

Terms and Condition of Purchases

§ 1 Applicable terms and conditions

- The Geiger's purchase orders shall be subject only and exclusively to these Geiger's Terms and Condition of Purchases. The Supplier's general terms and conditions of delivery or any other provisions which differ from those included herein shall apply only provided that GEIGER has confirmed in writing they form an addendum hereto.
- The Geiger's Terms and Condition of Purchases shall also apply in case GEIGER has accepted the delivery without any objection being aware the GEIGER's Terms and Conditions of Purchase are in conflict with the Supplier's terms and conditions of delivery. Any reference to and conflicting confirmation made by the Supplier invoking its terms and conditions of delivery shall be, therefore, expressly null and void. Acceptance by GEIGER of the supplies or services provided by the Supplier shall not be deemed in any case GEIGER has accepted the Supplier's general terms and conditions of delivery.
- The GEIGER's Terms and Condition of Purchases shall also apply to all future deals concluded with the Supplier.

§ 2 Purchase orders

- Only purchase orders issued by GEIGER in writing shall be binding. The GEIGER's signature on purchase order is not required. A written form of a purchase order shall also include the orders sent by EDI, WebEDI, e-mail or facsimile.
- The Supplier shall promptly confirm acceptance of the purchase order latest three working days from its reception. Should GEIGER not receive a rejection of the purchase order submitted by the Supplier within 3 labour days from its reception, the purchase order shall be deemed accepted by the Supplier.
- GEIGER may reasonably ask the Supplier to remedy changes to design and/ or execution of the subject-matter of the purchase order. In case of such changes, their effects, particularly cost increase/ decrease, delivery time, etc. shall be appropriately agreed upon by the contracting parties.

§ 3 Prices

- Unless otherwise agreed, the prices specified in the purchase order and confirmed by the Supplier shall be binding.
- Unless otherwise agreed in writing, the prices shall be understood DDP -based, including packing, insurance and customs duties as per Incoterms 2010 and delivery to the place of unloading indicated by GEIGER, or, in case no particular place of unloading has been specified, to the address indicated by GEIGER; all transportation costs and risks to the place of delivery destination shall be taken by the Supplier.

§ 4 Invoicing and the Supplier's declarations

- Invoice shall be dispatched to the GEIGER's postal address in the location indicated thereon, and not accompany the delivery. Each invoice shall: (i) be issued in 5 folds, (ii) bear all information required by GEIGER (Supplier's ID-no, date and reference number of the purchase order and/ or delivery call-off; additional information of the ordering party, place of unloading, ID-number and date of delivery note and quantity of the goods ordered by the invoice), and (iii) be promptly submitted to GEIGER, latest 5 days upon delivery. A separate invoice shall be issued for each delivery note. Reception of the invoice shall not mean the invoiced amount is due.
- Upon request and latest along with the first delivery, the Supplier shall submit a declaration compliant with the EU Regulation 1207/2001 or a declaration of non-preferred origin of the goods referred to in Art. 22:26 of EC Regulation.
- The invoice shall not be deemed issued until the requirements set-out in §4 sec. (1) and (2) have been met.
- Payment shall be effected by bank transfer, cheque or in other form, subject to GEIGER's discretion.
- Unless otherwise agreed, GEIGER shall pay the amount due within 14 days with 3% discount or within 60 days in the full amount. The day of payment shall be deemed the day of bank transfer effected by GEIGER.
- The default of payment state shall start 30 days after the payment due day and reception of the invoice. The invoice shall be due 30 days after further processing of the subject-matter of the delivery, however not later than 60 days from the day of invoice reception, and no earlier than upon meeting the requirements set-out in § 4 sec. (1) and (2) and reception of delivery.
- Payment shall follow with the reservation of invoice verification of GEIGER.
- In case of premature delivery, the due date of the invoice payment shall be as in case of originally agreed delivery time.
- In case of a payment claim, interest for default shall be limited to max. 5% above the basic interest rate. Should the Supplier pay lower interest on loan, such rate shall apply as the basic interest rate. In case of assertion of late payment claim, the Supplier shall demonstrate to GEIGER interest on loan he has paid.
- Prolonged title retention is not allowed.
- In case of improper delivery, GEIGER, without prejudice to other remedies it may have, shall be entitled to retain corresponding portion of the payment due assessed on the basis of agreed price until proper fulfillment of the Supplier's obligations.
- The Supplier shall have no right to transfer its receivables to any third party or to employ a third party to collect them without prior written consent of GEIGER, which may not be denied without justification.

