

General Conditions of Purchase

I. General

1. In case of any purchase being undertaken by Schaeffler (UK) Ltd (referred to in these terms as **“us”** or **“Customer”** or **“our”**) any legal relationship between you (referred to herein as **“Supplier”** or **“you”**) and us, is subject to the following terms and conditions (**“General Conditions of Purchase”** or **“GCP”**).

2. These GCP apply to any contract for the supply of goods and or services ordered by and supplied to us by you (**“Goods”** and **“Services”** respectively) to the exclusion of any other terms that you may seek to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. Any conditions stipulated by you as well as any deviating agreements will be applicable only if confirmed in writing by an authorised representative of the Customer. Neither a lack of an express objection to terms or conditions stipulated by you nor any acceptance of or payment for Goods or Services by us shall be construed as an agreement or acknowledgement of such Supplier’s terms or conditions. In these GCP **“Order”** shall mean the Customer’s order for the supply of Goods and/or Services, as set out in our purchase order or other written order documentation for example in our written acceptance of the Supplier’s quotation.

II. Contract Formation and Amendment

1. The Order constitutes an offer by the Customer to purchase Goods and/or Services from the Supplier in accordance with these GCP. The Order shall be deemed to be accepted on the earlier of: (a) the Supplier issuing written acceptance of the Order; or (b) any act by the Supplier consistent with fulfilling the Order, at which point and on which date the contract (**“Contract”**) shall come into existence (**“Commencement Date”**). If the Supplier does not communicate acceptance of an order within two weeks of the receipt of such, we may revoke such order at any time.

2. In the case of any delivery of goods the terms of any applicable quality assurance agreement, logistics agreement, additional conditions for international trade as well as the shipping and transport instructions of the Schaeffler Group in their version applicable at the time the Contract is concluded shall be deemed incorporated herein and shall form an integral part of this contract. The documents referred to herein which you Supplier acknowledges it has read as well as other important information which the Supplier agrees to remain aware of can be found at www.schaeffler.co.uk by following the ‘Suppliers’ link or by using the search function. Alternatively they will be made available to the Supplier upon request.

III. Delivery of Goods / Governmental Permits / Export Control

1. All deliveries are DDP (Incoterms 2020), including packaging and conservation, to a location specified in the Order or otherwise determined by the Customer during the Customer’s normal hours of business, unless agreed otherwise. Supplier shall notify the Customer and/or the consignee determined by the Customer about a shipment on the day of its dispatch. Each shipment shall include a delivery note in duplicate listing the Customer’ order number, item number and Supplier number. The Supplier shall ensure that the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition. Agreed dates and time limits are binding. The delivered Goods shall be packaged appropriately to conform to good industry practice. The Supplier shall ensure that, in relation to the Goods that may be deemed hazardous or unsafe, a notice is displayed on or within the packaging of such Goods, advising of the hazardous nature of such Goods and providing adequate instructions for the safe handling and use of such Goods.

2. The Supplier shall inform us immediately in writing about any delay in delivery. The Supplier must also indicate the reasons for such delay and its expected duration.

3. The Supplier shall not deliver the Goods in instalments without the Customer’s prior written consent. However, failure by the Supplier to deliver any one instalment on time or at all or any defect in an instalment shall entitle the Customer to the remedies set out in Clause IX.

4. Title and risk in the Goods shall pass to the Customer on completion of delivery. Place of fulfilment for all deliveries and performances is the place of destination specified by the Customer in the Order.
5. The Supplier shall notify us of any governmental permits or notification requirements that may be required for the import and the use of the delivered items.
6. The Supplier shall, comply with all applicable export control laws and regulations of the EU, the US or other export control requirements. The Supplier shall obtain all necessary permits before the transfer of technical information or objects to us and shall notify us, on an unsolicited basis, of the respective export control classification numbers for such technical information and goods (e.g., US law: ECCN) and of any restrictions for the transfer of the same. The Supplier hereby undertakes to make available to us all information necessary for compliance with such provisions in each case.
7. We shall be entitled to terminate any contract with immediate effect in relation to the Supplier insofar as any changes in applicable national or international export control laws or regulations or our internal rules based on such render impossible, or appear to make impossible, any acceptance of the Goods or Services or the fulfilment of obligations under the contract for the foreseeable future.

