goods or due to the violation of an obligation in the Delivery Contract, including the costs incurred by the deployment of the Buyer's own employees during a justified self-execution. This shall not apply in the event of fault-based liability if the Supplier proves that it is not at fault.

(b) The Supplier shall obtain an appropriate global insurance coverage for its obligations under the Delivery Contract (particularly commercial liability and product liability insurance, as well as recall

insurance in the event of the supply of Production Materials), as is customary for the automotive industry, from a reputable insurer. The Supplier shall maintain this insurance coverage for the duration of the Delivery Contract and supply of spare parts. Upon request, the Supplier shall provide the Buyer with certification of the scope of coverage from the insurer.

(c) If the Supplier's services also include work at the Buyer's operating premises or the premises of one of the Buyer's customers, the Supplier shall take all necessary precautionary measures while performing this work to avoid personal injuries and property damage. The Supplier shall compensate the Buyer for all costs and damages caused by the Supplier's work at the operating premises and shall indemnify the Buyer against all such claims. This shall not apply in the event of fault-based liability if the Supplier can demonstrate that it is not at fault.

Furthermore, the Supplier shall observe the "Brose Instructions for Outside Companies," available at [www.brose.com](http://www.brose.com) under Purchasing > Download > Handbooks/Templates or upon request from the Buyer.

(d) The Supplier shall be liable for its representatives and subcontractors to the same extent as for its own actions.

### **XIII. Termination for convenience**

(a) In addition to all of the Buyer's other rights to terminate a Delivery Contract, the Buyer may terminate a Delivery Contract at any time and for any reason by giving reasonable notice in writing (including email) to the Supplier. In the event of such a termination, the Buyer's sole liability to Supplier shall be to compensate the Supplier for the following items: (i) the Delivery Contract price for unpaid and already delivered Goods that are free of defects and have been accepted by the Buyer; (ii) the Delivery Contract price for Goods finished in accordance with the firm period in the Delivery Contract; and (iii) the applicable direct costs for work in progress and Production Materials that the Supplier incurred in accordance with the firm material and production releases related to the respective Delivery Contract. This only applies if the costs incurred are reasonable or the Buyer has consented to the costs or quantities in writing. The Supplier will not be reimbursed for damaged or destroyed Production Materials or Goods. Upon Buyer's request, the Supplier shall deliver the finished Goods and materials based on corresponding Delivery Contracts to be concluded in cases specified in Section XIII. (a) (ii) and (iii) of these GTCP. The Supplier shall fulfill the Delivery Contracts until the termination by the Buyer becomes effective.

(b) The Buyer is not obligated to pay for Goods, unfinished products or materials that exceed the volume ordered or approved as per Section II. (a) of these GTCP. The same applies for Goods, unfinished products or materials that are in the Supplier's standard stock or can be sold elsewhere.

(c) Payments by the Buyer shall not exceed the maximum amount that the Buyer would have paid if it had not terminated the Delivery Contract.

### **XIV. Termination for cause**

(a) In addition to any rights to terminate provided by law and Buyer's right to terminate for convenience in Section XIII. of these GTCP, the Buyer may also terminate a Delivery Contract, in full or in part, in writing (including email) for cause, and without any further liability or compensation to Supplier. Unless the Buyer's written notice of termination specifies otherwise, the termination shall have immediate effect. In particular, Buyer may terminate for the following causes, which include, but are not limited to the following cases:

(i) the Supplier commits a material breach of the Delivery Contract, the Buyer notifies the Supplier of the breach in writing (including email), and the Supplier fails to cure the breach



within reasonable set period (normally 15 business days) of the date the Buyer's notice was sent;

(ii) the Supplier becomes insolvent; a request is submitted to initiate insolvency, bankruptcy or liquidation proceedings regarding its assets; the Supplier becomes a debtor in a bankruptcy, insolvency, receivership or similar proceeding that is not dismissed within 30 calendar days after commencement; an insolvency administrator or trustee is appointed; the Supplier admits in writing that it is unable to pay its debts as they become due; a liquidation settlement takes place, or an insolvency petition is dismissed for lack of assets;

(iii) the Supplier experiences a change in the ownership or shareholder structure as a result of which the Buyer cannot reasonably be expected to continue the Delivery Contract. This includes but is not limited to a competitor of the Buyer acquiring shares in the Supplier, or the Supplier acquiring shares in an enterprise belonging to a competitor of the Buyer;

(iv) the Supplier violates any legal provisions or fails to comply with the requirements of clauses XVII. and XXIII. of these GTCP.

The Supplier's legal rights of termination under the applicable law shall remain unaffected by this clause.

(b) In the event of a partial termination of a Delivery Contract that has not yet been completely fulfilled, the Supplier shall remain obligated to fulfill the non-terminated part of the Delivery Contract.

#### **XV. Buyer's Tools**

(a) The Buyer's Tools are provided to the Supplier as bailed property and shall remain the property of the Buyer or the Buyer's customer, unless otherwise agreed upon in writing.

(b) The Supplier is only allowed to use the Buyer's Tools to produce Goods under a Delivery Contract with the Buyer. The Supplier may not use the Buyer's Tools for other purposes, or allow third parties to use them, without prior written consent from the Buyer.

(c) Buyer's Tools must be clearly labeled as the property of the Buyer or the Buyer's customer. They must be stored safely in a separate place apart from the Supplier's property or the property of other customers of the Supplier. The Supplier shall maintain the Tools at its own expense in good condition and shall replace them if necessary. The Supplier shall bear the risk for the Buyer's Tools if they are in the custody or under the control of the Supplier; the Supplier shall insure the Buyer's Tools at its own expense and for replacement value in the event of loss. The Supplier hereby assigns all payment claims related to the Buyer's Tools against the insurer to the Buyer, and the Buyer hereby accepts this assignment. The Supplier shall treat the Buyer's Tools with care and caution. The Supplier agrees to indemnify the Buyer against all claims as well as any costs and damages arising from the installation, use, storage or repair of the Buyer's Tools. The Buyer or its customer may enter the Supplier's operating premises at any time during normal business hours in order to inspect the Buyer's Tools and records regarding the Buyer's Tools. Upon Buyer's request, the Supplier shall perform a physical inventory of Buyer's Tools and make them available to the Buyer for inspection.

(d) The Buyer may request the return of the Buyer's Tools at any time, including after proper termination of the Delivery Contract or in the case that the Supplier is temporarily or permanently unable to continue to supply and deliver the Goods. If the Buyer requests the return of the Buyer's Tools, the Supplier shall make the Buyer's Tools available for the Buyer to collect without undue delay. Upon Buyer's request, the Supplier shall send the Buyer's Tools to a location specified by

the Buyer, for which the Supplier shall be compensated by Buyer for all reasonable costs of the secure delivery of Buyer's Tools. The Supplier shall not be entitled to any right of retention for the Buyer's Tools for any reason and shall not be entitled to place any lien or encumbrance on the Buyer's Tools. This shall not apply if the Supplier retains the Buyer's Tools due to undisputed, acknowledged or enforceable claims.

#### **XVI. Supplier's Tools**

(a) If and to the extent that the Supplier does not require Tools to produce Goods for other customers, the Supplier shall grant the Buyer an option to acquire such Tools. If the Buyer exercises this option, the purchase price shall be calculated as follows: the original purchasing/manufacturing costs, minus any depreciation for wear and any other depreciation up to the time when the Tool is delivered to Buyer after the option is exercised. Depreciation for wear shall only be considered if the Supplier was compensated for that depreciation beyond the price of the Tools. Under no circumstances can the purchase price at the time when the Purchase right is exercised exceed the market value (replacement costs for an equally used tool).

