

# CeramTec UK Ltd.

## General Purchasing Terms and Conditions

### 1. General

The General Purchasing Terms and Conditions as outlined below shall exclusively apply to all legal relationships with companies and natural/legal entities from which we purchase goods or services. They shall apply to the exclusion of any General Terms and Conditions, internal guidelines or other terms of the contractor/supplier (hereinafter: "Supplier") that are contrary or do not conform to our General Purchasing Terms and Conditions. Neither our failure to reject or respond to any such additional, different or inconsistent General Terms and Conditions, nor our commencement of performance, shall constitute assent thereto. This shall also apply to any references to the internet by the Supplier. The respective current version of our General Purchasing Terms and Conditions shall apply for all future deliveries and services from the Supplier (hereinafter: "delivery").

### 2. Conclusion / amendment of contract

2.1 Orders, conclusion of contracts and their amendment and extension require the written form, which also includes notification by fax or data transfer. Verbal agreements before, during or after concluding the contract shall only be valid once they have been confirmed by us in writing; this shall apply, in particular, to amendments and / or addenda to our General Purchasing Terms and Conditions. The Supplier shall confirm orders, stating the binding prices and delivery dates, in writing within five Working Days (means a day other than a Saturday, Sunday or public or bank holiday in England, hereinafter "Working Day"). If the goods are to be delivered, or the services are to be performed, by instalments the contract will be treated as a single contract and not severable.

2.2 References to business relationships with us for advertising and other purposes require our prior written consent.

### 3. Delivery dates

3.1 Agreed dates and deadlines are binding. Applicable for compliance with the delivery date or delivery deadline is receipt of the goods or provision of services at the location specified in the order. If delivery is not "ex works" (DAP or DDP according to Incoterms® 2010, ICC), the Supplier shall provide the goods in good time, taking into account the time for loading and despatch agreed with the haulier.

3.2 If it becomes clear that an agreed delivery deadline possibly will not be met, the Supplier shall immediately inform us in writing stating the reasons and estimated duration of the delay.

3.3 If the Supplier is in arrears, we reserve the right, without prejudice to any other remedies, to deduct from the price or (if we have paid the price) to claim from the Supplier by way of liquidated damages for delay 2 per cent of the price for every week's delay, up to a maximum of 12 per cent. The unconditional acceptance of the late delivery is not a waiver of the claims for reimbursement and liquidated damages claimed by us for the late delivery.

### 4. Deliveries

4.1 The goods shall be delivered to, and the services performed at, the location specified and on the date or within the period stated in the order, in either case during our usual business hours. Time of delivery of the goods and the performance of the services is of the essence of the contract. Goods must be packed appropriately to reduce the risk of any impact on quality, e.g. damage, dirt or changes during transport. When selecting the packaging, its load-bearing capacity and stackability must be considered. A packing note quoting the number of the order must accompany each delivery or consignment of the goods and must be displayed prominently. The goods shall be marked in accordance with our instructions and any applicable regulations or requirements of the carrier, and property packed and secured so as to reach their destination in an undamaged condition in the ordinary course. The Supplier shall supply us in good time with any instructions or other information required to enable us to accept delivery of the goods and performance of the services. The applicable EU directives must be complied with.

4.2 Risk of damage to or loss of the goods shall pass to us upon our acceptance of the goods, without prejudice to any other provision of the contract. The property in the goods shall pass to us upon delivery, unless payment for the goods is made prior to delivery, when it shall pass to us once payment has been made and the goods have been appropriated to the contract.

4.3 We reserve the right, irrespective of a goods-in inspection, at the Supplier's cost to reject over-deliveries as not agreed and to reject under-deliveries as partial services. This shall apply correspondingly if the Supplier makes deliveries earlier than agreed.

4.4 We shall not be obliged to return to the Supplier any packaging or packing materials for the goods, whether or not any goods are accepted by us.

