

General Terms and Conditions of Purchase



set out by the following companies

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(„PARAT“)

1. GENERAL TERMS AND CONDITIONS - SCOPE

1.1 The present General Terms and Conditions of Purchase ("Conditions of Purchase") apply to all business relationships with our business partners and suppliers (hereinafter respectively referred to as „SUPPLIER“). The Conditions of Purchase shall only apply if SUPPLIER is a business owner (§ 14 of the German Civil Code „BGB“), a legal entity under public law or a special fund under public law.

1.2 The Conditions of Purchase apply in particular to contracts concerning the sale and/or the delivery of movable objects (hereinafter referred to as: goods), irrespective of whether the SUPPLIER produces the goods itself or buys them by sub-suppliers (§§ 433, 651 of the German Civil Code „BGB“). These Conditions of Purchase shall further apply to any and all design-related services rendered by SUPPLIER. The Conditions of Purchase, as at any time amended, shall also apply to future contracts concerning the sale and/or the delivery of movable objects, without us having to refer to these again in each individual case; in this case we will immediately notify SUPPLIER of any amendments to our Conditions of Purchase.

1.3 These Conditions of Purchase shall apply exclusively, any conflicting or diverging terms and conditions of purchase of the SUPPLIER shall only become part of the contract if and to the extent that PARAT has expressly consented to their applications in writing. These Conditions of Purchase shall also apply to any cases in which PARAT, having knowledge of conflicting or diverging terms and conditions of purchase of the SUPPLIER, will accept SUPPLIER's delivery or pays for it without any reservation.

1.4 Any individual agreement made on a single-case basis with the SUPPLIER (including collateral agreements, supplements and amendments) shall take priority over these Conditions of Purchase in every case. A written agreement or written confirmation by PARAT shall prevail in respect of the contents of such agreements.

1.5 Legally relevant declarations and notifications, which are to be submitted towards us by SUPPLIER after conclusion of the contract (e. g. the setting of deadlines, reminders or declaration of rescission), are required to be in writing in order to be effective.

1.6 References to the validity of statutory regulations shall only have clarifying significance. Therefore, the statutory regulations shall also apply without such a clarification insofar as they are not directly amended or expressly excluded in these Conditions of Purchase.

1.7 SUPPLIER is aware of the fact that supplies performed and performances rendered within the framework of this business relationship with PARAT are part of the supply chain and that the fulfilment of the contractual provisions agreed upon is of outstanding importance for PARAT, in order to enable PARAT to satisfy its own contractual obligations towards PARAT's buyers and customers in due time and according to the contract.

2. CONCLUSION OF CONTRACT (ORDERS AND ACCEPTANCE) AND CONTRACT AMENDMENT

2.1 Supply agreements (orders and acceptance), call-offs and other transactions to be concluded between PARAT and SUPPLIER, including such for design-related services as well as any amendments and supplements thereto, shall be set out in writing. Orders and call-offs may also be submitted via data telecommunication.

2.2 Quotations and estimate of costs are binding by SUPPLIER and will not be remunerated by PARAT, unless otherwise expressly stipulated.

2.3 Our orders shall be considered as binding upon written submission or confirmation at the earliest. Before accepting any purchase order, SUPPLIER must point out obvious mistakes (e. g. misspellings and calculation errors) and any incompleteness in the purchase order, including the order documents, for the purpose of correction and/or completion; the contract shall otherwise be regarded as not concluded.

2.4 SUPPLIER shall be obliged to confirm our purchase order within a period of 5 working days in writing (working days, except Saturday) or in particular to perform such purchase order by dispatch of the goods without reservation (acceptance). Delayed acceptance shall be deemed to be a new quotation and requires confirmation by PARAT.

2.5 Within the bounds of reasonableness for the SUPPLIER, PARAT may demand changes to the delivery item in terms of design and finish. The effects thereof, in particular with respect to higher and lower costs as well as delivery dates, are to be mutually and reasonably regulated by the parties. Any amendments made by the SUPPLIER are subject to prior written approval by PARAT.