(b) The Supplier shall provide the Buyer with all of the Information that the Buyer needs to install, assemble and use said Tools. Buyer may use the Information without limitation and share it with third parties for the purpose of using these Tools, but subject to the industrial or intellectual property rights of the Supplier, for which Supplier grants Buyer a world-wide and paid-up license (e.g. patents). Any design, construction or production Information that is subject to the Supplier's intellectual property rights can only be used for the Buyer's own purposes.

#### **XVII. Compliance with laws and regulations, safety, environmental protection, hazardous substances**

(a) In the course of fulfilling the Delivery Contract, the Supplier shall comply with all applicable laws, regulations, ordinances and industry standards. In particular, Goods must comply with the applicable product safety, environmental and workplace regulations and provisions. Seller will promptly provide, in writing, any Information and documents requested by Buyer regarding the Goods so that Buyer may comply in a timely manner with reporting requirements under applicable law with respect to consumer protection, "conflict minerals" or similar obligations, if any, or to meet the requirements of its customers.

The Supplier of Production Materials shall comply with the current versions of Brose Standard 589589, "Environmental Requirements for Brose Products," as well as the associated Brose Standard 588619, "Environmental Protection – Prohibited Substances." In the context of initial sampling, the Supplier shall enter all the necessary data into IMDS, the International Material Data System (<http://www.mdssystem.com>), as well as into the systems of all other applicable organizations (e.g. the SCIP (Substances of Concern In articles as such or in complex objects (Products)) database) as needed.

(b) The Supplier shall comply with all applicable hazardous materials regulations. In particular, the Supplier shall ensure that activities involving hazardous Goods and substances are performed only by personnel who have been specifically trained for such activities, and that only resources, containers and equipment are used that have been approved for transporting such hazardous Goods and substances on public roads. The Supplier shall provide the Buyer with an overview of all hazardous Goods and substances that are used in fulfilling the Delivery Contract. The Supplier shall maintain the corresponding safety data sheets and shall provide the Buyer with copies of these upon request.

(c) The Supplier shall provide the Buyer with appropriate installation, operating and maintenance manuals, provided that they are necessary for the use of the Goods. In addition, the Supplier shall provide to the Buyer, all of the applicable material safety data sheets. These documents

must contain all specific warnings and/or instructions in the Buyer's national language and in English, or in the language specified in the Delivery Contract.

**XVIII. Non-assignment, non-transfer and right of retention**

The Supplier shall not be entitled to assign claims from a Delivery Contract or to transfer its obligations under the Delivery Contract to third parties without prior written consent from the Buyer. The Supplier shall only be entitled to exercise a right of retention if its claims against the Buyer are undisputed or have been finally determined by a court of law. The Supplier shall have no further rights of retention of such claims.

**XIX. Force majeure and risk management**

(a) Any delay or failure of performance under a Delivery Contract that results from an event of force majeure without any error or fault on the part of the affected party shall be considered excused for as long as the event persists. In order to be excused from performing due to a force majeure event, the affected party must provide the other party with written notice of any such delay (including the expected length of the delay and further impact on Delivery Contracts) as quickly as possible after the event, but no later than three (3) calendar days thereafter. The party claiming force majeure shall immediately provide the other party with all available evidence of the existence of force majeure.

Force majeure events are unforeseeable and unpreventable occurrences including but not limited to natural disasters such as fires, floods, earthquakes, tornadoes or other extreme occurrences such as unrest, war, sabotage, pandemics, government actions and orders, and terrorist attacks. Increase in costs, whether for raw materials, shipping, labor, or otherwise, shall not constitute an event of force majeure.

(b) During the delay or failure of performance on the part of the Supplier, and for an appropriate period thereafter, the Buyer shall be entitled (i) to purchase replacement Goods from other available sources, which shall reduce the volume of the Ordered Goods by the amount of Goods thus replaced, and/or (ii) to require the Supplier to deliver replacement Goods from other available sources in the volume and by the deadlines specified by the Buyer, and at the prices established in the Delivery Contract. If the Supplier cannot provide credible assurance that the delay will not exceed thirty (30) calendar days, or if the delay lasts longer than thirty (30) calendar days, the Buyer can terminate the contract without liability toward the Supplier and without any obligation to purchase raw materials, unfinished or finished Goods as per Section XIII of these GTCP as if the termination were a termination for cause under Section XIV.

(c) The Supplier shall have a systematic risk management process in place to identify and, if possible, mitigate risks that would have a material impact on the supply relationship with the Buyer. Upon Buyer's request, the Supplier shall provide the Buyer with insight into the risk management process and the resulting measures with regard to the supply relationship between Buyer and Supplier.

**XX. Confidentiality**

The Supplier shall keep confidential all Information provided by the Buyer, whether verbally or in writing. The Supplier shall only use this Information for purposes of fulfilling the Delivery Contract. The Supplier shall not provide this Information to third parties either directly or indirectly without prior written consent from the Buyer. This shall not apply if the purpose of the Delivery Contract requires that the Information be provided. This confidentiality obligation does not apply to Information that was provided to the Supplier by a third party in a legally permissible manner and on a non-confidential basis, or to Information that is freely available to the public. The Supplier shall obligate its subcontractors to maintain confidentiality to the same extent as in this clause. If the Supplier is obliged to disclose information due to official or judicial order or mandatory

legal provision, the Supplier shall immediately inform the Buyer thereof by telephone and in writing. If and to the extent that a separately concluded Non-Disclosure Agreement between the Supplier and the Buyer exists, such agreement shall prevail over this Section.

**XXI. Intellectual property and licenses**

(a) The Supplier warrants that the Buyer's intended use of the Goods, alone or in combination, and their sale, does not violate any third-party's intellectual property rights, including but not limited to industrial or intellectual property rights, unless such combination is not reasonably foreseeable. The Supplier hereby indemnifies the Buyer against all third party claims, including any resultant disputes, and shall support the Buyer in defending such claims. This shall not apply to the extent the Supplier is not responsible for the violation.

(b) If the Supplier's intellectual property rights, in particular industrial property rights, are necessary in order for the Buyer to use, repair, resell, or import the Goods, the Supplier agrees to grant, and hereby does grant, the Buyer a worldwide, irrevocable and royalty-free right to use the Goods itself or via third parties, to repair or import them or to otherwise use or resell them at its own discretion.

If the Supplier fails to deliver the Goods, regardless of the reason, the Supplier hereby also grants the Buyer the right to make, have made, repair, and rebuild the Goods itself or via a third party. If the Supplier is responsible for the failure to deliver, this license right shall be granted royalty-free; otherwise, it shall be subject to a reasonable royalty to be negotiated by the Supplier and Buyer in good faith.

(c) If standard user software is the subject of a Delivery Contract, the Supplier shall grant the Buyer a fully transferable right of use in and to the software. The Supplier shall provide the Buyer with the necessary software free of charge. The Supplier shall ensure that the software sold is free from viruses and similar defects.

