

GENERAL TERMS AND CONDITIONS OF PROCUREMENT OF PORSCHE HOLDING GROUP

PART B: SPECIAL PROVISIONS FOR DELIVERIES (PROCUREMENT OF GOODS)

The following special provisions shall apply in addition to the provisions in Part A to deliveries.

GENERAL REQUIREMENTS FOR PRODUCTS, SERVICES, SUPPLIERS, AND PERSONNEL

1. STANDARDS AND WARRANTIES

- 1.1. The Contractor is responsible for its own actions. In particular, the Contractor is responsible for compliance with all legal provisions that apply to the respective Deliverables. Accordingly, the Contractor will ensure that all Deliverables comply with the conditions prescribed by local and international law for the goods and services concerned, such as CE labelling and all current safety regulations and safety classes, as well as with all compatibility requirements with the Client's products.
- 1.2. The Contractor warrants to the Client that the Deliverables will:
 - 1.2.1. be of satisfactory quality;
 - 1.2.2. comply with all such relevant legal, national and international standards (including, without limitation, published industry standards for the Contractor's industry sector and compatibility with the Client's products), statutory requirements and regulations;
 - 1.2.3. be delivered and manufactured at the time of delivery in accordance with the specifications approved or submitted by the Client (in particular with regard to origin, composition, quality, compatibility with the Client's products, functionalities, energy consumption and disposal aspects, general and specific safety) and any Sample (if any);
 - 1.2.4. originate from a faultless production process and be manufactured and supplied with due care and diligence and to such high standard of quality as it is reasonable for the Client to expect in all the circumstances;
 - 1.2.5. be free from defects in design, material, construction and workmanship;
 - 1.2.6. be accompanied with all necessary instructions for fitment and use required by a customer;
 - 1.2.7. be suitable for the purpose for which they are expected to be used, for any purpose represented by the Client and for any purpose recorded in the relevant Product specification;
 - 1.2.8. be free from any rights of retention, claims, attachments or other encumbrances; and
 - 1.2.9. have undergone comprehensive and rigorous health and safety testing and comply with or exceed all standards of safety set out for such Deliverables and comply with all health and safety statutory or regulatory requirements for such Deliverables.
- 1.3. The Contractor shall indemnify the Client in full against all Losses arising as a result of or in connection with:
 - 1.3.1. a breach of any warranty contained in Section 1.2 of this Part B for a period of not less than 36 months from the date of the resale or fitment of the Deliverables whichever is the later; and
 - 1.3.2. any act, omission, fraud or negligence of the Contractor or its employees' agents or sub-contractors in supplying the Deliverables.

2. RECORDS AND INSPECTIONS

- 2.1. At the request of the Client, the Contractor shall provide all relevant batch information, data relating to quality checks and other evidence required for compliance with applicable standards in relation to the Deliverables ordered by the Client without delay, but no later than 14 days after the Client's order. The required evidence constitutes a full and proper audit trail of all documents and records relating to the supply and production of the Deliverables, including but not limited to all technical documents, test reports, certificates and evidence of conformity assessment procedures.
- 2.2. The Client shall be entitled to regularly check compliance with the above-mentioned obligations by means of specific inspections and/or tests of the Products, documents and processes prior to delivery and/or receipt of Deliverables at the premises of the Contractor or those of any third-party prior to or during the manufacturing, packaging or supply of the Deliverables and the Contractor shall provide the Client with all facilities reasonably required for inspection and/or testing.
- 2.3. If as a result of inspection or testing the Client is not satisfied that the Deliverables will comply in all respects with the relevant product specification, the relevant Sample (if any) and/or the Contract and the Client so informs the Contractor within seven (7) days after such inspection or testing, the Contractor shall take such steps as are necessary to ensure compliance. If as a result of such inspection, the Client reasonably determines that Deliverables already supplied may not conform to the relevant product specification, the Sample (if any) and/or the Contract, it shall be entitled to take such action as is necessary, at the cost of the Contractor. No inspection or failure to reject the products shall constitute or imply acceptance of the Deliverables by the Client.

3. SAMPLES

- 3.1. The Contractor shall provide the Client upon request, free of charge, with Samples from current production or have tests carried out by the Client or an expert appointed by the Client prior to delivery. The Contractor shall retain Samples for a minimum of eighteen (18) months.
- 3.2. The Contractor shall supply all Deliverables strictly in accordance with any Sample (including with respect to the quality and description of such Deliverables).

4. CHANGES TO DELIVERABLES

- 4.1. The Contractor must inform the Client immediately in writing of all Product changes and other changes, including those that may result from changes to applicable standards. Insofar as this involves changes to the necessary documentation and information, the Contractor must make these available to the Client without delay. This obligation applies mutatis mutandis to the continuous supply of spare parts and isolated distribution in after-sales.
- 4.2. The Contractor shall provide the Client with all safety-relevant information that must be made available under the REACH Regulation without being requested to do so, free of charge and prior to delivery of the contractual products. In particular, the supplier must provide a German-language safety data sheet [see Section 25 Chemicals Act (ChemG)] for a substance if the Product contains a substance that appears in the candidate list. Such a safety data sheet must also be made available within two weeks at the request of the Client for a non-hazardously classified mixture contained in the Product if a mixture contains a substance on the candidate list with a concentration equal to or greater than 0.1 per cent by mass (w/w) [or 0.2 per cent by volume (v/v) for gaseous mixtures].
- 4.3. The Contractor must also effect any necessary registrations, notifications or similar on the basis of the REACH Regulation and comply with other obligations resulting from the REACH Regulation or other statutory provisions in connection with hazardous substances. If the Contractor fails to fulfil the obligations stipulated in the REACH Regulation, it shall indemnify and hold the Client harmless for any Losses resulting therefrom.
- 4.4. If the Contractor uses subcontractors for the fulfilment, including partial fulfilment, of its obligations, it must transfer these obligations in full to the subcontractor.
- 4.5. All the Contractor's Contractual Services and Deliverables – irrespective of their type – must be free from substances that interfere with paint adhesion and must not emit such substances.
- 4.6. The Contractor furthermore declares and affirms that it has all legal authorisations required for the provision of Contractual Services and the supply of the Deliverables, in particular including trade licences, concessions, etc., and that it complies with all national and international labour law provisions. The Contractor will ensure that qualified, trained and suitable personnel are used to provide Deliverables and Contractual Services for the Client.

5. MAINTENANCE OF STOCK

- 5.1. Notwithstanding Section 3.4 of Part A, the Contractor shall ensure that it maintains at all times appropriate and sufficient levels of stock in the Products to ensure it can comply at all times with the terms of the Contract.
- 5.2. The Contractor may not add any names, marks or identifiers to the Deliverables without the Client's prior written consent.

6. DELIVERY CONDITIONS

- 6.1. Unless otherwise agreed in Written form, the following terms of delivery shall apply in accordance with Incoterms 2020: DDP. The destination point is the place specified by the Client in the written order.
- 6.2. The Contractor shall bear the costs and risk of transport of Deliverables until handover at the agreed place of delivery ("Delivery").
- 6.3. Each delivery must be accompanied by a delivery note, which must contain the Client's order details (in particular the number and date of the order, cost centre).
- 6.4. The risk of loss or damage of Deliverables only transfers to the Client once the delivery note or certificate of performance has been signed. The Contractor must pack the Deliverables properly. Damage arising from improper packaging shall be the supplier's responsibility.