2.6 PARAT is entitled to request the interruption of further order processing by SUPPLIER at any time. SUPPLIER shall meet these demands to the greatest extent possible and must in such a case immediately demonstrate, verifiably and in detail, the resulting costs and scheduling consequences towards PARAT. For suspensions not exceeding three months the SUPPLIER will make no demands.

3. PRICES AND TERMS AND CONDITIONS OF PAYMENT

3.1 If delivery prices are not yet stipulated at the time of order by PARAT, SUPPLIER shall fill in these prices in the copy of the order for return. These prices are then subject to approval by PARAT. Any additional costs (customs duties, packaging, transport costs, insurance) shall be set out separately by SUPPLIER within the context of its quotation and shall be advanced by SUPPLIER due to the absence of any written agreement, with the exception of the statutory VAT, and shall be paid to PARAT in addition to the delivery price.

3.2 Any increase in price of the goods delivered, including increase of additional delivery costs, is subject to a previous written approval by PARAT, unless otherwise explicitly stated in this terms and conditions or in the additional agreement.

3.3 Unless otherwise stated below, payment of delivery price shall be due within 60 days upon complete delivery and performance (including acceptance as stipulated, if applicable) as well as receipt of a correct invoice. In case of payment within 14 days, SUPPLIER grants a 3 % cash discount on the net amount of the invoice. In case of acceptance of early deliveries, previous periods commence only with date of delivery agreed upon.

3.4 Above-mentioned terms of payment will be extended accordingly, provided that improperly produced delivery documents result in a delay.

3.5 Above-mentioned term of payment for tools remaining at SUPPLIER's premises shall commence only after initial sample approval. Evaluation of initial samples by PARAT shall be started no later than 30 days after submission by SUPPLIER.

3.6 Payment is effected by bank transfer or by cheque. SUPPLIER shall bear any possible charges arising in the course of payment transactions.

3.7 The statutory default interest shall apply.

3.8 In case of faulty delivery / performance, PARAT is entitled to withhold the payment proportionately to the value until the contract has been duly performed.

4. DELIVERY DATES, TRANSFER OF PERILS AND TRANSPORT, PARTIAL SHIPMENT, EXCESS AND SHORT DELIVERY

4.1 The delivery dates and schedules stated in the order or the call-off are binding. Object of each supply also comprises the necessary delivery documents (delivery note indicating date of issue and shipment; content of the delivery indicating part number and quantity; PARAT purchase order reference with order date and order number as well as documentation of components that are the first essential of further processing) as well as the respective confirmations or certificates.

4.2 Delivery shall be effected, unless otherwise stipulated, according to DAP location Incoterms 2020 to PARAT or to any other location designated by PARAT, whereby SUPPLIER shall be obliged to select the least expensive and most suitable customary choice of shipping and packaging for PARAT. In this case, PARAT has the right to prescribe the use, mode of despatch and method of transport. PARAT has the right at all times to switch to a delivery as per FCA Incoterms 2020 with an advance period of notice of 15 days, whereby in this case the additional delivery costs for transport services, insurance and customs duties shall be borne by PARAT and therefore may not be charged by SUPPLIER. The handling in case of FCA Incoterms 2020 shall be managed by routing order.

4.3 The decisive date for determining adherence to the delivery date or delivery schedule is the receipt of the goods and the shipping documents at PARAT or at the receiving place designated by PARAT in case of delivery DAP location Incoterms 2020.

4.4 In case of call-off orders, PARAT determines the individual call-offs and call-off dates for partial shipment in accordance with its reasonably exercised discretion and shall notify SUPPLIER in concrete terms thereof. General information about the estimated needs or about the quantity expected to be called upon are non-binding and do not form any obligation to accept delivery, unless otherwise expressly agreed upon. Call-offs may be transmitted also by electronic transmission according to valid VDA standards.

4.5 Excess deliveries do not form any obligation to accept delivery of the extra goods. The same applies in case of partial shipment and/or short deliveries of quantities ordered. In case of early deliveries,

PARAT reserves the right to refuse the acceptance of the goods at SUPPLIER's costs or to set another payment date accordingly.