IV. Supply of Goods and Services / Warranties

1. The Supplier shall from the date set out in the Order and for the duration of the Contract supply the Services to the Customer in accordance with the terms of the Contract. The Supplier shall meet any performance dates for the Services specified in the Order or that the Customer notifies to the Supplier and time is of the essence in relation to any of those performance dates.
2. In providing the Services, the Supplier shall:
 - 2.1. co-operate with the Customer in all matters relating to the Services, and comply with all instructions of the Customer.
 - 2.2. perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade.
 - 2.3. use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with the Contract.
 - 2.4. ensure that the Services and deliverables will conform with all descriptions and specifications set out in the service specification, and that the deliverables shall be fit for any purpose that the Customer expressly or impliedly makes known to the Supplier; ("Deliverables" shall mean: all documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form or media, including drawings, maps, plans, diagrams, designs, pictures, computer programs, data, specifications and reports (including drafts));
 - 2.5. provide all equipment, tools and vehicles and such other items as are required to provide the Services.
 - 2.6. use the best quality goods, materials, standards and techniques, and ensure that the Deliverables, and all goods and materials supplied and used in the Services or transferred to the Customer, will be free from defects in workmanship, installation and design.
 - 2.7. obtain and at all times maintain all licenses and consents which may be required for the provision of the Services.
 - 2.8. comply with all applicable laws, regulations, regulatory policies, guidelines or industry codes which may apply to the provision of the Goods or Services, and with the mandatory policies.
 - 2.9. observe all health and safety rules and regulations and any other security requirements that apply at any of the Customer's premises.
 - 2.10. hold all materials, equipment and tools, drawings, specifications, parts, containers, packaging measuring instruments or substances or similar items and data supplied by the Customer to the Supplier ("Customer Materials") in safe custody at its own risk, maintain the Customer Materials in good condition until returned to the Customer, and not dispose or use the Customer Materials other than in accordance with the Customer's written instructions or authorisation;

2.11. not do or omit to do anything which may cause the Customer to lose any license, authority, consent or permission upon which it relies for the purposes of conducting its business, and the Supplier acknowledges that the Customer may rely or act on the Services; and

2.12. comply with any additional obligations as set out in the Specification.

3. For purposes of these GCP "Specification" shall mean the description or specification for the Goods or Services including any related plans and drawings whether within the Order documentation or agreed otherwise in writing by the Customer and the Supplier.

4. The Supplier shall ensure that the Goods shall:

4.1. correspond with their description and any applicable Goods Specification.

4.2. be of satisfactory quality (within the meaning of the Sale of Goods Act 1979) and fit for any purpose held out by the Supplier or made known to the Supplier by the Customer, expressly or by implication, and in this respect the Customer relies on the Supplier's skill and judgement.

4.3. where they are manufactured Goods, be free from defects in design, materials and workmanship and remain so for 36 months after delivery; and

4.4. comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods.

5. **Consents & permissions.** The Supplier shall ensure that at all times it has and maintains all the licenses, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract in respect of the Goods.

6. **Changes to Scope.** The Customer is entitled to request from the Supplier modifications in the design and construction of the supplied Goods or Deliverables, so long as the Supplier can be reasonably expected to meet such requests. The Supplier shall implement such modifications within a reasonable period of time. Mutually satisfactory agreements shall be concluded concerning the consequences of such modifications, in particular with regard to delivery dates, or changes to costs. The Customer will determine such consequences within our reasonable discretion if agreement regarding the matters outlined in the previous sentence cannot be reached within a reasonable period of time.