4.5 The delivery and/or production of goods by third parties requires our prior written consent.

### 5. Price and billing

5.1 Agreed prices are according to the Incoterms® 2010, ICC, specified in the order, excluding any applicable value added tax but including all charges for usual secure packaging, packing, shipping carriage, insurance and delivery of the goods to the location specified in the order and any duties, imposts or levies other than value added tax. Value added tax shall be payable by us subject to receipt of a VAT invoice.

5.2 Invoices must be submitted to the billing address provided in the order immediately after delivery with a clear reference to the order number and stating the order details. Incorrectly issued invoices shall not justify a payment obligation and shall be returned to the Supplier unpaid. COD shipments are not accepted.

5.3 No increase in the price may be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without our prior written consent. We shall be entitled to any discount for prompt payment, bulk purchase or volume customarily granted by the Supplier, whether or not shown on its General Terms and Conditions of sale.

### 6. Payment conditions

6.1 The Supplier shall be entitled to invoice us on or at any time after delivery of the goods or performance of the services and each invoice shall quote the number of the order. Unless agreed otherwise, our payments shall be made net within 90 days or within 14 days with a 3 % discount of receipt of any undisputed invoice or, if later, after our acceptance of the goods or services. We are entitled to set off against the price any sums owed by the Supplier. Payments are not acknowledgements that the delivery was in accordance with the contract.

6.2 Irrespective of any goods-in inspection, only the countervalue of the goods actually received shall be owed.

### 7. Warranty

7.1 Goods are accepted only subject to inspection for defects, notably a check of the function, correctness and completeness. We reserve the right to examine the goods insofar as and as soon as this is feasible according to ordinary business. We shall report discovered defects as soon as practicable upon discovery. To this extent, the Supplier shall waive the objection of late complaint.

7.2 We shall be entitled to reject any goods delivered which are not in accordance with the contract and shall not be deemed to have accepted the goods until we have had reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the goods become apparent.

7.3 The Supplier warrants and guarantees that the goods supplied (i) will be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and fit for any purpose held out by the Supplier or made known to the Supplier by us (ii) will be free from defects in design, material and workmanship (iii) will correspond with any relevant Specification (including any plans, drawings, data or other information relating to the goods or services, hereinafter "Specification") and quality criteria (iv) will comply with all statutory requirements and regulations relating to the sale of the goods. Furthermore, the Supplier guarantees that its goods also comply with the respective state of technology and all applicable industry standards and practices, including but not limited to the applicable environmental protection, accident prevention and other works safety provisions, as well as with the generally recognised technical safety and works medicine regulations, which apply in the UK or which have been passed with a transitional period. Furthermore, the Supplier warrants and guarantees that any services shall be performed with all reasonable diligence, skill and care, and in accordance with the Specification.

7.4 The quantity, quality and description of the goods shall, in addition to as provided in these General Purchasing Terms and Conditions, be as specified in the order and/or in any applicable Specification supplied by us to the Supplier or which we have agreed to in writing.

7.5 The Supplier warrants and guarantees that the services will be performed by appropriately qualified personnel, with due care and diligence and to such high standard of quality as is reasonable for us to expect in all circumstances.

7.6 The Supplier shall comply with all laws, regulations, directives and official orders/measures or other legal requirements concerning the manufacture, packaging, packing and delivery of the goods applicable in the country of production and sale of the goods. These laws include, inter alia, export control provisions, environmental legislation, nuclear legislation and laws on product safety.

7.7 Without prejudice to any remedy, if any goods or services are not supplied or performed in accordance with the contract, then we shall be entitled, at our sole option (i) to require the Supplier to repair the goods at its risk and expense within twenty one days (ii) to supply replacement goods or services at its risk and expense in accordance with the contract within twenty one days or (iii) to treat the contract as discharged by the Supplier's breach and require the repayment of any part of the price which has been paid whether or not we have previously required the Supplier to repair the goods or to supply any replacement goods or services.

7.8 If correction of the defects remains outstanding despite our request, in urgent cases we reserve the right to carry these repairs out ourselves or through third parties at the Supplier's cost, in particular to prevent acute risks or to avoid greater damage.

7.9 If a material defect is discovered within 6 months of transfer of risk, it shall be assumed that the defect already existed at transfer of risk.