4.6 SUPPLIER shall inform PARAT immediately if it becomes apparent that delivery dates and/or performance deadlines won't be met, indicating the reasons and the likely duration of the delay. Unreserved acceptance of the delayed supplies may not be construed as a waiver of any rights by PARAT with regard to the untimely delivery.

4.7 SUPPLIER undertakes to maintain a respective failure strategy for its manufacturing facilities and plants in order to ensure a punctual delivery to PARAT.

5. DELAY IN DELIVERY

5.1 SUPPLIER is under an obligation to maintain an on-going deadline monitoring. Upon demand, SUPPLIER shall present a schedule that shows the most important milestones of the main steps with regard to engineering, manufacturing, assembly and testing within the scope of delivery, whereby SUPPLIER undertakes to carefully comply with the milestone dates.

5.2 PARAT has to be immediately informed in writing stating recovery actions and remedies if a delay of a milestone date beyond five working days is expected. PARAT is entitled, in any event and at any time, to enter all manufacturing plants of SUPPLIER in order to check deadlines and to start taking measures in agreement with SUPPLIER to guarantee adherence to the deadlines in case of delays caused by SUPPLIER that identifiably endanger the overall project. PARAT's customers or its authorized representatives shall be granted the right to check that a product ordered fulfils the stipulated quality requirements at SUPPLIER's premises.

5.3 In case of debtor's delay by SUPPLIER, the statutory regulations shall apply.

5.4 If SUPPLIER does not fulfil its performance or does not do so within the agreed delivery time or is in default, PARAT's rights are regulated by the legal requirements – particularly its rights to rescission or damages. Article 5.6 remains unaffected.

5.5 Delay in delivery is also considered to exist if the necessary delivery documents, certificates or confirmations are not provided by the agreed date or are delivered incomplete.

5.6 If SUPPLIER causes a delay, PARAT shall be expressly entitled to claim a contractual penalty amounting to 1 % of the net price for each full week of delay without evidence of accrued damages, not more however than 5 % of the net price of the delayed goods. PARAT is entitled to demand the contractual penalty in addition to the performance and, as a minimum sum, the damages owed by the SUPPLIER; the assertion of any further damages is reserved to PARAT. In case of acceptance of a delayed performance by PARAT, the contractual penalty must be claimed no later than at the time of the final payment.

5.7 If SUPPLIER suspends payments or ceases to make deliveries, or if bankruptcy proceedings are instituted on its assets, PARAT shall be entitled to withdraw from the unsatisfied portion of the contract.

6. FORCE MAJEURE

Force majeure, unrest, governmental measures, strike, lockout or other events beyond one's control free the contractual parties for the duration of the problem and for the scope of the effect thereof on the work obligations. PARAT shall exclusively be entitled to cancel the contract as a creditor of the obligation to perform in case of substantial duration of the default in performance.

7. NOTICE OF DEFECTS

7.1 SUPPLIER shall be liable in particular, in accordance with the general law, that the goods at the time of transfer of risk to PARAT have the contractually agreed characteristics. The product descriptions which – in particular through designation or reference in the order from PARAT – are the subject matter of the respective contract, are regarded as an agreement as to the properties in each case. For this, it makes no difference whether the product description originates from PARAT, from the SUPPLIER or from the manufacturer.

7.2 By derogation from § 442 para. 1 sentence 2 of the German Civil Code „BGB“, PARAT is also entitled to claim for defects without restriction if the defect remained unknown to PARAT as a consequence of gross negligence at the time of contract conclusion.

7.3 The commercial duty to examine and to notify defects shall be governed by the statutory provisions (§§ 377, 381 German Commercial Code „HGB“), to the following restriction: PARAT's duty to examine is limited to defects that are obvious to visual inspection of the incoming goods at PARAT, including shipping documents, and at the quality control by way of the random sample test procedure (e. g. transport damage, wrong delivery and short delivery). No examination is required if an acceptance procedure has been agreed on. For the rest, it depends to what extent an inspection, taking into account the circumstances of the individual case, is feasible according to the proper course of business.