(d) If a Delivery Contract includes development work to be paid for by the Buyer, whether as a one-time payment or as amortized into the price of the parts, the Buyer shall obtain full title of all development results, including all Industrial and intellectual property rights in and to such development work and development results. If the development results are capable of being protected by industrial property rights, the Supplier undertakes to perform all actions and to make all declarations required for the transfer of these rights to the Buyer. Supplier agrees to assign, and hereby does assign, to Buyer all such Industrial and intellectual property rights. To the extent rights to the development results are not transferable, the Supplier shall grant the Buyer a timely, spatially and factually unrestricted exclusive right of use free of charge. The Supplier also hereby grants to the Buyer an irrevocable, non-exclusive, free of charge, worldwide license with the right to issue sub-licenses for all Industrial property rights upon which the development results are based, or which the Buyer needs for the direct or indirect use of the development results.

**XXII. Prohibition of advertising**

The Supplier cannot advertise or publicize its business relationship with the Buyer, the Buyer's name or the name of the Goods without prior written consent from the Buyer. This shall not apply if a deviation from this prohibition is required due to binding legal provisions.

**XXIII. Social responsibility**

The Buyer deems it essential that the Supplier acts in a responsible manner toward its own employees and toward society in all its commercial activities. An integral part of these GTCP is therefore the "Brose Code of Conduct for Suppliers and Service Providers", which applies in the respective current version, unless the Supplier has objected in writing within 14 calendar

days after receipt of the information about the update of the Code of Conduct. The current version is available at [www.brose.com](http://www.brose.com) under Purchasing > Download > Handbooks/ Templates or upon request from the Buyer.

#### **XXIV. Financial stability**

(a) Upon request, the Supplier shall promptly provide the Buyer with suitable information (in particular quarterly, half-yearly and annual financial statements plus the corresponding financial statements including notes and information on key corporate business figures) to allow Buyer to assess Supplier's current economic and financial situation regarding Supplier's continued ability to deliver. Buyer shall keep such information confidential to the extent that it is not publicly available or otherwise already demonstrably generally known or becomes known through no fault of Buyer.

(b) In addition, the Supplier shall inform the Buyer in writing, without being requested to do so, of any significant changes in the shareholder structure or its financial circumstances, insofar as these have an impact on the continued ability to deliver Goods or Services.

#### **XXV. Information security**

The Supplier shall ensure that information and systems along its value chain and in cooperation with the Buyer are adequately protected against loss, manipulation or failure. This includes in particular the implementation and maintenance of an appropriate information security management system.

The "Information Security Requirements for Suppliers and Service Providers" (available at [www.brose.com](http://www.brose.com) under Purchasing > Download > Handbooks/ Templates or upon request from the Buyer) shall apply to the Supplier. The current version of the "Information Security Requirements for Suppliers and Service Providers" shall apply, unless the Supplier has objected in writing within 14 calendar days after receipt of the information about the update of the "Information Security Requirements for Suppliers and Service Providers". If the Supplier rejects the updated version of the "Information Security Requirements for Suppliers and Service Providers" in writing to the Buyer within 14 calendar days after receipt of the information about the update of the manual, the prior version of the "Information Security Requirements for Suppliers and Service Providers" shall apply.

#### **XXVI. General provisions**

(a) UNLESS EXPRESSLY AGREED OTHERWISE IN INDIVIDUAL CASES, THE CONCLUSION OF A DELIVERY CONTRACT, INCLUDING THESE GTCP, ITS VALIDITY, INTERPRETATION, EXECUTION AND TERMINATION, AS WELL AS ALL OF THE RIGHTS AND CLAIMS ASSOCIATED WITH THE DELIVERY CONTRACT, AND THESE GTCP OR THE BREACH THEREOF, SHALL BE SUBJECT TO THE LAWS OF THE COUNTRY IN WHICH THE BUYER'S PLACE OF BUSINESS IS LOCATED. THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS (CISG) AND THE CONFLICT REGULATIONS REGARDING PRIVATE INTERNATIONAL LAW ARE HEREBY EXPRESSLY EXCLUDED.

ALL DISPUTES SHALL BE FINALLY SETTLED ACCORDING TO THE RULES OF ARBITRATION OF THE INTERNATIONAL CHAMBER OF COMMERCE (ICC) BY ONE OR MORE ARBITRATORS APPOINTED IN ACCORDANCE WITH THE SAID RULES. THE LANGUAGE OF ARBITRATION SHALL BE GERMAN OR ENGLISH, AT THE DISCRETION OF THE BUYER. THE EXCLUSIVE PLACE OF ARBITRATION SHALL BE THE LOCATION OF THE BUYER'S PLACE OF BUSINESS. THE BUYER MAY INSTEAD CHOOSE THE LOCATION OF THE SUPPLIER'S PLACE OF BUSINESS AS THE PLACE OF ARBITRATION FOR THE PROCEEDINGS INITIATED BY THE BUYER.

THE PARTIES ARE STILL PERMITTED TO TAKE RECOURSE TO STATE COURTS IN SUMMARY PROCEEDINGS. THE PLACE OF JURISDICTION IN SUMMARY PROCEEDINGS SHALL BE THE BUYER'S REGISTERED OFFICE. THE BUYER MAY ALSO CHOOSE THE SUPPLIER'S REGISTERED OFFICE AS THE PLACE OF JURISDICTION FOR PROCEEDINGS INITIATED BY THE BUYER.

(b) Waivers of rights through implicit or tacit behavior are excluded. A waiver of rights declared in an individual case shall not have any effect beyond the individual case.

(c) The contractual provisions between Buyer and Supplier consist exclusively of the Delivery Contract and these GTCP, as well as any other documents specifically incorporated into either of them that are issued by the Buyer (including but not limited to the Specifications), or issued by the Buyer and signed by both parties, or separately agreed to in writing by the parties. They replace any and all prior agreements concluded between the parties. Any changes and/or additions to a Delivery Contract must be agreed in written or electronic form in order to be valid. Any changes and/or additions to these GTCP must be agreed in written form to be valid. The same also applies to any changes to this clause itself.

(d) If there is a conflict between the terms of any contractual documents, the documents will control in the following order of precedence: #1 Delivery Contract, #2 GTCP, #3 Applicable Supplier Manuals.

(e) Should any provision of these GTCP be or become invalid in whole or in part or unenforceable for legal reasons, the validity of the remaining provisions shall not be affected thereby.

**Addendum to the  
Global Terms and Conditions of Purchase** (revised: January 2023)

**Special provisions regarding Orders for Production Equipment**

The special provisions regarding the purchase of Production Equipment form an addendum to the GTCP and apply only to Orders for Production Equipment.

The following changes made to the GTCP shall take precedence over the GTCP. All other provisions of the GTCP shall remain unaffected hereby, including defined terms in the GTCP, as used herein, unless otherwise specified.

**II. Quantities, deadlines and changes**

**Sections (a) and (c) shall not apply for the Purchase of Production Equipment.**

**Section (e) shall be replaced as follows:**

(e) The Supplier may not change the Specification of the Goods without the prior written consent of the Buyer.

In the event of a delay on a Delivery Date caused by the Supplier, the Buyer shall be entitled to exact a contractual penalty amounting to 0.3% of the Net Order value for each working day (Monday – Friday) of the delay, but at most up to 5% of the Net Order value. Any additional or other legal claims shall remain unaffected hereby. The Buyer can reserve the right to claim the contractual penalty up to the time of the final payment. If and to the extent that the Buyer is responsible for a delay, such delay shall be added to the originally agreed Delivery Date.

**Sections (f) through (h) shall be added as follows:**

(f) Upon delivering the Production Equipment, the Supplier shall provide all documentation, replacement parts lists, operating instructions, declarations of conformity, program workflows, and any other documents needed in order to use the Production Equipment.