7.10 Our rights and remedies under this clause are in addition to the rights and remedies available to us in respect of the statutory conditions relating to description, quality, fitness for purpose and correspondence with sample implied into this contract by the Sale of Goods Act 1979.

7.11 The terms of this contract shall apply to any repaired or replacement goods supplied by the Supplier.

### 8. Liability and indemnity

8.1 Neither party shall be liable to the other party or be deemed to be in breach of the contract by reason of any delays in performing, or any failure to perform any of its obligations in relation to the goods or the services if the delay or failure was beyond that party's reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond either party's reasonable control (i) act of God, explosion, flood, tempest, fire or collapse of buildings (ii) war or threat of war, sabotage, insurrection, civil commotion or riots (iii) acts, restrictions, regulations, bye-laws, prohibitions or other restrictive measures on the part of any governmental, parliamentary or local authority (iv) import or export embargoes (v) strikes, lockouts, or other industrial actions or

trade disputes (other than those involving the Supplier or its employees, agents, contractors or sub-contractors).

8.2 The Supplier shall indemnify and hold us harmless in full against all liability, loss, damages, costs and expenses (including costs for any recall campaign) awarded against or incurred by us as a result of or in connection with (i) the breach of any warranty given by the Supplier in relation to the goods or the services (ii) any claim that the goods infringe, or their importation, use or re-sale, infringes the patent design right, trademark or other intellectual property rights of any other person, except to the extent that the claim arises from compliance with the Specification supplied by us (iii) any liability under the Consumer Protection Act 1987 in respect of the goods (iv) any act or omission of the Supplier or its employees, agents or sub-contractors in supplying, delivery and installing the goods and (v) any act or omission of any of the Supplier's personnel in connection with the performance of the services (vi) us being sued on the basis of product liability (vii) the breach of a confidentiality provision.

8.3 If there are justified third-party claims, the Supplier shall facilitate the unrestricted use of its goods for us. In the event that this is impossible, the Supplier shall provide adequate replacement and indemnify us from all costs in this respect. Equally, the Supplier shall indemnify us from any claims asserted against us on the basis of the restricted or impossible use of the goods.

8.4 For all these cases, the Supplier shall purchase liability insurance with minimum cover of £5,000,000 (five million pounds) in respect of any one incident and verify this to us upon request.

8.5 Nothing in this contract shall limit or exclude either party's liability for death or personal injury caused by negligence, fraud or fraudulent misrepresentation, breach of the terms implied by section 12 of the Sales of Goods Act 1979 or any matter in respect of which it would be unlawful to exclude or restrict liability.

## 9. Termination

9.1 We shall be entitled to cancel the order in respect of all or part of the goods and/or the services by giving notice to the Supplier at any time prior to delivery in which event our sole liability shall be to pay the price of the goods or services in respect of which we have exercised our right of cancellation, less the Supplier's net saving of cost arising from cancellation. However, if the Supplier has not incurred any costs in relation to the cancelled goods or services e.g., but without limitation, where a product is not bespoke and we have made use of our right to cancel the order not less than fourteen (14) days before the agreed delivery date, we shall not have to pay the price of the goods or services.

9.2 Furthermore, we shall be entitled to terminate the contract without liability to the Supplier by giving notice to the Supplier at any time if (i) the Supplier makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986) or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction) or (ii) an encumbrancer takes possession, or receiver is appointed of any of the property or assets of the Supplier or (iii) the Supplier ceases, or threatens to cease, to carry on business or (iv) we reasonably apprehend that any of the events mentioned in this clause is about to occur in relation to the Supplier and notify the Supplier accordingly (v) the Supplier commits a material or repeated breach of the contract.

## 10. Performance of work

Persons who carry out work on our sites in fulfilment of the contract shall observe any applicable rules or policies relating to the works or the site. The Supplier shall ensure that all personnel assigned to work under this contract comply with the Health & Safety at Work Act 1974 (as amended) and all other relevant acts and regulations and all reasonable instructions and/or requests issued by us from time to time.