7. **Spare Parts.** The Supplier shall ensure that it will continue to be able, for a period of 15 years following the termination of the supply relationship and on reasonable terms and conditions, to deliver to us the Goods and/or Deliverables or parts thereof as spare parts.

8. **Subcontractors.** The Supplier shall not be entitled to assign, transfer, mortgage, charge, subcontract, de- gate, declare a trust over or deal in any other manner with any of its rights, obligations or claims under the Contract without prior written approval of the Customer. In the event that the Supplier assigns any claims or allows such to be collected by a third party without our approval, the Customer shall still be entitled to continue making payments to the Supplier with discharging effect.

V. Prices / Payment Terms

1. The agreed prices are fixed prices. The price for the Goods shall be the price set out in the Order and shall be inclusive of the costs of packaging, insurance and carriage of the Goods. No extra charges shall be effective unless agreed in writing and signed by the Customer.

2. The charges for the Services shall be set out in the Order and shall be the full and exclusive remuneration of the Supplier in respect of the performance of the Services. Unless otherwise agreed in writing by the Customer, the charges shall include every cost and expense of the Supplier directly or indirectly incurred in connection with the performance of the Services such that no additional charges shall be payable separately.

3. In respect of the Goods, the Supplier shall (unless expressly otherwise agreed or unless this is

inadmissible under the relevant statutory provisions) submit invoices exclusively in electronic form via the platform for the exchange of invoice data notified by us upon conclusion of the contract, Further details for electronic invoicing and the platform to be used are detailed in the provisions on digital collaboration and can be found at www.schaeffler.de/en (using the search function) or will be made available to the Supplier upon request. . In respect of Services, the Supplier shall electronically invoice the Customer on completion of the Services. Each invoice shall include such supporting information required by the Customer to verify the accuracy of the invoice, including but not limited to the relevant purchase order number.

4. In consideration of the supply of Goods and/or Services by the Supplier, the Customer shall pay the invoiced amounts within 90 days from the end of the month' (in which a correctly rendered invoice was issued) to a bank account nominated in writing by the Supplier.

5. Where any taxable supply for VAT purposes is made under the Contract by the Supplier to the Customer, the Customer shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such amounts in respect of VAT as are chargeable on the supply of the Goods and/or Services.

6. The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in providing the Services, and the Supplier shall allow the Customer to inspect such records at all reasonable times on request.

7. If the Customer fails to make a payment due to the Supplier under the Contract by the due date, then the Customer shall pay interest on the overdue sum from the due date until payment of the overdue sum, whether before or after judgment. Interest under this Clause V (7). will accrue each day at 4% a year above the Bank of England's base rate from time to time, but at 4% a year for any period when that base rate is below 0%.

8. Supplier shall only have the right to set-off against any claims of the Customer or the right of retention, if and to the extent that Supplier's claims are undisputed, or its counterclaims are final and non-appealable. The Customer may at any time, without notice to the Supplier, set off any liability of the Supplier to the Customer against any liability of the Customer to the Supplier, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under the Contract. If the liabilities to be set off are expressed in different currencies, the Customer may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Customer of its rights under this Clause shall not limit or affect any other rights or remedies available to it under the Contract or otherwise.

VI. Acceptance of Work Performed

1. Any acceptance of work shall take place after completion of such by way of our formal countersignature on the respective record of acceptance. In relation to any performance which cannot be subsequently checked or examined the Supplier shall give the Customer in good time written notice requiring the examination. Any purported acceptance by way of failing to respond to a request for inspection, or by way of payment or actual use is hereby excluded.

2. Acceptance of any type required by the official authorities, in particular acceptance by recognised experts, shall be arranged by the Supplier at its own expense before the acceptance of the work insofar as such is not expressly excluded from the scope of performance. Any official certificates as to defect-free nature or any official approvals or acceptances shall be provided to the Customer in good time before the acceptance of the work.