(g) The Supplier shall perform the installation with its employees. The costs of this are included in the fixed price, unless otherwise agreed upon in the Order.

(h) The Supplier must train and instruct the Buyer, free of charge, in the use of the Production Equipment, including the software, to the extent that the Buyer considers this necessary in order to operate the Production Equipment. The obligation to provide training free of charge shall not apply if remuneration for the training has been agreed in the relevant Delivery Contract.

**III. Packaging and shipping**

**Section (a) shall be replaced as follows:**

(a) Production Equipment must be properly packaged, labeled, and shipped with due care in a manner that ensures the lowest possible transport costs while maintaining timely delivery. Packaging for Production Equipment shall adhere to the HPE Packaging Guideline (available at <http://www.hpe-standard.com>). Packaging, outer packaging and packaging materials may not contain any hazardous materials, particularly radioactive materials. All applicable transport laws and regulations must be observed.

**Section (c) shall be added as follows:**

(c) The Supplier may not affix any recognizable company names, descriptions or emblems to the Production Equipment. The Buyer shall be entitled to remove any such labels from the Production Equipment, or render them unrecognizable, at the expense of the Supplier.

**IV. Prices, payment and delivery terms and conditions**

**Section IV shall be replaced as follows:**

The prices and payment conditions shall be established in the Delivery Contract or the Order. Unless otherwise agreed, all prices shall be net prices, to which the value added tax legally owed by the Supplier shall be added, where applicable. The Buyer bears the charges and necessary expenses of his payment service provider, the Supplier as the payee bears all other charges and expenses. All deliveries shall be DAP (Incoterms) to the named place of destination, unless otherwise agreed. All prices and conditions stated in the Delivery Contracts shall apply at the time of receipt of the Goods by the Buyer. The timeliness of payment shall depend on the initiation of payment execution by the Buyer. Payment terms commence on the date Buyer receives the Goods.

The prices in the Delivery Contract are firm and, not subject to change, and represent the total price for manufacturing and delivering the Production Equipment. The Supplier shall not be entitled to adjust prices and/or request additional costs of any kind without prior express written consent from the Buyer. Supplier invoices shall comply with applicable legal and contractual requirements for invoicing. If the Supplier is delayed in issuing its invoice or delivering the Production Equipment, or if it delivers defective Production Equipment, the Buyer shall be entitled to withhold payment of the purchase price until the Supplier has fulfilled its contractual obligations.

**VII. Risk of loss and title to the Goods**

**Section VII. shall be replaced as follows:**

Title to the Production Equipment or parts thereof, including the associated documentation shall be transferred to the Buyer at the start of the production or upon Supplier's purchase of said Production Equipment and/or parts thereof from any sub-supplier, whichever occurs first. Title shall be transferred regardless of the payment status of the Production Equipment; the Buyer's obligation to pay according to the respective manufacturing status shall remain unaffected hereby. This transfer of title shall in no case constitute an acceptance of the respective unfinished intermediate phases or of the final Production Equipment. The Supplier is obliged to make the ownership of the Buyer externally recognizable by attaching a plaque or similar marking with the name of the Buyer. If this is not possible, the Supplier must show that the Production Equipment owned by the Buyer is not its property by segregation and separate storage. The Production Equipment remains in the possession of the Supplier until the agreed delivery to the Buyer (relationship of intermediary possession). However, the Buyer shall be entitled to demand the return of the Production Equipment from the Supplier at any time. The risk shall pass to the Buyer in accordance with the agreed Incoterm.

**VIII. Quality and control**

**Sections (a) and (b) shall be replaced as follows:**

(a) The Supplier warrants that it will comply with the latest state of the art and all legal requirements in the development and manufacture of the Production Equipment.

(b) Before the Order is accepted and before changes are agreed upon with the Buyer, the Supplier shall analyze and review the Specifications for the Production Equipment, as well as all other parts of the Production Equipment that are provided or required by the Buyer. The Supplier shall acknowledge the Specifications as sufficient and suitable for producing the Production Equipment in compliance with the Delivery Contract.



**Sections (f) and (g) shall be replaced as follows:**

(f) Responsibility for the design and construction shall lie exclusively with the Supplier. The Supplier shall coordinate the design and construction with the Buyer's responsible department before the start of production. Coordination of the design and construction with the responsible department solely involves a general check of the design and construction regarding its overall function and shall not relieve the Supplier of its responsibility. Coordination of the design and construction with the Buyer shall not constitute a legal acceptance of the final Production Equipment.

(g) The Supplier shall hire subcontractors to manufacture the Production Equipment or material parts thereof only after prior written consent from the Buyer.

**IX. Replacement parts and transition of supply**

**Section (a) shall be replaced as follows:**

(a) The Supplier shall ensure the availability of replacement parts at market prices for the duration of ten (10) years after the date of delivery. The Supplier shall promptly inform the Buyer of any supply scarcity, but no later than 3 months before it occurs, and shall propose suitable alternative measures. If production of necessary Components is discontinued, the Supplier shall inform the Buyer without undue delay after having noticed this and shall suggest an alternative available Component.

**Section (b) shall be deleted without replacement.**

**X. Warranty**

**Section (c) shall be replaced as follows:**

(c) The warranty period shall be thirty-six (36) months after the final, unconditional acceptance of the Production Equipment by the Buyer.

**XV. Buyer's Tools**

**Section XV. shall be deleted without replacement.**

**XVI. Supplier's Tools**

**Section XVI. shall be deleted without replacement.**

End of the Addendum

**Addendum to the  
Global Terms and Conditions of Purchase** (revised: January 2023)**Special Provisions for the North America Region (United States, Canada and Mexico)**

The Special Provisions for North America form an addendum to the GTCP and apply to Orders placed by Brose for a Brose location in North America.

The following changes made to the GTCP shall take precedence over the GTCP. All other provisions of the GTCP shall remain unaffected hereby, including defined terms in the GTCP, as used herein, unless otherwise specified.

**II. Quantities, deadlines and changes****Section (a) shall be replaced as follows:**

(a) Unless otherwise agreed upon or stated on the Order, the Order constitutes requirements contract where Supplier will supply and Buyer will buy Buyer's requirements for the Goods. Quantities and delivery dates shall be specified exclusively in Orders or Releases. The Supplier must ensure that it has the necessary capacity to fulfill the quantities forecasted and quantities ordered in Orders or Releases. The Buyer's firm purchase obligation arising from Releases for Production Materials shall be limited to four (4) weeks of production of finished Goods and eight (8) weeks of the raw material inventory, continuously based on the last Release, unless otherwise agreed in the Release. Quantities that exceed these release periods are considered non-binding quantity forecasts and Buyer shall not be liable for any costs related thereto. Releases shall be subject to the requirements of the Delivery Contract. A Release is binding for the Supplier. This shall not apply if the Supplier refuses the Release in writing within three (3) business days after receipt due to unreasonable quantities or delivery deadlines and includes a notice stating the earliest possible alternate Delivery Date.

**IV. Prices, payment and delivery terms and conditions****Section (b) shall be added as follows:**

Supplier agrees to support Buyer with all tax, invoicing and other requirements regarding "virtual operations" and "virtual transferances" under Mexican law, including correct importation status, agreeing upon and documenting physical movements of any tooling, and all appropriate documentation. All invoices regarding virtual operations or virtual transferances in Mexico must comply with all applicable laws, including the General Foreign Trade Rules (Reglas Generales de Comercio Exterior) and IMMEX.