§ 5 Delivery terms and times

- Terms, quantities and times specified in the purchase order or in the delivery schedule are binding and shall be fully adhered to. GEIGER is not obliged to accept partial supplies and/ or services. In case of partial performance of supplies/ services by the Supplier, GEIGER, upon ineffective expiration of agreed time for completion of delivery, shall have right to reject the delivery as non-conforming with the purchase order. To determine whether the delivery terms and deadlines have been observed, the day of arrival of the goods to the place of unloading or, in case such place has not been specified, to the address indicated by GEIGER, shall be used.
- In case of agreement contrary to §3 (2), when the goods shall be collected by and at the cost of GEIGER, the Supplier shall notify the ordering party of readiness of the goods latest two working days before the end of delivery time and keep the goods (including packaging) ready to collect.

§ 7 Shipping/Place of fulfillment/Transfer of risks

- The delivery shall be effected to the place of unloading indicated in the purchase order or, in case the place of unloading has not been specified, to the address indicated by GEIGER. Delivery note (in duplicate) shall be attached to the goods dispatched. Delivery note shall bear all information required by GEIGER (Supplier's ID-no, date and reference number of the purchase order and/ or delivery call-off, quantity of the goods, gross/tare weight and the Supplier address).
- In case GEIGER does not perform the shipment of the goods by itself and/ or hires a forwarder to render these services, the place of fulfillment shall be the address indicated in the purchase order.
- The Supplier shall bear all risks with respect to the delivery of the goods to the place of fulfillment.

§ 8 Delivery delay

- The Supplier shall take on the risk of procurement of the goods ordered by GEIGER.
- The Supplier shall compensate all damages suffered by GEIGER as a result of late delivery of the goods.
- Decisive to the determination of the calendar date being the delivery deadline shall be the delivery time (day) indicated in the written purchase order issued by GEIGER or specified in other representations given by GEIGER in connection with the purchase order. The Supplier's understanding of the delivery date shall not be accepted unless it has complied with the delivery date indicated by GEIGER.
- Should the Supplier come to know occurrence of the difficulties in material procurement, production, etc., which may prevent him to complete the delivery on-time as per the contract, it shall promptly inform GEIGER of it. Such notification shall not affect the Supplier's obligation to deliver the goods on time nor to take on the risk of goods procurement.
- In case of threatened late delivery, GEIGER shall have right to decide of the appropriate manner of delivery. All additional costs arising therefrom shall be borne by the Supplier.
- Acceptance of lately supplied goods or rendered services by GEIGER shall not mean it has waived its right to assert claims concerning delivery delay against the Supplier. GEIGER shall have right to consider partially completed supplies/ services as non-performance of the Supplier's obligation to deliver, and reject them.
- Should the Supplier be obliged to procure multiple supplies of the subject-matter of the delivery to GEIGER and fail to deliver the goods (wholly or partially) on time twice, GEIGER shall have right to terminate framework supply contract concluded between the Parties for a material reason. Notification of first delivery delay submitted by GEIGER shall be a warning and reminder, which, in case of next late delivery, shall be deemed ineffective. In such a case, GEIGER shall be entitled to exercise all its rights concerning delay of respective party's delivery. In case any framework contract referred to hereinabove has been concluded between GEIGER and the Supplier, after delivery delay occurred second time GEIGER shall have right to withdraw from remaining portion of delivery/ partial deliveries even though the delay has not been caused by reasons pertaining to the Supplier. Such withdrawal shall not prejudice any other right of GEIGER.