7.4 PARAT's obligation to give notice of defects discovered at a later point in time remains unaffected. In all cases, an objection (notice of defects) by PARAT shall be deemed timely and without delay if it is delivered to SUPPLIER within 5 working days (except for Saturday).

8. LIABILITY FOR DEFECTS / CLAIMS FOR DAMAGES

8.1 Unless otherwise stipulated in these Conditions of Purchase, the statutory provisions shall apply regarding physical and legal defects as well as the legal consequences of failure.

8.2 Deficiencies which will become apparent within six months after passing of the risk shall be assumed to have already existed at the time of passing of the risk, unless this assumption conflicts with the kind of merchandise or with the matter of deficiency.

8.3 If the SUPPLIER fails to comply with its obligation to render supplementary performance (rectification of a defect „Nachbesserung“) – at PARAT's option either by removing the defect (rectification) or by providing goods that are free from defects (substitute delivery) – within an appropriate time limit set by PARAT, PARAT can remedy the defect itself and demand reimbursement of the costs required to do this or an appropriate advance payment from the SUPPLIER. If the supplementary performance by the SUPPLIER has failed or is unreasonable for PARAT because of particular urgency (e. g. risk to operational reliability or the imminent occurrence of unreasonably high losses) there shall be no need to set a deadline; PARAT will immediately notify SUPPLIER of such circumstances, as far as possible in advance.

8.4 SUPPLIER is in addition obligated to provide compensation for any expenses in connection with the remedy of defects, in particular transport costs, dismantling and assembly costs, administrative costs as well as other costs linked to such action. In particular, SUPPLIER shall also be liable for costs incurring if PARAT must participate in programs to remedy defects, like "Contained Shipping Level" and "Executive Champion Programs" or similar programs of its buyers, and in particular, of automakers. Other contractual or other legal claims for compensation due to liability for defects remain unaffected. The costs spent by SUPPLIER for the purpose of testing and rectification (including possible dismantling and assembly costs) shall be borne by SUPPLIER even if it transpires that there was in fact no defect. PARAT's liability for damages in case of an unauthorized request to remedy a defect remains unaffected; PARAT shall be liable only to the extent that PARAT has recognized or has negligently failed to recognize that there was no defect.

8.5 Should the SUPPLIER repeatedly be unable to meet PARAT's requirements with regard to quality and finish, PARAT shall in all cases be entitled, after a respective warning letter had been issued, to withdraw from the contract; PARAT's other rights remain reserved.

8.6 PARAT's other claims because of the violation of any contractual or legal obligations (e. g. compensation claims irrespective of their legal grounds) remain unaffected.

9. LIMITATION PERIOD

9.1 Reciprocal claims of PARAT and SUPPLIER become time-barred according to statutory provisions, unless otherwise stipulated below.

9.2 By derogation from § 438 para. 1 N° 3 of the German Civil Code „BGB“, the general limitation period for any claims arising from defects shall be 3 years, beginning with the transfer of risk. As far as acceptance is agreed, limitation period shall commence with such acceptance. The 3-year limitation period shall apply *mutatis mutandis* also for claims arising out of defects in title, whereby the statutory limitation period for claims *in rem* for the restitution of property of any third party remain unaffected (§ 438 para. 1 N° 1 „BGB“); claims based on legal defects shall in no case become time-barred as long as the third party can assert the right against PARAT – in particular in the absence of limitation.

9.3 The limitation periods of sales law, including aforementioned extension, apply for all contractual claims for defects to the extent permitted by law. If PARAT is also entitled to extra-contractual compensation due to a defect, the legally required regular statute of limitation shall apply in this case (§§ 195, 199 „BGB“), unless the application of the limitation periods of sales law leads in a particular case to a longer limitation period.

10. PRODUCT LIABILITY / RELEASE FROM LIABILITY AND THIRD PARTY INSURANCE COVER

10.1 If claims are lodged against PARAT owing to product liability laws, the SUPPLIER shall exempt and hold PARAT harmless from such claims made by any third party, if and insofar as the damage is caused by a defect in the goods which are delivered by the SUPPLIER. In cases of liability depending upon culpability, however, this only applies if SUPPLIER is at fault. Insofar as the cause of the damage is in SUPPLIER's sphere of control and organization, SUPPLIER bears the onus of proof for this.

