

General terms and conditions of purchasing of BBS GmbH (hereinafter referred to as "BBS")

1. Definitions, scope

- 1.1 The contracting parties are hereinafter referred to as "purchaser" and "seller", the subject matter of the contract is referred to as "goods". These definitions shall apply to the conclusion of both purchase contracts and contracts for work and materials. Orders, placement of orders, offers and call-offs are referred to as "purchase orders".
- 1.2 These terms of purchasing of BBS shall apply exclusively; contrary terms of purchasing or terms of the seller which differ from the terms of purchasing of BBS shall not be accepted unless BBS consents in writing to their use. The terms of purchasing of BBS shall also apply if BBS accepts the goods of the seller without reservation while knowing of contrary terms or terms of the seller differing from these terms of purchasing.
- 1.3 Agreements entered into between BBS and the seller in connection with the respective contract shall only apply if they are recorded in writing. This shall also apply to deviations from the above-mentioned written form requirement.
- 1.4 These terms of purchasing shall only apply in business transactions with entrepreneurs, corporate bodies under public law and public separate estates.
- 1.5 These terms of purchasing shall also apply to all future transactions with the seller.

2. Purchase order

- 2.1 Estimates of costs of the seller shall be binding for the seller and shall be made free of charge unless remuneration has been agreed in writing.
- 2.2 The seller may accept the purchase order of BBS within 2 weeks after receipt.

3. Prices, terms of payment

- 3.1 The price stated in the purchase order of BBS shall be binding unless the seller immediately objects to this price indication – however, at the latest, 8 days after receipt of the purchase order of BBS – in writing. In the latter case, the price confirmed in writing by BBS shall be binding. Unless otherwise agreed in writing, the price shall include delivery to the buyer's address, customs clearance and packaging. BBS shall only be obliged to return the packaging if this has been agreed in writing. The statutory VAT shall be included in the price and must be stated in accordance with the statutory regulations.
- 3.2 If disadvantages arise for BBS in the case of a purchase in foreign currency due to the fact that the exchange rate has changed between the time of conclusion of the contract and the transfer, such disadvantages shall be at the seller's expense.
- 3.3 The payment for the contractual goods shall be due within 30 days after receipt of the goods and the invoice. If the payment is made within 14 days after receipt of the goods and the invoice, BBS shall be granted a cash discount amounting to 3%.
- 3.4 On the invoices, the seller must state the purchase order number stated by BBS on the purchase order. All detrimental consequences due to failure to comply with this obligation must be borne by the Seller.
- 3.5 BBS shall be entitled to offsetting and retention to the extent permitted by law. BBS shall also be entitled to offset if claims and counterclaims in different currencies exist. In this case, offsetting must be based on the official exchange rates at the time of the declaration of the offsetting.

4. Delivery period

- 4.1 The delivery period stated by BBS on the purchase order shall be binding.
- 4.2 The seller must immediately inform BBS if the delivery period is expected to differ from the agreed period.
- 4.3 In case of delay in delivery, BBS shall be entitled to claims as permitted by law. BBS shall specifically also be entitled to claim damages due to non-performance after expiry of a reasonable period of grace without the desired result.



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4.4 A fixed-period commercial transaction within the meaning of section 376 HGB [German Commercial Code] shall be deemed to exist if the purchase order of BBS includes a corresponding remark (e.g. "fix" [fixed], "präzise" [precisely], "genau" [exactly]) or an exact date with the note "ohne Nachfristsetzung" [without a period of grace].

4.5 In case of a delay in delivery, BBS shall be entitled to claim a contractual penalty amounting to 2% of the gross order value for each completed week of delay, but not more than a maximum of 10%; the assertion of further damage shall remain reserved. BBS must declare the retention of the contractual penalty at the latest upon payment of the invoice which chronologically follows the delayed delivery.

5. Quality, documentation

5.1 The goods must have the agreed technical data and the agreed quality and must correspond to state-of-the-art technology, relevant safety regulations and the BBS-Qualitäts- und Umweltrichtlinie [BBS quality and environmental guideline] QR 9.0-01-001.

5.2 The seller shall be obliged to determine and comply with all relevant safety regulations. Within the framework of what is acceptable, BBS shall inform the seller about the relevant safety regulations upon the seller's request.

5.3 For vehicle parts labelled in a special way in the technical documents or in a separate agreement – e.g. labelled with "D" – the seller must document when, how and by whom the goods were examined regarding the features requiring documentation and must state the results for the required quality tests. The test documents must be stored for 20 years and must be presented upon corresponding request by BBS. Within the framework of what is legally possible, the seller must impose these obligations on its upstream suppliers to the same extent. Helpful advice can be found in VDA-Schrift [publication of the association of the German automotive industry] Volume 1, "Nachweisführung" [Furnishing evidence], as amended.