§ 9 Force Majeure

- Occurrence of the Act of God, natural calamity, strike or closing of GEIGER's plant or plant(s) of its sub-supplier(s), which leads to prevention or hindering of GEIGER's production and could not be foreseen even when using due diligence shall entitle GEIGER to postpone acceptance of supplies/ services and/ or payments for the time of duration of Force Majeure event(s) and for specified start-up time.
- In such a case, postponement of supplies/ services acceptance or extension of payment term by GEIGER shall not entitle the Supplier to assert any compensatory claims.
- Should the Force Majeure event takes less than 2 months, the Supplier shall have no right to terminate the contract provided that GEIGER accepts the subject-matter of the delivery upon expiration of this 2 month period. Should the Force Majeure event take more than 2 months, the Supplier shall have right to terminate the contract with respect to its portion not yet executed and not yet paid by GEIGER with keeping to agreed notice of termination.

§ 10 Quality and documents

- When producing the subject-matter of the delivery, the Supplier shall adhere to acknowledged rules of engineering, safety regulations and technical specifications. Any change to the subject matter of the delivery or to already approved production process or relocation of the production to the other site shall require prior written consent of GEIGER.
- The Supplier shall have no right to transfer execution of the purchase order placed by GEIGER to any third party without a written consent of the contracting party. Failure to adhere to this provision shall entitle GEIGER to terminate the contract wholly or partially and to seek compensation for damages.
- Should GEIGER require initial sample inspection, series production may start only upon approval of these samples. Required documents shall be drawn up in German or English. Unless higher quality is required, initial sample inspection shall be carried out according to VDA-publication, Volume 2 or according to PPAP (QS 9000). In addition to initial sample inspection, material specification shall be entered to IMDS material data base and made available to GEIGER. Irrespective of the foregoing, the Supplier shall continually control the quality of the subject-matter of the delivery and establish quality assurance system which shall be in line with the state-of-the-art technique and meet the requirements of standards DIN ISO 9001:2008 and TS16949. Within the limits of the applicable law, the Supplier shall make its sub-suppliers to follow the foregoing provisions. Moreover, the Supplier shall ensure that the contract shall inform each other of continual improvement opportunities.
- Type and scope of tests/ inspections as well as test equipment and methods shall be determined by the Supplier and submitted to GEIGER for approval. This requirement shall apply particularly to the products with characteristics important or critical to the quality.
- Should the Supplier receive drawings, samples or other documents from GEIGER, the Supplier shall meet the requirements for type, properties and completion of the subject-matter of the delivery set-forth therein. The Supplier may not refer to the documents, advertising messages or drawings, which include information about the subject-matter of the delivery unless the requirements comprised therein are conforming with the GEIGER's requirements specified in the foregoing documents. Should the requirements comprised therein be more stringent than the requirements set-by GEIGER for the subject-matter of the delivery, the Supplier shall meet more stringent requirements. In case of automotive parts with special characteristics (e.g. D-mark) specified in technical documentation or in specific agreement, the Supplier shall record in a separate note: (i) when, how and by whom the characteristics, which are subject to documentary evidencing, have been tested, and (ii) obtained results of required quality tests. Test records shall be maintained for 30 years and made available to GEIGER upon request. Should the Supplier terminate its business prior to elapsing this 30-year-period of time, it shall hand-over these records to GEIGER free of charge. Within the limits of the applicable law, the Supplier shall make its sub-suppliers to follow the foregoing provisions. Publication of VDA "Parts subject to documentary evidencing by automotive part manufacturers and their sub-suppliers: manufacturing and documenting", Frankfurt (Main) in its most recent version shall be a guideline, and the 30-year-period of record maintenance shall apply.
- Should the authority or customer of GEIGER ask, for a purpose of checking whether specified requirements have been met, to get access to the production process and/ or documents of GEIGER, the Supplier hereby undertakes to give the same rights and offer any reasonable support for such authority/ GEIGER's customer in the Supplier's own facilities. Moreover, the Supplier guarantees the same access rights will be given to the authorities, GEIGER and GEIGER's customers at the facilities of its sub-supplier(s).
- The Supplier shall submit to GEIGER along with the quotation completely filled-in material safety data sheets, data specifications required for possible travel in foreign countries and corresponding traffic accident procedure sheets for the materials, which basing upon applicable laws, regulations, other provisions or their composition or effects on environment require special handling regarding packing, transport, storage and/ or waste removal. In case of changes in materials or legal status, the Supplier shall submit current information and data sheets to GEIGER.