10.2 Under its obligation to indemnify, SUPPLIER must reimburse any expenses pursuant to §§ 683, 670 of the German Civil Code „BGB“, that arise out of or in connection with any recourse taken by any third party, including for recall campaigns carried out by PARAT. PARAT shall inform the SUPPLIER of the content and scope of the recall measures to be carried out – as far as can be reasonably expected – and give it the opportunity to comment. Additional statutory claims remain unaffected.

11. EXECUTION OF WORK

Persons employed by SUPPLIER who carry out work on factory premises of PARAT or on the third party's premises designated by PARAT in fulfillment of the contract, must abide legal, regulatory and operational regulations as well as safety regulations of PARAT or of the designated third party. SUPPLIER undertakes to send PARAT the results of risk assessments for the work to be carried out to PARAT on request.

12. COMMISSION ORDER / SUBCONTRACTING

As far as SUPPLIER carries out any subcontract orders for PARAT, the SUPPLIER has to check in any case the material provided by PARAT for its unobjectionable quality before processing the material according to the provisions set out in § 377 of the German Commercial Code „HGB“, unless otherwise stipulated in writing. In case of possible defects, a further processing may only be started upon explicit approval by PARAT. Silence does not expressly constitute an approval. In case of subcontract orders and commission processing, the entire Terms and Conditions of Purchase shall apply accordingly.

13. RETENTION OF TITLE AND FREE ISSUE MATERIAL

13.1 A so-called simple retention of title claimed by the SUPPLIER for its performance and services is acknowledged by PARAT. PARAT, however, shall have the right to resell the delivered goods in the ordinary course of its business without accepting a prolonged or extended retention of title or any other forms thereof. SUPPLIER is obliged to immediately disclose to PARAT any third party rights to the delivery item or parts thereof. This also applies to possible assignment of receivables.

13.2 PARAT remains the owner of the fabrics, parts, containers and special packaging provided by PARAT as well as of any and all tooling transferred for use, unless these items are owned by any third party (for instance by PARAT's customers) and therefore ownership remains with such third party. Above-mentioned items may only be used in accordance with their intended purpose. The processing of fabrics and the assembly of parts occur on behalf of PARAT. It is agreed that PARAT shall become a co-owner of the objects delivered using PARAT's fabrics and parts in proportion of the value of the materials to the value of the entire product, which are in this respect kept for PARAT by the SUPPLIER.

14. ASSIGNMENT, SET-OFF AND RIGHT OF RETENTION

14.1 SUPPLIER shall not assign its contractual claims, neither in whole nor in part, to third parties without the prior written consent by PARAT or permit third parties to collect same. If SUPPLIER assigns its claims against PARAT without PARAT's consent, PARAT shall still be entitled to make payments to SUPPLIER.

14.2 SUPPLIER is entitled to a right of set-off or retention only in the presence of undisputed or legally upheld payment claims, and the right of retention only if it results from the same contractual relationship.

15. SUPPLIER'S REDRESS

15.1 In addition to the warranty claims, PARAT is also entitled without restriction to its statutorily determined rights of recourse within a supplier chain (supplier's redress according to §§ 478, 479 of the German Civil Code „BGB“). PARAT shall be entitled in particular to demand precisely such kind of supplementary performance („Nacherfüllung“) (repair or substitute delivery) from the SUPPLIER, as PARAT owes its purchaser in the individual case. This does not limit PARAT's statutory right to choose (§ 439 para. 1 „BGB“).

15.2 Before PARAT acknowledges or fulfils a claim for defects asserted by its purchasers (including reimbursement of expenses according to §§ 478 para. 3, 439 para. 2 of the German Civil Code „BGB“), PARAT shall notify the SUPPLIER and, giving a brief account of the fact, request written comments. If a statement is not made within an appropriate period and if no amicable solution is precipitated, the claim for defects effectively allowed by PARAT is regarded as owing to the respective purchaser; in this case, the SUPPLIER is responsible for supplying counter evidence.