## 11. Resources and hazardous materials

11.1 The use of equipment, plant, moulds, matrices, measuring and testing equipment, etc. necessary for the delivery requires our prior consent. The costs for this shall be borne by the Supplier unless agreed otherwise. Insofar as we assume the costs in part or in full for the stated objects, we shall acquire ownership or shared ownership thereto.

11.2 Deliveries of hazardous materials and other goods, which must comply with statutory or accident insurance requirements, shall only be accepted by us if the required and correctly issued safety datasheets and/or other correspondingly sufficient documentation are enclosed.

## 12. Confidentiality, property rights

12.1 The Supplier shall treat all technical, economic or personal data, information, design drawings, specifications, corporate documents, samples, models, documents, matrices, moulds, tools and other production equipment, intentions, knowledge and know-how, regardless of whether obtained orally, in writing, tangible or intangible from us (hereinafter "Information") and regardless of the establishment of a contract, in the strictest confidence, including the time after the conclusion or end of a contractual relationship, and not disclose it to any third party.

12.2 At our request, all Information originating from us (including copies, records, etc.) and items provided on loan must be immediately returned to us, or destroyed.

12.3 Information provided by us shall remain our property and may not - insofar as not required for implementing the order - be forwarded or copied in full or in part, and their contents (including partial contents) may not be utilised, electronically processed or made accessible to third parties or the public, or otherwise utilised for commercial purposes, without our prior written consent. The Supplier shall disclose Information only to those respective officers, directors, employees, agents or other representatives, which have a need to know for the purpose of supplying us goods and services and are committed in writing to confidentiality. Any editing or processing of the aforementioned items shall be done on our behalf and in accordance with our instructions. We shall retain all copyright and other property rights to the named objects.

12.4 The Supplier shall not, without our prior written consent, in any way advertise or publicly announce that it is supplying us with goods or services.

## 13. Export control and customs

13.1 The Supplier shall inform us of any authorisation requirements for (re-)export of its goods according to UK, European, US export and customs provisions, as well as any export and customs provisions of the country of origin of its goods. To this end, the Supplier shall at least provide the following information in its quotations, order confirmations and invoices for the respective goods positions:

The export list number if applicable or comparable list positions of applicable export lists, for US goods the ECCN (Export Control Classification Number) according to US Export Administration Regulations (EAR), the origin of its goods and the components of its goods according to trade measures, including technology and software, whether the goods were transported through the USA, manufactured or stored in the USA or produced with support from American technology, the statistical goods number (HS code) of its goods, and a contact person in its company in order to answer any queries from us.

13.2 At our request, the Supplier shall inform us in writing of all other export data regarding its goods and their components, and shall immediately inform us (before delivery of corresponding, affected goods) of all changes to the above details.

13.3 The Supplier shall comply with the obligations imposed on Authorised Economic Operators (AEO) if applicable.

## 14. Environmental management

14.1 The Supplier shall be responsible for ensuring that its goods comply with the conditions of the REACH Directive (EC) No. 1907/2006 in the respective, applicable version. The information provided to us according to this Directive must be sent in writing.

14.2 The Supplier shall ensure that the goods delivered by it unreservedly comply with the requirements of the Directives: RoHS 2011/65/EU, VDA list 232-101 for declarable materials, IMDS (= International Material Data System), CLP Directive (EC) No. 1272/2008, GADSL (= Global Automotive Declarable Substance List), End of life vehicles Directive 2000/53/EG (ELV = End of life vehicles), EC Directive 2003/11/EC (Use of brominated flame retardants) in the respective applicable version.

14.3 The Supplier shall comply with the conditions specified in Section 1502 of the "Wall Street Reform and Consumer Protection Act" ("Dodd-Frank Act") regarding conflict minerals (tin, gold, tungsten, tantalum = "conflict minerals"). If conflict minerals are required within the framework of the manufacture or function of the goods delivered by the Supplier, their origin must be disclosed. Only conflict minerals from certified smelters ("CFSI Compliant Smelter" list) may be used.