VII. Confidential Information / Intellectual Property

1. Each party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party, except as permitted by Clause VII (2).

2. Each party may disclose the other party's confidential information:

2.1. to its employees, officers, representatives, subcontractors or advisers who need to know such information for the purposes of carrying out the party's obligations under the Contract. Each party shall

ensure that its employees, officers, representatives, subcontractors or advisers to whom it discloses the other party's confidential information must comply with this Clause VII; and

2.2. may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

3. Neither party shall use the other party's confidential information for any purpose other than to perform its obligations under the Contract.

4. All Intellectual Property Rights in or arising out of or in connection with the Services (other than Intellectual Property Rights in any Customer Materials) shall be owned by the Supplier. For the purposes of these GCP "Intellectual Property Rights" shall mean patents, utility models, rights to inventions, copyright and neighbouring and related rights, trademarks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.; and "Customer Materials" shall mean all documents, information, items and materials in any form (whether owned by the Customer or a third party), which are provided by the Customer to the Supplier in connection with the supply of Goods or Services.

5. The Supplier grants to the Customer or shall procure the direct grant to the Customer of, a fully paid-up, worldwide, non-exclusive, royalty-free perpetual and irrevocable license to copy and modify the Deliverables (excluding Customer Materials) for the purpose of receiving and using the Services and the Deliverables.

6. The Customer grants the Supplier a fully paid-up, non-exclusive, royalty-free non-transferable license to use any Customer Materials for the term of the Contract for the sole purpose of providing the Services to the Customer.

7. All Customer Materials are the exclusive property of the Customer. In cases where Customer Materials are combined the Customer will become co-owners of the new goods. Our co-ownership share shall be equal to the proportionate value of the Customer Materials compared to the overall value of the new item. The Supplier shall not have any rights of retention in any circumstances over the Customer Materials.

VIII. Insurance

During the term of the Contract and for a period of 6 years thereafter, the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise under or in connection with the Contract, and shall, on the Customer's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

IX. Customer Remedies/ Indemnification

1. If the Supplier fails to deliver the Goods and/or perform the Services by the applicable date, or if the Goods do not comply with the undertaking set out in Clause III, the Customer shall, without limiting or affecting other rights or remedies available to it, have one or more of the following rights:

1.1. to terminate the Contract with immediate effect by giving written notice to the Supplier.

1.2. to refuse to accept any subsequent performance of the Services and/or delivery of the Goods which the Supplier attempts to make.

1.3. to reject the Goods (in whole or in part) whether or not title has passed and to return them to the Supplier at the Supplier's own risk and expense. to require the Supplier to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods (if paid).

1.4. to recover from the Supplier any costs incurred by the Customer in obtaining substitute goods

and/or services from a third party.

1.5. to require a refund from the Supplier of sums paid in advance for Services that the Supplier has not

provided and/or Goods that it has not delivered, or delivered in breach of its obligations; and

1.6. to claim damages for any additional costs, loss or expenses incurred by the Customer which are in any

way attributable to the Supplier's failure to meet such dates or obligations.

2. If the Goods are not delivered by the applicable date, the Customer may, at its option, claim or deduct 5% of the price of the Goods for each week's delay in delivery by way of liquidated damages, up to a maximum of 50% of the total price of the Goods.

3. These GCP shall extend to any substituted or remedial services and/or repaired or replacement goods or services supplied by the Supplier.

4. The Customer's rights under the Contract are in addition to its rights and remedies implied by statute and common law.

5. The Supplier shall indemnify the Customer against all liabilities, costs, expenses, damages and losses, including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by the Customer arising out of or in connection with: (a) any claim made against the Customer for actual or alleged infringement of a third party's intellectual property rights arising out of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services (excluding the Customer Materials); (b) any claim made against the Customer by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in the Goods, as delivered, or the Deliverables; and (c) any claim made against the Customer by a third party arising out of or in connection with the supply of the Goods, as delivered, or the Services. This Clause IX (5) shall survive termination of the Contract

X. Performance of Work on Customer Premises

1. The Customer shall: (a) provide the Supplier with reasonable access at reasonable times to the Customer's premises for the purpose of providing the Services; and (b) provide such necessary information for the provision of the Services as the Supplier may reasonably request. The Supplier must not deploy persons for fulfilling its contractual obligations at our locations which are employed by us, or which have been employed by us during the last 6 months without prior written approval.