15.3 The claims of PARAT for supplier's redress also apply if the goods have been further processed by the purchaser or by PARAT before being sold to a customer, e. g. when mounting in another product.

16. PROPERTY RIGHTS OF A THIRD PARTY / PRIOR AND NEW PROPERTY RIGHTS AND KNOW-HOW

16.1 SUPPLIER undertakes to release PARAT from the claims of third parties deriving from any infringement of intellectual property rights in connection with the supplies and services and to reimburse PARAT any and all costs and expenses incurred, if SUPPLIER is responsible for the alleged infringement or if SUPPLIER failed to inform PARAT about existing rights of any third party which have been known to SUPPLIER or which it reasonably should have known.

16.2 This shall not apply insofar as SUPPLIER has produced the supplied product and/or rendered the services on the basis of drawings, models or similar other descriptions or statements provided by PARAT and does not know that thereby protection rights of a third party have been violated, or does not have to know in connection with the services and performances rendered.

16.3 SUPPLIER shall notice PARAT of the use of its own and licensed third party published and unpublished patents and patent applications for the supplied product.

16.4 SUPPLIER provides to PARAT the result of development which has been generated occasionally or during execution of the delivery relationship, including industrial property rights for exclusive property, provided that such development has been commissioned by PARAT; insofar as PARAT has not paid for the result of development, PARAT receives a temporarily and locally unlimited, objectively unconditional, non-exclusive, complimentary, irrevocable, transferable and sublicensable right of use. In addition, PARAT receives the transferable and sublicensable right for unlimited use, to make use of industrial property rights of any kind to reproduce and to alter.

16.5 SUPPLIER shall grant PARAT a non-exclusive, complimentary, transferable, sublicensable and irrevocable right of use to know-how, results of development and/or SUPPLIER's industrial property rights, which existed even before teaming up with SUPPLIER, in order to make use of the result of development described in paragraph 16.4 or to use, completely or partially, deliveries and/or performances rendered by SUPPLIER for any types of utilization.

16.6 The application and assertion of industrial property rights to nongratuitous developments generated in collaboration with PARAT and SUPPLIER, is solely with PARAT. Inventions made by SUPPLIER's employees during the period of the contractual relationship and with regard to order handling, shall be claimed by SUPPLIER accordingly. Concerning gratuitous developments, SUPPLIER shall be granted the right to apply for registration, however, SUPPLIER shall grant PARAT at least a right to use under such intellectual property rights according to aforementioned paragraph 16.4, sentence 1, second main clause. Any mandatory remuneration for its employee inventions shall be borne by each contractual partner. In addition, the legal stipulations shall apply.

16.7 Even in case of an early termination of the contractual relationship, PARAT shall be entitled to these rights and shall also include partial results of development made up to the time of termination.

17. HAZARDOUS GOODS / WARNINGS / NOTIFICATION OF MODIFIED SPECIFICATIONS

17.1 For any materials (substances, preparations) and items (such as goods, parts, technical equipment, non-cleaned empties), which due to their nature, their properties or their condition might present a hazard for human life and health, for the environment and objects and which are thus required by regulations to undergo special treatment with regard to packaging, transport, storage, handling and waste disposal, the SUPPLIER will enclose a completed safety data sheet according to § 14 of the Hazardous Substances Ordinance with the quotation submitted to PARAT. In the event of modifications of material specifications or the legal situation, SUPPLIER shall provide PARAT immediately and unsolicited with updated data sheets and instructions.

17.2 If SUPPLIER delivers a product within the meaning of the German Act on Equipment and Product Safety, SUPPLIER has to provide all information relevant for the assessment of dangers to security and health of the users of the product or of third parties; after taking account in particular of the criteria listed in § 4 para. 2 sentence 2.

17.3 SUPPLIER undertakes to send to PARAT, once a year and spontaneously, a valid and long-term supplier's declaration, indicating part number and the relating code number (commodities chart for the foreign trade statistic).

18. QUALITY MANAGEMENT / SPARE PARTS AND DOCUMENTATION

18.1 SUPPLIER warrants that its deliveries and/or services comply with state-of-the-art technology, applicable safety regulations and technical data stipulated and any other specifications. In case of supplies and/or services all relevant standards (e. g. VDA standards) as well as generally applicable provisions under public law are to be observed.