**VI. Set-off****Section VI. shall be replaced as follows:**

In addition to the rights to set-off under law, the Buyer or one or more of its Affiliates shall be entitled to set-off with claims due or to become due from this or other Orders or Delivery Contracts with the Supplier or one or more of the Supplier's Affiliates. If an obligation of Supplier to Buyer is disputed, contingent or unliquidated, Buyer may defer payment of all or a portion of the amount due to Supplier or its Affiliates until such obligation is resolved.

**IX. Replacement parts and transition of supply****Section (b) shall be replaced as follows:**

(b) Upon expiration or termination of a Delivery Contract for Production Materials for any reason, the Supplier agrees to cooperate with the Buyer and continue supply of the Goods as ordered by Buyer until the Buyer has in place an alternative supplier and to assist the Buyer with appropriate measures in the transition of supply to the alternative supplier.

## **XII. Liability and insurance**

### **Section (a) shall be replaced as follows:**

(a) Supplier hereby assumes the entire, sole responsibility for any injury to person, including death, or damage to property of any kind or nature caused by, resulting from or arising in connection with the furnishing of Goods or services by Supplier, its subcontractors, officers, agents, or employees and which result from: any defect in the Goods or services supplied by Supplier; any noncompliance, breach, or nonperformance by the Supplier with any of its representations, warranties, or obligations under a Purchase Order; or any negligence or fault of the Supplier in connection with the design or manufacture of the Goods. To the fullest extent permitted by law, Supplier shall defend, indemnify and hold harmless Buyer, Buyer's Affiliates, Buyer's customer(s), and all of their officers, employees, agents, representatives, successors and assigns against all claims (including without limitation, claims for personal injury or death or property damages), damages (including without limitation all indirect and consequential damages), costs, expenses, (including without limitation attorneys' and other professionals' fees, settlements, releases and judgments), and all losses directly or indirectly incurred by Buyer or Buyer's customer(s) (collectively, "Damages") arising out of or resulting from a Good furnished by Supplier, from any act or omission of Supplier or its agents, employees or subcontractors, or any breach by Supplier or its agents, employees or subcontractors of any of its representations, obligations or warranties under a Delivery Contract. If labor of any sort is provided to Buyer, by Supplier or any of its employees, subcontractors or agents, Supplier agrees to defend, indemnify and hold harmless Buyer, its shareholders, officers, director, employees, customers and users of its products, against all liability, claims or demands for injuries or damages to any person or property arising out of Supplier's performance of this Delivery Contract.

Supplier's obligations under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise. Buyer shall be entitled to be represented by and actively participate through its own counsel in the defense and resolution of any indemnification matters at Supplier's expense. Supplier's indemnification obligations under this Agreement are independent of, and in addition to, any insurance and warranty obligations of Supplier. The indemnification obligation under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the benefit of Supplier under workers' compensation acts, occupational disease acts, disability benefits acts or other employee benefits acts.

Supplier will indemnify and defend Buyer against third-party claims or demands ("Claims") for injury or death to persons, property damage, economic loss, and any resulting damages, losses, costs, and expenses (including reasonable attorney's fees), regardless of whether the third-party claim or demand arises under tort, contract, strict liability, or other legal theories, if and to the extent caused by (i) Supplier's delivery of non-conforming Goods and (ii) with respect to Claims unrelated to the performance of the Goods, Supplier's negligent acts or omissions in its performance under the Contract. This Section will not apply to the extent that the injury, loss, or damage results from (1) Buyer's specifications for the Goods, (2) Buyer's design of the Goods, (3) any alteration or improper repair, maintenance, handling, or installation of the Goods, or (4) the integration or interaction of the Goods with systems or components not supplied by Supplier, unless the Supplier is responsible for the development of the Goods.

### **Section (c) shall be replaced as follows:**

(c) If the Supplier's services also include work at the Buyer's operating premises or the premises of one of the Buyer's customers, or utilizes the property of Buyer or Buyer's customer, the Supplier shall take all necessary precautionary measures while performing this work to avoid personal injuries and property damage. The Supplier shall compensate the Buyer for all costs and damages

caused by the Supplier's work at the operating premises. To the fullest extent permitted by law, Supplier will indemnify and hold Buyer and Buyer's customer (and their respective officers, directors, employees, agents and successors and assigns) harmless from and against any liability, claims, demands, or expenses (including attorneys' fees and other professionals' fees, settlements, releases and judgments) for damages to property or person arising out of or relating in any way to Supplier's work on the premises or Supplier's use of Buyer's or Buyer's customer's property. This shall not apply in the event of fault-based liability if the Supplier can demonstrate that it is not at fault.

Furthermore, the Supplier shall observe the "Brose Instructions for Outside Companies," available at [www.brose.com](http://www.brose.com) under Purchasing > Download > Handbooks/Templates or upon request from the Buyer.

**A new Section (d) shall be added as follows:**

(d) The rights and remedies reserved to Buyer in these GTCP or the Order or Delivery Contract are cumulative with and in addition to all other legal or equitable remedies available to Buyer. Supplier is liable for all direct, incidental, and consequential damages (including lost profits), losses, costs, and expenses incurred by Buyer resulting from Supplier's breach of warranty, its failure to deliver conforming and non-defective Goods or to comply with the shipping and delivery or other requirements of Buyer and/or its failure to comply with the terms of these GTCP, the Order, or the Delivery Contract, even if Supplier has cured the breach. These damages include, without limitation, costs, expenses, and losses incurred directly or indirectly by Buyer in connection with: (i) inspecting, sorting, storing, reworking, repairing, or replacing the nonconforming Goods; (ii) interruptions at Buyer's or Buyer's customer's facility; (iii) conducting or participating in remedial action(s) or other corrective service actions; or (iv) personal injury (including death) or property damage caused by the nonconforming Goods. Buyer's damages may include reasonable attorneys' fees and other professional fees, settlements, and judgments incurred by Buyer and other costs associated with Buyer's administrative time, labor, and materials.

**A new Section (e) shall be added as follows:**

(e) In any action brought by Buyer to enforce Supplier's obligations in connection with the production or delivery of Goods or transition support, for any deviation from PPAP, for possession of property, or for breach of Supplier's confidentiality and intellectual property-related obligations hereunder, Supplier acknowledges and agrees that monetary damages are not a sufficient remedy for any actual, anticipatory, or threatened breach of the Order and that, in addition to all other rights and remedies that Buyer may have, Buyer shall be entitled to specific performance and injunctive equitable relief as a remedy for any such breach, in addition to Buyer's reasonable attorneys' fees.

**XIII. Termination for convenience**

**Section (d) shall be added as follows:**

(d) Buyer's sole liability under the Delivery Contract (in event of termination, expiration or cancellation) is to pay for the Goods in accordance with Section IV. and to pay the specific termination related amounts described in Section XIII. IN NO EVENT SHALL BUYER BE LIABLE TO SUPPLIER FOR ANTICIPATED OR LOST PROFITS, INTEREST, PENALTIES, OR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, MULTIPLE OR EXEMPLARY DAMAGES OR LIABILITY IN CONNECTION WITH THIS TERMINATION, EXPIRATION OR CANCELLATION.

**XVII. Compliance with laws and regulations, safety, environmental protection, hazardous substances**

**Section (a) shall be replaced as follows:**

(a) Supplier shall comply with all applicable federal, state and local laws, rules, regulations and ordinances and industry standards as to the Goods in the performance of a Delivery Contract,

including all laws monitored and enforced by the National Highway Traffic Safety Administration ("NHTSA"). Supplier warrants, without limitation that the Goods shall be in compliance with applicable product safety, environmental and labor regulations.