5.4 If authorities in charge of automotive safety, emission standards or the like require BBS to grant them access to the production process and the test documents within the framework of the examinations within their responsibility, the seller must grant the same rights to the authorities in question upon corresponding request of BBS and must provide any reasonable assistance in this respect.

5.5 The seller must inform BBS as soon as possible prior to each change of its upstream suppliers, any change of and to machinery, tools, procedures and the like. If it is threatened with significant disadvantages due to such change, BBS shall be entitled to rescind the contract.

5.6 The seller has to implement appropriate regulation procedures at the place of manufacture according to the requirements of BBS and its customers.

5.7 The seller commits to comply with the legal, governmental and other requirements of the production country, exporting country, importing country and country of destination. In case that there are special monitoring actions needed, the seller has to ensure these actions also for its upstream suppliers.

6. Warranty

6.1 The acceptance of the goods shall be subject to verification of absence of defects and completeness. BBS shall examine the goods for possible deviations in terms of quality and quantity within a reasonable period. If BBS notifies the seller of a defect, the notification of the defect shall be deemed made in good time if it is received by the seller within a period of 7 working days after the delivery. Hidden defects shall be reported by BBS within 2 weeks after discovery.

6.2 In case defective goods are delivered, BBS shall be entitled to the statutory claims based on warranty to the full extent. In every instance, the seller shall be liable for representations and/or guarantees regardless of the fault.

6.3 In case of imminent danger or other urgent issue, BBS shall be entitled to remedy defects on its own at the expense of the seller. If subsequent performance is not possible and/or has failed, or if it is refused by the seller in accordance with section 439 para. 3 BGB [German Civil Code], BBS shall be entitled to rescind the contract or to reduce the purchasing price at its choice. This shall also apply if the seller is not willing and/or able to render the subsequent performance within the reasonable period of grace set by BBS in writing. In case defective goods are delivered on more than one occasion, BBS shall again be entitled to all of the above-mentioned rights. The right to damages, in particular also the right to damages due to non-performance, shall remain expressly reserved for all of the above-mentioned cases.

6.4 BBS shall be entitled to the rights against the seller which entrepreneurs have against their suppliers in accordance with sections 478, 479 BGB. With regard to the notices that are necessary in this respect, the periods stated in para. 1 above shall apply *mutatis mutandis*.

7. Product liability, indemnification, third-party insurance coverage

7.1 If BBS is held liable for any damage caused by the defectiveness or other characteristics/ effects of a product manufactured by BBS, the seller shall be obliged to indemnify BBS upon first request from any claims for damages of third parties insofar as the cause is within the control and the sphere of responsibility of the seller. This obligation shall also apply if the seller has its headquarters abroad and/or if foreign product liability regulations must be observed for other reasons. Within this framework, the seller shall also be obliged to refund all expenses – also in accordance with sections 683, 670 BGB – which result from or in connection with any of the recall campaigns carried out by BBS. As far as possible and reasonable, BBS shall inform the seller about the content and scope of the recall measures to be carried out and give the seller the opportunity to comment on the matter.

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- 7.2 The seller shall undertake to conclude and maintain third-party liability insurance with an amount that is reasonable based on the principles of diligence of a prudent businessperson for all risks under the product liability including the recall risk. The seller shall be obliged to present the insurance policy to BBS for inspection upon request. If BBS is entitled to claims for damages exceeding the coverage sums, they shall remain unaffected.
- 7.3 The seller shall be obliged to label the goods supplied by it to BBS in such a manner that they are permanently recognisable as its products.
- 7.4 Upon request of BBS, the seller must conclude a quality assurance agreement with BBS.

8. Third-party proprietary rights

- 8.1 The seller shall be liable for all claims of third parties which result from the infringement of proprietary rights and applications for proprietary rights of third parties in the case of contractual use of the goods by BBS and its contractual partners.
- 8.2 The seller shall undertake to indemnify BBS and its purchasers from all third-party claims in accordance with the above-mentioned provisions upon first request. This shall not apply if BBS has made available to the seller drawings, models, descriptions and similar information for the manufacturing of the goods and the seller is prohibited from and incapable of knowing that the use of the goods infringes proprietary rights of third parties.
- 8.3 If any of the contracting parties learns of an (alleged) infringement of proprietary rights of third parties or even a corresponding risk, the respective other contracting party must immediately be informed. In addition, in every instance, each contracting party must counteract the assertion of third-party claims together with the other contracting party upon its request.
- 8.4 The indemnification obligation of the seller shall relate to all applications which are necessarily incurred by BBS under or in connection with the claims asserted by a third party.
- 8.5 The seller must notify BBS upon its request which published and/or unpublished own or third-party licenced proprietary rights and/or applications for proprietary rights regarding the goods exist and/or were and/or are being used.

9. Reservation of ownership, processing, mixing, provision of items/documents by BBS, use of tools of BBS, obligation to maintain secrecy

- 9.1 If BBS provides objects ("materials") to the seller, it shall reserve the ownership regarding such objects. Any processing or transformation by the seller shall be carried out on behalf of BBS. If the reserved goods of BBS are processed with other materials not belonging to BBS, BBS shall acquire ownership regarding the result of the new item in proportion of the value which the materials provided by BBS have compared to the value of the other materials processed at the time of the processing.
- 9.2 If the materials provided by BBS are inseparably mixed or blended with other materials not belonging to BBS, BBS shall acquire co-ownership regarding the new materials in the proportion of the value of the materials to the other mixed materials at the time of the mixing. If the mixing takes place in such a manner that the item of the seller is to be considered as the main item, the seller must transfer the pro-rata co-ownership to BBS; the seller shall keep safe the (co-) ownership for BBS.
- 9.3 BBS shall also reserve ownership regarding any tools provided by it; the seller shall be obliged exclusively to use the tools for the manufacturing of the goods ordered by BBS. In addition, the seller shall be obliged to insure the tools belonging to BBS at the replacement value at own costs against damage caused by fire, water and theft. Moreover, the seller must carry out any maintenance and inspection work that may be required in good time at its own expense. Any incidents must immediately be notified by the seller to BBS; if the seller fails to do so, claims for damages of BBS shall remain unaffected.
- 9.4 The parties agree that ownership regarding the tools shall be due to BBS and/or its customers and/or is to be procured by the seller if tools are provided/manufactured by the seller and/or have been paid by BBS or its customers. The seller shall be obliged to surrender such tools to BBS at any time upon its request. The seller shall not be entitled to use the tools for the manufacturing of goods for third parties.
- 9.5 BBS shall reserve ownership rights and copyrights as well as other industrial property rights regarding pictures, drawings, calculations, sketches and other documents. Such documents may only be used to make the goods ordered by BBS and must be returned to BBS after execution of the order without request. The seller must ensure in a suitable way that all of its employees and other staff – including freelancers – as well as members of its organs are obliged to maintain secrecy regarding the above-mentioned documents vis-à-vis third parties. Such documents may only be made available to third parties (e.g. upstream suppliers of the seller) after previous written approval by BBS. The above-mentioned obligations shall also continue to apply after the execution/termination of the respective contract (contractual relationship).
- 9.6 Goods specifically manufactured by the seller in accordance with the pictures, drawings, calculations, sketches etc. of BBS or otherwise must not be manufactured by the seller for third parties without the written consent of BBS. Excess quantities of such goods must not be sold to third parties nor used for the seller's own manufacturing.

9.7 If, in connection with the contractual relationship, the seller gains insight into technical manufacturing or application procedures or corresponding documents/processes or other company secrets of BBS, the seller must neither use/exploit its knowledge of the above-mentioned procedures/processes/documents or other company secrets of BBS itself nor pass it on to third parties anywhere in the world, even if its subsidiary/parent company is abroad.

10. Insolvency of a contracting party

If any of the contracting parties discontinues its payments or if a petition for opening of insolvency proceedings regarding its assets is filed, the other contracting party shall be entitled to rescind the contract regarding the part not yet performed.

11. Partial invalidity

If individual provisions of these terms of purchasing are or become ineffective, the effectiveness of the other individual provisions shall not be affected. In this case, the contracting parties shall be obliged to replace the ineffective provisions with effective provisions which are as close as possible to the meaning and purpose and the economic and legal content of the ineffective provisions.

12. Applicable laws

The contracting parties agree that German laws shall exclusively be applicable to the respective contractual relationship. The United Nations Convention on the International Sale of Goods of 11 April 1980 (CISG) or other international or foreign provisions shall not apply.

13. Place of jurisdiction, place of performance

- 13.1 The place of jurisdiction shall be at the seat of BBS. However, BBS shall also be entitled to sue the seller at the seller's place of residence/business.
13.2 The place of performance shall be at the seat of BBS unless BBS determined another place of performance in writing.

14. VAT ID number

The VAT ID number of BBS is: DE 281925661.

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