§ 11 Fault notification

- GEIGER shall notify apparent faults to the Supplier latest 7 working days after goods reception.
- GEIGER shall have no obligation to inspect thoroughly incoming goods. GEIGER shall inspect the goods randomly and only for occurrence of apparent defects. Values determined by GEIGER for quantity, dimensions and weights of the goods shall be binding.
- Latent defects detected during processing of the goods by GEIGER and/ or during assembly of the goods by the GEIGER's customer shall be notified by GEIGER within 7 working days from their detection or from reception by GEIGER of defect notification issued by the GEIGER's customer.
- Should the GEIGER's customer assert a claim against GEIGER for defect occurrence—even in case of non-observance of the provision of proper objection raising - notification of defect by GEIGER shall be deemed properly submitted if GEIGER sends such notification within 7 working days from the day of assertion of the claim for defect by the GEIGER's customer.
- If GEIGER may be subject to a claim for the defect on the grounds of inapplicable statements provided by the Supplier and/ or its sub-supplier(s) concerning properties, nature or conditions of the subject-matter of the delivery towards GEIGER's customer, notification of defect by GEIGER shall be deemed properly submitted if GEIGER has delivered such notification to the Supplier within 10 working days from the day of reporting such defect by the GEIGER's customer.
- Should the rights of the Supplier arising from § 377 of Commercial Code be limited by the circumstances referred to §11 sec. (2) – (4), the Supplier shall waive to object a delay in defect notification.
- In no case, payment of purchasing price effected prior to the defect detection may be deemed confirmation the goods are defect-free and have been delivered in accordance with the regulations.

§ 12 Material defects

- Unless otherwise agreed in documents other than these Terms and Conditions of Purchases, the provisions of the law valid at the day of delivery effected by the Supplier shall apply to the delivery of defective goods.
- Should the Supplier fail to remedy the defect(s) within the period of time indicated by GEIGER, GEIGER shall have right to fix defect(s) by itself or to employ third party to do this, in each case at the cost of the Supplier.
- Provisions set-forth in § 8 sec. (7) of these Terms and Conditions of Purchases shall apply to faulty call orders.
- Unless otherwise agreed in further sections of this document, claims for material defects, which do not concern civil works or any item typically used for the construction purposes, shall be time-barred after 24 months from the day at which further processing of the subject-matter of the delivery commenced, however, latest after 30 months from the goods delivery to GEIGER. In case of automotive parts, the time bar shall commence at the day of initial registration of the vehicle. In this case, material defects shall be time-barred latest 36 months after effected delivery of the subject-matter of the delivery to GEIGER.
- Suspension and re-start of the time bar shall be governed by applicable provisions of the law. Should GEIGER request the Supplier to perform supplementary supplies/ services because of occurred defect, which has been verified and found existing or should the Supplier initiate or attempt to initiate performance of supplementary supplies/ services, the time bar of claim for reported defect as per §203 German Civil Code shall be suspended for the period of 3 months after termination of performance of supplementary supplies/ service or after last attempt to perform such supplies/ services.