2. In relation to any performance at Customer premises the Company Regulations for Contractors shall apply and will be made available to the Supplier upon request. The Supplier shall comply with all reasonable directions of the Customer when on site.

XI. Tools

Notwithstanding any other agreement to the contrary, the Customer shall receive full ownership or co-ownership of the tools to the extent the Customer has contributed to the proven costs for tools used in the manufacture of the supplied goods. The Customer will acquire (co)ownership of the tools upon payment. The tools shall remain on loan with the Supplier. The Supplier shall require the Customer's consent to dispose (in the legal or the factual sense of the term) of the tools, to move the location of the tools or to disable the tools permanently. The Supplier shall label the tools as the Customer's property or property held in co-ownership, as applicable. The Supplier shall bear the costs for the maintenance, repair and replacement of the tools. The Customer shall have title in the re- placement tools in the same proportion as in the original tools. In cases of co-ownership of a tool the Customer shall have a right of first refusal with respect to the co-ownership share of the Supplier. The Supplier must use tools (co-)owned by us exclusively for the purpose of manufacturing the supplied goods. After the end of the delivery, the Supplier must, upon the Customer's request, immediately turn over the tools to the Customer. Following hand over of the (co-)owned tools to the Customer, it shall reimburse the Supplier for the then present value of the Supplier's co-ownership share. In no event shall the Supplier have a right to

retain the tools. The Supplier's obligation to turn over the tools shall apply also in any of the circumstances described in Clause XIII (1.1) or in Clause XV (1) inclusive and in cases of long term interruptions of the supply relationship. The Supplier shall insure the tools within the agreed upon scope or, absent such agreement, within the customary scope of best industry practice.

XII. Software

The Supplier agrees to modify/improve the software pursuant to Customer instructions and in exchange for an adequate reimbursement of costs for a period of 5 years from the shipment of the supplied item unless the scope of the delivery solely includes standardised software. To the extent the software originates with a supplier of the Supplier, the Supplier shall contractually obligate such supplier accordingly so as to procure their fulfillment of the terms of this clause. Statutory or contractually agreed update obligations remain unaffected.

XIII. Termination

1. Without affecting any other right or remedy available to it, the Customer may terminate the Contract and any Order or individual agreement concluded subject to these General Conditions of Purchase:

1.1. with immediate effect by giving written notice to the Supplier if:

1.1.1. there is a change of control of the Supplier; or

1.1.2. the Supplier's financial position deteriorates to such an extent that in the Customer's opinion the

Supplier's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy; or

1.1.3. the Supplier commits a breach of Clause IV (2) (2.8) or XIV.

1.2. for convenience by giving the Supplier three months' written notice.

2. Without affecting any other right or remedy available to it, either party may terminate the Contract with immediate effect by giving written notice to the other party if the other party commits a material breach of any term of the Contract which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 30 days after being notified to do so.

3. In cases of a long term inability to deliver or if the Supplier faces any of the circumstances detailed in Clause XII the Supplier upon request shall assist the Customer to the best of its abilities to move the manufacture of the Goods or provision of Services to a third party or (at the Customers' sole discretion) find an alternative Supplier of the Goods or provider of the Services. Such assistance shall include the granting of licenses to intellectual property rights to the extent such rights are necessary for the manufacture or supply of the relevant Goods/Services, such licenses to be granted on terms customary in the industry.

4. **Consequences of termination** - On termination of the Contract, the Supplier shall immediately deliver to the Customer all Deliverables whether or not complete and return all Customer Materials. If the Supplier fails to do so, then the Customer may upon reasonable notice and at a reasonable time, enter the Supplier's premises and take possession of them. Until they have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with the Contract.