18.2 SUPPLIER must implement and verify a suitable (process-oriented) quality management system (at least ISO 9001, but preferably IATF 16949; in addition, a certification according to ISO 14001 such as ISO 45001 should be intended). The manner and nature of the collaboration in the area of quality, as for instance initial sampling and documentation, is specified in the QRZ01 (PARAT Quality Assurance Guideline for Suppliers) in a legally binding form.

18.3 The drawings, CAD data, descriptions a.s.o. forming part of the purchase order are binding for the SUPPLIER. SUPPLIER must check them for any discrepancies and must inform PARAT immediately in writing of discovered or suspected errors. Otherwise SUPPLIER cannot plead these discrepancies/errors at a later time. All drawings, plans and calculations made by the SUPPLIER also remain its sole responsibility, even if these were approved by PARAT.

In case of the supply of tools, plant and equipment, SUPPLIER shall hand over to PARAT a documentation relating to their operation, repair and maintenance at the latest with the supply of those tools, plant and equipment. If it concerns the delivery of a machine, the technical documentation, the CE marking and the conformity assessment must be created or carried out by the SUPPLIER in accordance with the EC Machinery Directive (2006/42 / EC).

18.4 As regards vehicle components particularly marked in the technical documentation or on the basis of a separate agreement (e. g. with „A“ or „D“), SUPPLIER shall in addition note in special records as to when, how and by whom the items delivered were tested with regard to the characteristics required to be recorded and which results were achieved by the quality tests so required. The testing documentation must be kept for fifteen years and presented to PARAT in case of need. We refer to the latest version of the VDA-writing „documentation and archiving – Guidelines for documenting and archiving quality requirements“, whose observance shall herewith constitute integral part of the contract. To the extent legally possible, SUPPLIER shall impose similar obligations on its upstream suppliers.

18.5 In the event any authorities responsible for vehicle safety, emissions standards and the like demand insight into PARAT's production process and test documents for checking compliance with certain requirements, SUPPLIER shall, upon request of PARAT, concede to such authorities the rights which they have with regard to PARAT and provide them with the support which may reasonably be expected.

18.6 SUPPLIER shall be obliged to submit to PARAT the required declarations on the origin of the goods in due time. SUPPLIER shall be liable for all the losses sustained by PARAT due to the incorrect or late submission of supplier's declaration, unless there shall be no fault on the part of the SUPPLIER. If requested by PARAT, SUPPLIER must provide proof of its details pertaining to the origin of the goods by means of an information sheet certified by its customs office.

19. SPARE PARTS

SUPPLIER is obliged to guarantee supply of the delivery item as spare part (or parts thereof) for PARAT even after end of series production for a period of 15 years and to repair and maintain the relevant tooling free of charge, as far as they exist. Part price for the spare part shall be the last valid series price for a period of three years after end of series production. Afterwards, the price will be recalculated on the basis of a cost analysis.

20. CONFLICT MINERALS / REACH / ROHS

SUPPLIER undertakes to comply with the latest version of the directives and regulations and informs PARAT immediately and unsolicited in writing if delivered products contain substances that are listed in the respective substance prohibition lists, exceed regulated limits or come from conflict regions. Before the delivery of such materials, a separate written approval by PARAT is required. SUPPLIER releases PARAT from any liability in connection with the violation of these guidelines / regulations, including claims by third parties and indemnifies PARAT for damages resulting from or in connection with the SUPPLIER's non-compliance with the guidelines / regulations.

21. TRANSFER FOR USE OF PRODUCTION FACILITIES AND RESOURCES

Any equipment, models, samples, drawing or other documents as well as tooling made available to SUPPLIER or produced by SUPPLIER according to PARAT's specifications shall remain or become property of PARAT upon payment. SUPPLIER borrows such production facilities from PARAT. They may only be used in the course of the performance of the ordered delivery and respectively during execution of the ordered services. These production facilities and resources may neither be made accessible to any third party nor used for supplies to such third party without prior written approval by PARAT. They must be kept carefully by SUPPLIER free of charge and at SUPPLIER's own risk and shall be returned to PARAT upon request at any time without invoking any right of retention by SUPPLIER, unless SUPPLIER has a contractually expressly granted right to possession. Reproduction of such production facilities and resources is only permitted within the framework of operational requirements (for the purposes of the delivery to PARAT) and the copyright stipulations.