The Supplier of Production materials shall comply with current versions of Brose standard BN 589589 "Environmental Requirements for Brose Products" as well as the associated Brose standard BN 588619 "Environmental Protection – Prohibited Substances. In the context of initial sampling, the Supplier shall enter all the necessary data into IMDS, the International Material Data System (<http://www.mdssystem.com>), as well as into the systems of other organizations in the United States, Canada, and Mexico as needed.

If Goods are incorporated in product intended for the US market, Supplier specifically warrants without limitation that each chemical substance constituting or contained in the Goods is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et. seq.) as amended, and that the Goods shall be in compliance with applicable Sections of the Federal Consumer Product Safety Act (15 U.S.C. 2051 et. seq.) as amended, and the Federal Hazardous Substances Act (15 U.S.C. 1261 et. seq.) and are not considered hazardous under any state or federal law except as clearly stated on the shipping and storage containers. Supplier shall defend, indemnify, and hold harmless Buyer from any claim alleging improper or illegal shipment or disposition of the Goods.

#### **XXI. Intellectual property and licenses**

##### **Section (a) shall be replaced as follows:**

(a) Supplier warrants that the Buyer's intended use of the Goods, alone or in combination, and their sale, does not violate any third-party's intellectual property rights, including but not limited to industrial or intellectual property rights, unless such combination is not reasonably foreseeable. Supplier shall defend, hold harmless, and indemnify Buyer, its successors and assigns against any suit, claim, or action for actual or alleged direct or contributory infringement of or inducement to infringe any intellectual property right claimed by such third party and against any resulting damages or expenses (including attorneys' and other professionals' fees, settlements, releases and judgments) arising in any way out of any such claim, including any claim against Buyer that the infringement arose out of compliance with Buyer's specifications. If the use of the Goods is enjoined or, in Buyer's sole judgment, is likely to be enjoined, Supplier will, at Buyer's election and Supplier's sole expense, procure the right to continue using the Goods or modify the Goods so it becomes non-infringing. Time is of the essence for Supplier's actions required hereunder.

#### **XXVI. General provisions**

##### **Section (a) shall be replaced as follows:**

(a) UNLESS EXPRESSLY AGREED OTHERWISE IN INDIVIDUAL CASES, THE CONCLUSION OF A DELIVERY CONTRACT, INCLUDING THESE GTCP, ITS VALIDITY, INTERPRETATION, EXECUTION AND TERMINATION, AS WELL AS ALL OF THE RIGHTS AND CLAIMS ASSOCIATED WITH THE DELIVERY CONTRACT, AND THESE GTCP OR THE BREACH THEREOF, SHALL BE SUBJECT TO THE LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS (CISG) AND THE CONFLICT REGULATIONS REGARDING PRIVATE INTERNATIONAL LAW ARE HEREBY EXPRESSLY EXCLUDED.

ALL DISPUTES SHALL BE FINALLY SETTLED ACCORDING TO THE RULES OF ARBITRATION OF THE INTERNATIONAL CHAMBER OF COMMERCE (ICC) BY ONE OR MORE ARBITRATORS APPOINTED IN ACCORDANCE WITH THE SAID RULES. THE BUYER MAY INSTEAD DECIDE TO ARBITRATE ANY DISPUTE ACCORDING TO THE RULES OF ARBITRATION OF THE AMERICAN ARBITRATION ASSOCIATION (AAA), BY ONE OR MORE ARBITRATORS APPOINTED IN ACCORDANCE WITH THE AAA RULES. THE LANGUAGE OF ARBITRATION SHALL BE ENGLISH.

THE EXCLUSIVE PLACE OF ARBITRATION SHALL BE THE STATE OF MICHIGAN. BUYER MAY INSTEAD CHOOSE THE LOCATION OF THE SUPPLIER'S PLACE OF BUSINESS AS THE PLACE OF ARBITRATION FOR THE PROCEEDINGS INITIATED BY THE BUYER.

THE BUYER MAY ALSO LITIGATE ANY DISPUTE, AND SUPPLIER CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF MICHIGAN LOCATED IN OAKLAND COUNTY, MICHIGAN AND THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN FOR ANY ACTION OR PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, EACH DELIVERY CONTRACT AND ANY OTHER DOCUMENTATION BETWEEN SUPPLIER AND BUYER FOR THE GOODS. SUPPLIER SPECIFICALLY WAIVES ANY AND ALL OBJECTIONS TO VENUE IN SUCH COURTS.

**Section (f) shall be added as follows:**

(f) Any notice required or permitted under the Order or Delivery Contract shall be in writing. If notice is sent by (i) personal delivery, (ii) registered mail, (iii) facsimile transmission or (iv) e-mail at the respective addresses of Supplier or Buyer stated on the Order, it shall be deemed to be received by the addressee (i) on the date of personal delivery, (ii) on the fifth (5th) business day following the date of mailing by registered mail or (iii), (iv) on the same day it was sent if sent before 5:00 PM local time of addressee by facsimile transmission or by e-mail (after which time it will be deemed to have been received on the following business day).

**Additional Provisions for Mexico:**

**Solely in the event the Buyer´s place of business is located in Mexico the following new Section XXVII. shall be added to the GTC:**

**XXVII. Labor responsibility**

The Supplier recognizes that it is an independent contractor and in accordance with Article 13 of the Mexican Federal Labor Law, it has own and sufficient elements to comply with its obligations with respect to its workers, employees and representatives. The Supplier shall unconditionally assume the responsibilities of an employer, and therefore all its representatives, workers, and employees involved in the production of Goods or execution of Services under a Delivery Contract shall exclusively depend on the Supplier, who will be solely responsible for the work contracts, the salary payments and other benefits, as well as for fees to be paid to the Mexican Social Insurance Company (IMSS), the National Fund of Living for Workers (INFONAVIT), the Pension Savings System (SAR), and taxes related thereto. In particular the Supplier warrants that it does not engage in forced labor, child work, disciplinary abuses or any other violation of the local laws, or any harassment and discrimination, threats to the security and health of the employees, illegal salaries and benefits, abuses of the freedom of association and working hours.

Even when the Supplier is working inside the facilities of the Buyer, the Buyer shall not be held responsible for any claims caused by such working relationship. The Supplier agrees to indemnify and hold the Buyer harmless from any claims, including labor claims, brought against the Buyer by any representatives, workers and employees involved in the production of Goods or execution of services under a Delivery Contract, whether directly employed by the Supplier or by any third party.

End of the Addendum

**Addendum to  
Global Terms and Conditions of Purchase** (revised: January 2023)

**Special Provisions for Brazil**

The Special Provisions for Brazil form an addendum to the GTCP and apply to Orders placed by Brose for a Brose location in the Federal Republic of Brazil.

The following changes made to the GTCP shall take precedence over the GTCP. All other provisions of the GTCP shall remain unaffected hereby, including defined terms in the GTCP, as used herein, unless otherwise specified.