§ 13 Manufacturer liability

- Unless otherwise agreed, materials and parts to be delivered to GEIGER are intended to be built-into standard and special road and rail vehicles. These products will be sold worldwide.
- The Supplier shall carry out all inspections of the goods manufactured and/ or delivered irrespective of possible inspection of the goods upon arrival performed by GEIGER and shall be responsible for assurance of fault-free subject-matter of the delivery. Possible inspection of incoming goods carried out by GEIGER shall not release the Supplier from its obligations to provide fault-free delivery.
- Any claim asserted by GEIGER against the Supplier related with manufacturer liability shall be subject to the statutory regulations. Should GEIGER, pursuant to national or foreign law, have right to assert a claim within the scope of manufacturer liability or for violation of protection obligation, and the provisions of law do not comprise any regulation concerning the given case, the Supplier shall indemnify GEIGER for all suffered damages arising therefrom including the costs of legal proceedings, provided the Supplier delivered defective part(s) or parts which caused the defect. The Supplier shall also assume liability in case of damage occurred for the reason(s) pertaining to the Supplier provided that Geiger has lodged a claim for defective part(s) of delivery on grounds of no-fault liability pursuant to the national or foreign law. The relationship between GEIGER and the Supplier in terms of burden of proof shall be the same as the relationship between the injured and GEIGER. Should more than one party be obliged to compensate damages, the provisions set-forth in § 5 of Product Liability Act shall apply. Should GEIGER be guilty of a contributory negligence, the provisions set-forth in § 5 of Product Liability Act shall apply. If GEIGER and/ or its Customer is obliged to recall respective products due to the defect caused by the Supplier's subject-matter of delivery or believes such recall is a right action and/ or GEIGER is obliged to bear the costs of such recall, the Supplier shall reimburse these costs to GEIGER. Should the costs be apportioned between more than one party, the provisions set-forth in § 5 and 6 of Product Liability Act shall apply.
- The Supplier shall hold valid general liability insurance, particularly a product liability insurance covering also the costs of product recall with adequate sum insured. At GEIGER's request, the Supplier shall promptly submit a proof of holding such insurance.

§ 14 Industrial property rights

- The Supplier shall be held liable for claims lodged against GEIGER for violation of third party rights to industrial property or of third party application for industrial property protection arising from contractually agreed use of the subject-matter of the delivery. Nevertheless, the Supplier shall assume liability to compensate damage only in case it cannot prove the defect or violation of the obligation has been caused by reason(s) not pertaining to him. The Supplier shall hold GEIGER and its contract partners harmless from any and all claims arising from violation of such rights to industrial property.
- Time bar of liability for violation of the rights to industrial property shall commence when the corresponding claim emerged and GEIGER came to know or should have come to know without committing gross negligence the circumstances, which were the basis of the claim. The time bar shall be max. 10 years after completed supply of the subject-matter of delivery.

The Supplier shall assure availability of spare parts within the expected lifetime of final products to which the subject-matter of the delivery will be built-in. Majority of final products shall be cars and trucks. Lifetime of these products is minimum 20 years.