22. CONFIDENTIALITY / ADVERTISING

22.1 SUPPLIER undertakes to treat any and all business and technical information and operational processes that are demonstrably not general knowledge and that become known to SUPPLIER as a result of the business relationship, as trade and business secrets and in respect of these to maintain confidentiality towards third parties, both throughout the business relationship and after completion of the respective order.

22.2 SUPPLIER undertakes to impose the respective obligations set out in this paragraph also on its vicarious agents and employees or other third parties engaged by SUPPLIER. SUPPLIER guarantees their observance.

22.3 The use of PARAT's inquiries, order, order confirmations as well as the related correspondence for advertising purposes is not allowed. SUPPLIER may only advertise its business relationship with PARAT with the prior written permission of the latter.

23. ENVIRONMENT

23.1 SUPPLIER acknowledges that it's PARAT's objective to minimize the negative effects of its products on humans and the environment by taking technical economic aspects and ecological issues into consideration. Compliance with applicable laws is a minimum requirement.

23.2 In order to preserve resources, SUPPLIER will take care of an effective use of all materials processed and of energy and water, such as to minimize environmental impact, particularly with regard to waste, wastewater, air- and noise pollution.

23.3 In addition, SUPPLIER will, upon request, provide PARAT with data (including data concerning material usage) for an environmental performance evaluation with regard to the goods, resp., part of the goods according to VDA data collection format for eco-balances.

24. SOCIAL RESPONSIBILITY

It is of paramount importance for PARAT that entrepreneurial activities take into account the social responsibility towards the company's own employees and society in general. The common target of PARAT and the SUPPLIER is to show respect towards the basic principles of social responsibility when conducting their business activities, as set out in the guidelines of the UN Initiative Global Compact.

25. PLACE OF PERFORMANCE, PLACE OF JURISDICTION, APPLICABLE LAW

25.1 Place of performance is the place to which the goods are to be delivered in accordance with the order.

25.2 Exclusive place of jurisdiction for all disputes arising out of, or in connection with, the business relationship is the local and competent court at PARAT's corporate location. PARAT shall however, at its own option, be entitled to invoke the aid of any other judicially competent court according to the respective applicable statutory provisions. PARAT and SUPPLIER shall also be entitled, at their own discretion, to submit to the competent courts of the city of Munich.

25.3 German law applies exclusively, excluding application of International Civil Law and the UN Convention on Contracts for the International Sale of Goods (CISG), unless otherwise expressly stipulated.

26. MISCELLANEOUS PROVISIONS

26.1 To the extent that the written form is mandated by these General Terms and Conditions of Purchase, the text form is sufficient, provided that the statement contains a signature in the form of an electronic-format copy or a facsimile. This does not apply to terminations of any contracts concluded under these General Terms and Conditions of Purchase subject to written form requirement according to § 126 of the German Civil Code „BGB“.

26.2 If the SUPPLIER ceases payments or if an application for insolvency is filed on its assets or if any other judicial or extra-judicial composition proceedings are instituted, PARAT shall be entitled to withdraw from the unsatisfied portion of the contract. PARAT is entitled to demand the set-off of its claims, which PARAT has against one of SUPPLIER's affiliates within the meaning of § 15 of the German Stock Corporation Act 'AktG', and respectively, which one of PARAT's affiliates within the meaning of § 15 of the German Stock Corporation Act 'AktG' may have against whomsoever has a SUPPLIER affiliate, against the claims of the SUPPLIER.

26.3 Should any of the aforementioned provisions in this contract or in any other agreement concluded within the context of the business relationship be or become invalid, this shall not affect the effectiveness of the remaining provisions. The contractual parties are obliged to replace the invalid provision by a provision as similar as possible in its economic effect.