The following Sections are amended solely in the respects set forth hereinafter:

**II. Quantities, deadlines and changes**

**At the end of Section (b) the following shall be added:**

IT IS IMPERATIVE THAT THE SUPPLIER COMPLY WITH THE QUANTITY AND PERIOD OR DELIVERY DATE DUE TO THE FACT THAT BROSE DO BRASIL IS A JUST IN TIME PLANT. VARIATIONS IN DEMANDS DUE TO PRODUCTION REPROGRAMMING OF BUYER CUSTOMERS SHALL BE MET BY THE SUPPLIER TO THE FULLEST EXTENT, except if otherwise agreed in writing between the parties.

**XII. Liability and insurance**

**Section (a) shall be replaced as follows:**

Without restrictions of any other indemnification provisions provided by law, the Supplier will defend, indemnify and exempt the Buyer, its customers, successors, assignees and third parties from any loss, damage, fine, penalty, judicial or extrajudicial lawsuit, expense, worker's compensation or other liability due to any illegal act, propriety damage, physical injury, damage caused by the act or any other damage resulting from or related to the Products or the Product's supply, whereas, however, the Supplier will in no way be hold responsible for any of the precedents if they are solely and exclusively caused by negligence or intended bad conduct by the Buyer, its representatives or employees.

In the same way the Supplier will defend, indemnify and exempt the Buyer, its successors, assignees and third party from al and any action, judicial or extrajudicial lawsuit, loss, responsibility, cost, expense, including legal fees and damages (including but not limited to any special damages, incidental or direct and liability for propriety damages, physical injury and death, caused by the Supplier, his suppliers, service providers, agents and employees to the Buyer, its successors, assignees and/or any third party, if such claim results or is originated from, or in conjunction with: (a) any Product's defect caused by project error or imprecise or incomplete Products Specifications; (b) any material or workmanship defect; (c) any violation of laws and regulations applicable to Product manufacture and sales by the Supplier; and (d) any failure or intentional or negligent act or omission by the Supplier, his employees, agents or service providers, if applicable.

End of the Addendum

**Addendum to the  
Global Terms and Conditions of Purchase** (revised: January 2023)

**Special Provisions for Poland**

The Special Provisions for Poland form an addendum to the GTCP and apply to Orders placed by Brose Sitech sp. z.o.o. or another company with its place of business in Poland.

The following changes made to the GTCP shall take precedence over the GTCP. All other provisions of the GTCP shall remain unaffected hereby, including defined terms in the GTCP, as used herein, unless otherwise specified.

**III. Packaging and shipping**

**Section (a) shall be replaced as follows:**

(a) Goods must be properly packaged, labeled, and shipped with due care in a manner that ensures the lowest possible transport costs while maintaining timely delivery. Packaging, outer packaging, packaging materials and Goods carriers may not contain any hazardous materials, particularly radioactive materials, and must be recyclable unless a return agreement and/or Goods carrier pool system is in place. All applicable transport laws and regulations must be observed.

The "Principles of cooperation between suppliers and Brose Sitech sp. z.o.o. – Handling procedures for purchase parts" referred to in the following as "Principles of cooperation" (available at <https://www.brose-sitech.com/About/Terms-and-conditions-for-suppliers> -> No. 4, or upon request from the Buyer) applies to Production Materials. The current version of the principles of cooperation apply unless the Supplier has objected in writing within 14 calendar days after receipt of the information about the update of the principles of cooperation. If the Supplier rejects the updated version of the principles of cooperation in writing to Buyer within 14 calendar days after receipt of the information about the update of the principles of cooperation, the prior version of the principles of cooperation applies. The Supplier shall label the Goods, packing materials and packaging according to the Buyer's instructions and in compliance with any legal requirements and standards of the automotive industry and, unless otherwise agreed upon in the Delivery Contract, labeling, documents accompanying delivery of Goods and electronic notification shall be done as specified in the principles of cooperation

**VIII. Quality and control**

**Section (a) shall be replaced as follows:**

(a) When developing and manufacturing the Goods, the Supplier shall observe the latest state of the art and comply with all quality standards, legal provisions and other contractual requirements. For Production Materials the Supplier shall in addition comply with Buyer's customer's requests, IMDS requirements, and the "Quality requirements sheet" available at <https://brose-sitech.com/About/Terms-and-conditions-for-suppliers> -> Nr. 5 or upon request from the Buyer. The current version of the "Quality requirements sheet" shall apply unless the Supplier has objected in writing within 14 calendar days after receipt of the information about the update of the provisions. If the Supplier rejects the updated provisions in writing to the Buyer within 14 calendar days after receipt of the information about the update of the provisions, the prior version of the "Quality requirements sheet" applies. The Supplier shall fulfill all requirements in order to complete the materials approval process of the Buyer and the Buyer's customers by the agreed dates. Subject to other instructions by the Buyer, the Supplier shall undertake random sampling before delivery and record the inspection results in a suitable manner and form. The "Quality requirements sheet" shall apply to the retention and archiving of these records. If the Supplier supplies the Buyer with Production Material, the Supplier shall participate in quality and development programs of the Buyer or its customers upon Buyer's request.



The Buyer is free to replace the documents referenced in Sections III. and VIII. of this Addendum ("Principles of cooperation between suppliers and Brose Sitech sp. z.o.o. – Handling procedures for purchase parts " and "Quality requirements sheet") with the documents referenced in Sections III. and VIII. of the General Part of the GTCP. For this purpose, it shall send a notification in text form to the Supplier four (4) weeks in advance.

#### **XIV. Termination for cause**

##### **Section (a) shall be replaced as follows:**

(a) In addition to the legal grounds for termination and Buyer's right to terminate for convenience in Section XII. of these GTCP, the Buyer may also terminate a Delivery Contract, in full or in part, in writing (including email) for cause. Unless the Buyer's written notice of termination specifies otherwise, the termination shall have immediate effect. In particular, good cause includes but is not limited to the following cases:

- (i) the Supplier commits a material breach of the Delivery Contract, the Buyer notifies the Supplier of the breach in writing (including email), and the Supplier fails to cure the breach within reasonable set period (normally 15 business days) of the date the Buyer's notice was sent;
- (ii) the risk of insolvency of the Supplier occurs, including particularly where the Supplier takes steps in preparation for bankruptcy or restructuring (e.g. preparation of a preliminary restructuring plan or balance sheet for the purposes of bankruptcy proceedings);
- (iii) the liquidation process of the Supplier is initiated;
- (iv) the Supplier's company experiences a change in the ownership or shareholder structure as a result of which the Buyer cannot reasonably be expected to continue the Delivery Contract. This includes but is not limited to a competitor of the Buyer acquiring shares in the Supplier's company, or the Supplier acquiring shares in an enterprise belonging to a competitor of the Buyer.
- (v) the Supplier violates any legal provisions or fails to comply with the requirements of clauses XVII. and XXIII. of these GTCP.

The Supplier's statutory rights of termination under the applicable law shall remain unaffected by this clause.

##### **Section (b) shall be replaced as follows:**

(b) In case of termination for cause, as provided in this Section XIV. of these GTCP, the Buyer shall not be committed to provide any compensation (which includes the compensation within the scope specified in Section XIII (a) (i)-(iii)) nor shall it incur any liability toward the Supplier in connection with such termination. If the full exclusion of compensation or liability due from the Buyer is not allowable under the mandatory provisions of law, such compensation and/or liability shall be limited to the minimum allowable extent. In the event of a partial termination of a Delivery Contract that has not yet been completely fulfilled otherwise, the Supplier shall remain obligated to fulfill the non-terminated part of the Delivery Contract.

##### **Section (c) shall be added as follows:**

Unless otherwise stipulated in the mandatory provisions of law, the Supplier shall not be entitled to unilaterally terminate the Delivery Contract prior to its term stipulated in the Order or the Delivery Contract. The provisions of the preceding sentence do not apply when the Buyer commits a fundamental breach of the Delivery Contract and does not fully rectify this violation within an appropriate period.

## **XXVI. General provisions**

### **Section (a) shall be replaced as follows:**

(a) UNLESS EXPRESSLY AGREED OTHERWISE IN INDIVIDUAL CASES, THE CONCLUSION OF A DELIVERY CONTRACT, INCLUDING THESE GTCP, ITS VALIDITY, INTERPRETATION, EXECUTION AND TERMINATION, AS WELL AS ALL OF THE RIGHTS AND CLAIMS ASSOCIATED WITH THE DELIVERY CONTRACT, AND THESE GTCP OR THE BREACH THEREOF, SHALL BE SUBJECT TO THE LAWS OF THE COUNTRY IN WHICH THE BUYER'S PLACE OF BUSINESS IS LOCATED. THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS (CISG) AND THE CONFLICT REGULATIONS REGARDING PRIVATE INTERNATIONAL LAW ARE HEREBY EXPRESSLY EXCLUDED.

ALL DISPUTES SHALL BE FINALLY SETTLED ACCORDING TO THE RULES OF ARBITRATION OF THE INTERNATIONAL CHAMBER OF COMMERCE (ICC) BY ONE OR MORE ARBITRATORS APPOINTED IN ACCORDANCE WITH THE SAID RULES. THE LANGUAGE OF ARBITRATION ENGLISH. THE PARTIES MAY DECIDE BY MUTUAL AGREEMENT THAT THE LANGUAGE OF ARBITRATION SHALL BE GERMAN. THE EXCLUSIVE PLACE OF ARBITRATION SHALL BE THE LOCATION OF THE BUYER'S PLACE OF BUSINESS. THE PARTIES MAY INSTEAD CHOOSE BY MUTUAL AGREEMENT THE SUPPLIER'S PLACE OF BUSINESS AS THE PLACE OF ARBITRATION. NOTWITHSTANDING THE FOREGOING ARBITRATION CLAUSE, IN THE EVENT THAT BOTH THE BUYER AND THE SUPPLIER HAVE THEIR PLACE OF BUSINESS IN POLAND, THE FOLLOWING SHALL APPLY: ALL DISPUTES SHALL BE SETTLED BY THE ORDINARY POLISH COURTS HAVING JURISDICTION OVER THE BUYER'S PLACE OF BUSINESS.

THE PARTIES ARE STILL PERMITTED TO TAKE RECOURSE TO STATE COURTS IN SUMMARY PROCEEDINGS. THE PLACE OF JURISDICTION IN SUMMARY PROCEEDINGS SHALL BE THE BUYER'S REGISTERED OFFICE. THE BUYER MAY ALSO CHOOSE THE SUPPLIER'S REGISTERED OFFICE AS THE PLACE OF JURISDICTION FOR PROCEEDINGS INITIATED BY HIM.

## **Addendum – Special Provisions regarding Orders for Production Equipment**

### **VII. Risk of loss and title to the Goods**

#### **Section VII. shall be replaced as follows:**

Title to the Production Equipment or parts thereof, along with qualification requirements, including the associated documentation shall be transferred to the Buyer at the start of the production or upon Supplier's purchase of said Production Equipment and/or parts thereof from any sub-supplier, whichever occurs first.). If the transfer of title stipulated in the preceding sentence is currently not allowable under the mandatory regulations of law, such transfer shall take effect at the earliest time possible under such regulations; if needed, the Supplier shall undertake all activities requested by the Buyer in order to achieve this result. Ownership shall be transferred regardless of the payment status of the Production Equipment; the Buyer's obligation to pay according to the respective manufacturing status shall remain unaffected hereby. This transfer of title shall in no case constitute an acceptance of the respective unfinished intermediate phases or of the final Production Equipment. The Supplier is obliged to make the ownership of the Buyer externally recognizable by attaching a plaque or similar marking with the name of the Buyer. If this is not possible, the Supplier must show that the Production Equipment owned by the Buyer is not its property by segregation and separate storage. The Production Equipment remains in the possession of the Supplier until the agreed delivery to the Buyer (relationship of intermediary possession). However, the Buyer shall be entitled to demand the return of the Production Equipment from the Supplier at any time. The risk shall pass to the Buyer in accordance with the agreed Incoterm.

End of the Addendum

**Addendum to the  
Global Terms and Conditions of Purchase** (revised: January 2023)

**Special Provisions regarding Orders for E-Bike Products**

The Special Provisions regarding Orders for Goods for E-Bike products form an addendum to the GTCP and apply only to Orders for Goods used in E-Bike products.

The following changes made to the GTCP shall take precedence over the GTCP. All other provisions of the GTCP shall remain unaffected hereby, including defined terms in the GTCP, as used herein, unless otherwise specified.

**IX. Replacement parts and transition of supply  
Section (a) shall be replaced as follows:**

(a) The Supplier shall fulfill Buyer's replacement parts requirement for Production Materials during series delivery and for ten (10) years thereafter. If the necessary raw material or component is likely to become unavailable on the market, the Supplier shall inform the Buyer without undue delay after having noticed this and shall suggest an alternative available raw material or component suitable for the Goods. In such cases, the Buyer may make a one-time lifetime purchase of the respective raw material or component and/or use an alternative raw material or component and may also adjust the respective release procedures.

The price for replacement parts in the first 3 years after the end of serial production is the last agreed price before the end of serial production, unless otherwise agreed. The prices for replacement parts during the following 7-year period shall be based on the last agreed price at the end of the series delivery plus any costs due to the end of the series production agreed between the Buyer and the Supplier.

**Section (b) shall be deleted without replacement.**

**X. Warranty**

**Section (b) shall be added as follows:**

(b) If the Goods are Defective Goods, the Buyer may, at its own discretion, request the Supplier to repair the Goods at the Supplier's expense and risk, or replace them with non-Defective Goods. In the event the Buyer sets a reasonable deadline for the Supplier to cure the defect and the Supplier fails or refuses to cure the defect by the reasonable deadline, the Buyer may cure the defect itself or have it cured by a third party at the Supplier's expense. If setting a deadline is no longer economically reasonable for the Buyer or no longer possible for production-related reasons, the Buyer may cure the defect itself or have the defect cured by a third party at the Supplier's expense even without setting a reasonable deadline. The same shall apply if the Supplier refuses to undertake the Buyer's directed corrective action or does not carry out the corrective action by a reasonably set deadline.

**Section (e) shall be added as follows:**

(e) If the Goods have already been installed in a product of the Buyer or have been connected to a product of the Buyer, the Buyer may replace the Goods itself or have them repaired by a third party without setting a deadline.

**Section (f) shall be added as follows:**

(f) If the Goods have already been installed in a product and delivered to the Buyer's customers, the Buyer shall, at the Supplier's risk and expense, provide the Supplier with a representative quantity of the Defective Goods for inspection.

**XII. Liability and insurance**

**Section (b) shall be replaced as follows:**

(b) The Supplier shall obtain an appropriate global insurance coverage for its obligations under the Delivery Contract (particularly public liability and product liability insurance), as is customary for the industry from a reputable insurer. The Supplier shall maintain this insurance coverage for the duration of the Delivery Contract and supply of spare parts. Upon request, the Supplier shall provide the Buyer with certification of the scope of coverage from the insurer.

End of the Addendum