4.1. Termination or expiry of the Contract shall not affect the parties' rights and remedies that have accrued as at termination or expiry, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination or expiry.

4.2. Any provision of the Contract that expressly or by implication is intended to come into or continue in force

on or after termination or expiry of the Contract shall remain in full force and effect.

5. **Force Majeure** - Neither party shall be in breach of the Contract nor liable for delay in performing, or failure to perform, any of its obligations under it if such delay or failure results from events, circumstances or causes beyond its reasonable control, which are unforeseeable and unpreventable. If the

period of delay or non-performance continues for 4 weeks, the party not affected may terminate this agreement by giving seven days' written notice to the affected party.

XIV. Ethical Business Conduct

1. The Supplier shall refrain from actions or omissions that, regardless of the form of participation, may lead to administrative fines or criminal prosecution, including but not limited to Bribery Act 2010, Modern Slavery Act 2015 and the General Data Protection Regulation ((EU) (2016/679)) and Data Protection Act 2018 and in particular for corruption or a violation of antitrust or competition law, by the Supplier, by employees of the Supplier or by third parties engaged by the Supplier (hereinafter referred to as "Violation" or "Violations"). The Supplier shall be obligated to take all steps necessary to avoid Violations. For this purpose, the Supplier shall be responsible for the compliance and proper performance by its employees and all third-party representatives with all relevant laws and shall conduct appropriate trainings.
2. Upon written request by the Customer, the Supplier shall submit information about the above measures, in particular regarding the content and status of implementation. For this purpose, the Supplier shall completely and accurately answer a compliance questionnaire issued by the Customer and will provide the Customer with the documents related to such questionnaire.
3. The Supplier will inform the Customer without undue delay of any Violation and of the commencement of official investigations by any authority regarding a Violation. Additionally, if there are any indications of a Violation by the Supplier, the Customer is entitled to request written information about the Violation and all steps taken by the Supplier for rectification and future compliance as well as immediate omission.
4. In the event of a breach of one of the aforementioned obligations, the Supplier shall immediately cease such actions, shall compensate the Customer for any and all damage suffered by the Customer due to such breach and / or the Customer shall have the right to terminate in writing any Order or individual agreement which is subject to these General Conditions of Purchase for cause without notice. The Supplier shall indemnify and hold the Customer harmless against any third-party claims or damages that have been caused by a breach of the aforementioned obligation by the Supplier, his sub-contractors or their respective subcontractors.
5. In case of any infringement of antitrust or competition law such as stringent restrictions i.e. in case of cartel agreements or concerted practices entered into by the Supplier regarding price fixing, bid rigging, quantities, quotes, territories or customers, the amount of liquidated damages which the parties agree would be fair and proportionate to be paid by the Supplier shall unless otherwise agreed be 15% of the net sales of the products or services of the Supplier affected by the cartel and sold to the Customer before the Customer became aware of the infringement. The right to prove actual damage at a lower level or the non-existence of any actual damage by the Supplier shall not be affected hereby. This shall also apply to any claims for higher levels of damage as well as other contractual or legal claims of the Customer.
6. Furthermore the Supplier acknowledges and agrees to be bound by the Supplier Code of Conduct of the Schaeffler Group in its version applicable at the time the contract is concluded, which may be found on our website www.schaeffler.co.uk (using the search function) or which shall be mailed to Supplier upon request. The Supplier furthermore warrants that it shall introduce and implement in its organisation the basic principles for responsible business conduct as set out therein. The Supplier shall procure that any subcontractors used in relation to the Contract are also bound by this same obligation. In case of any conflict between the Supplier Code of Conduct and the provisions of these GCP, these GCP shall prevail.

7. Sustainability in the Supply Chain

- 7.1. The Supplier shall be obliged to take preventive measures both with regard to its own business operations and with regard to subcontractors directly employed by it for its performance in order to

avoid a violation of human rights, a violation of occupational health and safety regulations or environmental protection regulations in accordance with the respective applicable statutory provisions by the Supplier itself or by its subcontractors and to identify violations or impending violations. Upon our request, the Supplier shall provide us with written information on the preventive measures taken.