§ 15 Manufacturing equipment

- Materials and/ or parts manufactured by GEIGER shall remain its property and be marked with "GEIGER" name. They may be used only for the purpose they are intended to. Materials may be processed and parts assembled only for GEIGER. It has been agreed that GEIGER shall co-own the products manufactured using GEIGER's materials and parts in a percentage, which corresponds to the share of entire product value taken by the value of GEIGER's materials and parts used. Instead of physical transfer it has been agreed that the goods shall be kept by the Supplier and stored separately for GEIGER only until agreed time of delivery for processing.
- Documents of any kind (templates, drawings, models, etc.) made available to the Supplier by GEIGER shall be returned to GEIGER upon its request free of charge.
- The Supplier shall adequately insure materials and components handed-over to him against all perils, particularly against fire and theft at its own cost and submit, upon request, proof of having such insurance.
- Moulds, models, means of production, etc. may be destroyed only upon written consent of GEIGER. The Supplier shall take stocks of manufacturing equipment owned or co-owned by GEIGER in regular time intervals and at any time upon request.
- Upon GEIGER's request, the Supplier shall promptly, but latest within 24 hours following such request, hand-over to GEIGER materials, components, moulds, models, means of production or other manufacturing equipment made available to him by GEIGER. Should the manufacturer co-own such items, their hand-over to GEIGER shall be made with observance of the rule of "Delivery versus Payment ("DvP")" and GEIGER shall pay the amount corresponding to the value of such co-ownership. Should the parties be in a dispute with respect to the value of such co-ownership, GEIGER shall assert the right of retention of such items held by the Supplier because of their co-ownership by furnishing of payment guarantee in the amount equal to the disputable one. In other cases, the Supplier's right of retention of manufacturing equipment is out of question provided that the grounds on which such right is based are disputable between the parties or have not been recognized by declaratory judgement.
- Should the security rights to which GEIGER is entitled pursuant to §16 sec. (1) exceed the purchase price of all goods with retained title not yet paid by GEIGER by more than 10%, GEIGER shall, upon the Supplier's request, discharge any security right selected up to its discretion.

§ 17 Confidential information

- The Supplier shall treat all purchase orders placed by GEIGER along with all related commercial and technical details as confidential information (commercial secrets) and oblige its employees to deal them in the same manner. This obligation shall survive the contract termination and remain in force until such information has been in public domain without involvement of the Supplier.
- Products manufactured by the Supplier with use of: (i) documents (drawings, models, etc.) developed by GEIGER, (ii) confidential data provided by GEIGER or (iii) tools provided by GEIGER or made according GEIGER's instructions, may not be used by the Supplier itself nor offered or delivered to any third party.
- Components developed or improved by GEIGER in cooperation with the Supplier may be delivered to third parties only upon written consent of GEIGER.
- Should the Supplier hire sub-supplier(s) to fulfil its delivery obligation towards GEIGER, the Supplier shall bind such sub-supplier(s) by confidentiality clause of the same scope and strictness as stipulated in § 17 sec. (1) and (2). Upon GEIGER's request, the Supplier shall submit written confidentiality agreement (s) concluded with its sub-supplier(s).

The provisions stipulated below shall apply only to the purchase orders, which assume deliveries by quotas as per agreed schedule. Unless otherwise agreed, these Terms and Conditions of Purchases shall apply.

- Indicated residual quantity shall be delivered as for immediate demand and be based on previous delivery schedule. In case of discrepancies between residual quantities, the quantity indicated by GEIGER shall take preference.
- Should other deliveries beside the lastly called off ones be on their way to GEIGER, their corresponding quantities shall be accounted to next delivery quota due.
- Not-requested premature deliveries shall be returned at the Supplier's cost.
- Production release for first calendar month after the date of the purchase order shall be advised by GEIGER. At the end of first and each next month, the quota for subsequent month will be automatically called off. For next month, primary material delivery may be scheduled. Quantities given in the plan are not binding. GEIGER shall have right to adapt the scope of the purchase order to its actual demand.

§ 19 Final provisions

- These Terms and Conditions of Purchases and all legal relations between GEIGER and the Supplier shall be governed by the law of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply to these Terms and Conditions of Purchases.
- Any dispute arising directly or indirectly from the contract shall be settled only and exclusively by the court of justice competent to the seat of GEIGER.
- Either party may withdraw from not yet completed portion of the contract if: (i) the other party has given up effecting the payments or (ii) application for insolvency proceedings over its property or for composition proceedings demanded by court or by other body has been submitted. Right to assert further claims shall not be prejudiced.
- Should any provision comprised in these Terms and Conditions of Purchases or in other agreements be or become unenforceable, it shall not affect enforceability of remaining provisions. If unenforceable provision is not comprised in general terms and conditions of business, the parties shall replace it with the new enforceable provision, which will have economic objective as close as possible to the unenforceable provision within the legally allowed limits.