## 15. Social responsibility / Global compact / Minimum wage

15.1 The Supplier shall comply with the laws of the respective applicable jurisdiction(s). The Supplier shall also comply with the UN Global Compact Principles (<https://www.unglobalcompact.org/what-is-gc/mission/principles>) and our Code of Conduct, which can be provided upon request, and shall also impose these principles on its suppliers and/or subcontractors.

15.2 If the Supplier culpably breaches these principles, we reserve the right to withdraw from the contract or to terminate the contract with immediate effect, irrespective of other claims. Insofar as the correction of such a breach is possible, this right may only be exercised after unsuccessful expiration of a reasonable period for the breach to be remedied.

15.3 The Supplier shall always and promptly pay its employees, who work on the performance of the delivery, at least the statutorily prescribed minimum wage that may apply from time to time for the production/manufacturing site. The Supplier is only permitted to engage subcontractors after prior written consent from us.

15.4 If the Supplier culpably breaches this clause 15, we reserve the right to withdraw from the contract with immediate effect or to terminate the contract. Insofar as the correction of such a breach is possible, this right may only be exercised after unsuccessful expiration of a reasonable period for the breach to be corrected.

## 16. General conditions

16.1 Place of performance is the respective location, where the goods are to be correctly delivered to.

16.2 The Supplier shall not assign or transfer or purport to assign or transfer to any other person any of its rights or sub-contract any of its obligations under the contract or any individual order without our prior written consent.

16.3 Nothing in the contract grants the Supplier any exclusivity in the supply of goods or services to us.

16.4 The Supplier shall not unreasonably refuse any request by us to inspect and test the goods during manufacture, processing or storage at the premises of the Supplier or any third party prior to despatch, and the Supplier shall provide us with all facilities reasonably required for inspection and testing. If as a result of inspection or testing we are not satisfied that the goods will comply in all respects with the contract and we so inform the Supplier within 21 (twenty one) days of inspection or testing, the Supplier shall take such steps as are necessary to ensure compliance.

16.5 We and our authorized representatives shall have the right to audit, to examine, and to make copies of or extracts from all accounts, books and other records of charges incurred in supplying the goods or services under the contract (in whatever form they may be kept, whether written, electronic, or other), kept by or under the control of the Supplier including, but not limited to, those kept by the Supplier, its employees, agents, assigns, successor and subcontractors. The Supplier shall, at all times during the term of the contract and for a period of ten years after the completion of each contract, maintain such records, together with such supporting or underlying documents and materials and make them available to us upon request.

16.6 To the extent permissible by applicable law, if any Supplier personnel comes to our location, facility or worksite to perform services, or granting access to our networks is required, Supplier shall, before any such access is granted, conduct background screening of such personnel including, but not limited to, verifying Supplier personnel's identity (e.g., using social security numbers and credit reporting databases to verify identity gaps) and watchlist screening and conduct a background check including, but not limited to, performing a criminal record check through an authorized background-reporting agency (including in-person searches of county courthouse records, where such records are available (e.g. United States, Mexico, etc.) covering at least the last seven (7) years, including all locations of residence and locations of employment, as stated on his or her resume, which the Supplier personnel resided and worked during that period.

16.7 Any notice required or permitted to be given by either party to the other under these General Purchasing Terms and Conditions, shall be in writing addressed to that other party at its registered office address or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

16.8 No waiver by us of any breach of the contract by the Supplier shall be construed as a waiver of any subsequent breach of the same or any other provision.

16.9 If a condition of these General Purchasing Terms and Conditions, the contract or of other agreements concluded are or become invalid, this shall not affect the validity of the remaining provisions. The parties shall then replace the invalid condition with a condition that comes as close as possible to its economic result.

16.10 The contract and any dispute or claim arising out of or in connection with it or its subject matter or formation (including any non-contractual dispute or obligation) shall be governed by, and construed in accordance with the laws of England and Wales.

16.11 The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales to settle any claim or dispute that arises out of or in connection with the contracts (including any non-contractual dispute or obligation) which are based on these General Purchasing Terms and Conditions; at our discretion, the place of jurisdiction may also be the court with jurisdiction over the Supplier's registered office or branch office, or the court at the place of performance.