7.2. We or a third parties mandated by us shall be entitled to inspect and audit the preventive measures taken by the Supplier pursuant to Section 1 at least once a year during normal business hours and after timely prior notice. The Supplier shall take suitable measures to ensure that we or a third parties mandated by us can audit the preventive measures taken by direct subcontractors of the Supplier, i.e. subcontractors with whom the Supplier has a direct contractual relationship, in the event of justified suspicion of a violation of human rights or of the statutory provisions on occupational, health and safety or environmental protection regulations mentioned in Section 1 by direct subcontractors of the Supplier. The Supplier shall also work towards ensuring that, in justified cases of suspicion, an audit or review of preventive measures is also made possible at indirect subcontractors, i. e. subcontractors with whom the Supplier does not have a direct contractual relationship. Such audits and inspections shall not release the Supplier from its obligations under this provision.

7.3. In the event of a violation of human rights or of the statutory provisions on occupational, health and safety or environmental protection regulations mentioned in Section 1 by direct or indirect subcontractors, the Supplier shall immediately work towards the implementation of suitable remedial measures, review the effectiveness of these remedial measures and inform us of the violations and the remedial measures taken. Our right to terminate for cause shall remain unaffected.

7.4. The Supplier shall ensure that its employees participate in suitable training courses on human rights, occupational, health and safety or environmental topics at regular intervals, but at least once per fiscal year. The Supplier shall provide us with evidence of the establishment and implementation of a training concept at the Supplier upon request.

7.5. We are entitled to demand further measures for the protection of human rights as well as occupational, health and safety or environmental protection regulations from the Supplier in its own business operations as well as with regard to the direct and indirect subcontractors used for the performance of services. The Supplier shall be obliged to implement such measures, unless the implementation of such measures is unreasonable for the Supplier.

XV. Right to renegotiate or terminate

1. "Trigger Event" means any of the following events occurring at any time after the Commencement Date of this Contract:

- 1.1. a substantial adverse impact on the Customer's ability to perform this Contract in accordance with its terms and the law.
- 1.2. an increase in the costs incurred by the Customer in performing this Contract or associated business processes of at least 5 % since the price for the Goods or Services was last agreed; and
- 1.3. the price of the Goods or Services under this Contract exceeds the market value for similar products or services by at least 5%.

2. If a Trigger Event occurs, the Customer may:

- 2.1. require the Supplier to negotiate in good faith an amendment to this Contract to alleviate the Trigger Event; and
- 2.2. if no such amendment is made to this Contract within 30 days, terminate this Contract and any Order/individual agreement concluded under this Contract: by giving the other party not less than 30 days written notice. On termination under this Clause, Clause XIII (4) (Consequences of termination) shall apply.

XVI. Miscellaneous

3. **Choice of Law & Jurisdiction.** The Contract, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales. Each party irrevocably

agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Contract or its subject matter or formation.

4. Severance. If a specific provision or part of a provision of these terms and conditions is or becomes invalid, illegal or unenforceable it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. This shall not affect the remaining terms and conditions which shall remain valid and enforceable. The Parties commit themselves, in good faith, to replace any provision deemed deleted in accordance with this Clause with a valid provision that has an economic result equivalent to the original provision.

5. Notice. Any notice or other communication given to a party under or in connection with the Contract shall be in writing and shall be delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case). A notice or other communication shall be deemed to have been received: if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address; if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second business day after posting. This Clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any other method of dispute resolution.

6. Waiver. A waiver of any right or remedy under the Contract or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy. A failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under the Contract or by law shall prevent or restrict the further exercise of that or any other right or remedy.

7. No partnership or agency. Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party the agent of the other, or authorise either party to make or enter into any commitments for or on behalf of the other party.

8. Entire agreement. The Contract constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

9. Third Parties. Unless it expressly states otherwise, the Contract does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract.