

**General Purchase Conditions of  
AVL Moravia s.r.o. (AVL)**

**Edition January 2019**

Unless otherwise agreed by the parties in writing, the following conditions shall apply to the contractual relationship. Upon execution of the purchase order (first delivery), these **General Purchase Conditions** shall be deemed to be accepted, and the supplier shall also accept these conditions as legally binding for all subsequent deliveries. Any deviating or supplementary conditions of the supplier shall only be applicable if they are expressly accepted in writing by us.

**1. Purchase Order**

- 1.1 The supplier will, after our request, connect with us via the SAP Business Network Ariba in order to exchange all purchase order- and delivery-relevant documents (e.g. purchase order, order confirmation, dispatch advice, invoice, etc.) with us by using electronic means and process defined by us processes (uploading of product catalogs, VMI [Vendor Managed Inventory], etc.) via Ariba.
- 1.2 Purchase orders and their amendments shall only be valid if they have been made or confirmed by us in writing/electronically. If the supplier does not send a written/electronically issued order confirmation or start fulfilling the purchase order within 14 days after its receipt, we shall be entitled to revoke the respective purchase order without this giving rise to any claims against us on the part of the supplier.
- 1.3 The transfer of our purchase orders in full or for a substantial part is subject to our written consent. A violation of this provision entitles us to revoke a purchase order without substitution. Claims going beyond this shall remain unaffected.
- 1.4 The assignment of claims as well as the transfer of the collection of claims against us to third parties are excluded and also entitle us to revoke a purchase order without substitution. Further claims remain unaffected.
- 1.5 If the supplier discontinues his payments or if the supplier or one of his creditors files a petition of insolvency on supplier's assets, we are entitled to withdraw from the contract or to terminate the contract with immediate effect without prejudice to any other rights. The supplier shall immediately inform us about such circumstances.
- 1.6 Any quantities mentioned in inquiries and/or

quotations are intended as non-binding guidance values only and do not create an obligation to order these quantities.

- 1.7 We shall be entitled to request changes with regard to the ordered goods including, but not limited to, specifications, drawings, design, construction, time and place of delivery, packaging, quality, quantities and means of transport. The supplier shall be under a duty to suggest changes to us which he considers necessary or expedient in view of revised statutory or other mandatory provisions or for other reasons. If a change is likely to affect the costs or the delivery time, the supplier must inform us immediately and we will submit an amended purchase order after considering the supplier's legitimate interests. Such amended purchase order shall be deemed to be accepted if the supplier does not contradict it in writing within 14 days of its receipt.

**2. Delivery**

- 2.1 The stated delivery dates are binding and correspond to the time the goods must be received at the named place of destination, or otherwise at our premises. If compliance with the delivery date is at risk, the supplier shall immediately notify us about this in writing.
- 2.2 Even if we accept a postponement of the delivery date, we expressly reserve the right to charge a penalty amounting to 1 % for each commenced week of delay (starting with the Monday following the delivery week) but no more than 5 % of the total contract value. Furthermore, if the supplier is responsible for exceeding the delivery date, the supplier is obliged to use the fastest means of transport available notwithstanding the mode of shipment prescribed in the purchase order in order to minimize the delay. The costs and expenses for this transport shall be borne by the supplier. Except for excusable delay, in the event that the supplier failed to comply with the stated delivery dates we shall be entitled to recover from the supplier any losses and damages resulting therefrom in addition to the penalty.
- 2.3 In case of a delay in delivery for which the supplier is responsible, we shall also be entitled to withdraw from the contract after the expiry of 14 days from the start of the delay with immediate effect without a grace period. If a fixed delivery date has been agreed upon, the contract shall be canceled as soon as this

date is exceeded unless we demand the fulfillment of the contract within 14 days of exceeding the fixed delivery date.

- 2.4 Partial deliveries or partial services, respectively, and advance deliveries require our written consent except for deliveries no more than 7 days prior to the date agreed upon. The payment period shall only commence on the date contractually agreed upon.
- 2.5 Unless otherwise agreed by the parties in writing, the goods shall be delivered DAP (Incoterms 2010) to the named place of destination. Packaging shall be chosen by observing the relevant packaging standards, in particular AVL's delivery and packaging specifications ([www.avl.com](http://www.avl.com) > Discover all > Company > Quality, Environment, Safety & Security > Documents), and by ensuring that damage-free delivery and efficient handling within AVL is guaranteed. Suppliers to whom the "Packaging Decree" applies shall notify "ARA" ("Altstoff Recycling Austria" – "Waste Material Recycling Austria") of their Waste Disposal License Number or inform us how they are going to dispose of the delivered packaging material. Suppliers shall treat the packaging in accordance with the Waste Act and the Packaging Act. In the absence of such information, we will return the packaging at the expense of the supplier or charge the supplier with the costs for disposal.
- 2.6 In the case that we agree to a special release for delivery to be given by us, we shall be entitled to extend the time for delivery by up to 90 days. In this case, the supplier is obliged to store the goods free of charge and carefully until we agree to the release for delivery. Likewise, in case of reduced working hours, business interruptions or any other kinds of events that prevent us, through no fault of our own, from accepting the deliveries, we shall be entitled to agree upon a suitable alternative date and the supplier shall arrange for storage free of charge and at his risk.

### **3. Contracts to produce a Work ("Werkvertrag")**

- 3.1 This section contains additional terms and conditions for the provision of work performed under contracts to produce a work ("Work") by the supplier.
- 3.2 The supplier shall supply the Work by the date agreed upon. The contract shall be deemed as fulfilled after we have accepted the Work without reservations in writing.
- 3.3 When producing the Work, the supplier shall

essentially use the supplier's own means of production. The supplier shall not be bound to any of AVL's working hours, places of employment or instructions. The supplier takes note of the fact that no employment relationship can be derived from this purchase order. The supplier is under no obligation to provide the Work personally. The supplier shall be solely responsible for the payment of tax on the remuneration and the payment of social security contributions and health contributions. The supplier guarantees that it meets all the necessary requirements for performing the Work (social security law and trade law) and that, if necessary, the supplier will present to us the corresponding evidence upon request. The supplier shall pay the minimum wages and any agreed allowances, including the social security contributions, in accordance with the statutory and regulatory provisions and collective bargaining agreements, including, without limitation, the "Arbeitnehmer-Entsendegesetz" (Posting of Workers Act) and Labour Act. In addition, the supplier is under the duty to notify us if the relevant authorities initiate investigations against him for infringement of provisions relating to work permit or residence permits or violations of the rules against illegal employment or for violations of the Posting of Workers Act. Furthermore, the supplier shall indemnify us and hold us harmless against any adverse consequences arising out of the non-performance of the aforementioned obligations.

### **4. Prices and Payment**

- 4.1 The prices stated in the purchase order are fixed prices and therefore unchangeable until the full scope of supply and service pursuant to the purchase order have been fulfilled, unless otherwise agreed in writing.
- 4.2 Unless otherwise agreed in writing, payment shall be made after the goods have been received in conformity with the contract or after the Work has been accepted, and after the correct and verifiable invoice has been received. Payments will be made net after 90 days at month's end on the 10th day of the following month.
- 4.3 In case of a defect covered by warranty, we shall be entitled to postpone the payment until such defect has been properly remedied.

## **5. Warranty**

- 5.1 For all deliveries and services, the supplier gives full warranty for a period of 24 months. The presumption regulation of Section 924 ABGB [Austrian Civil Code] is explicitly agreed. Defects occurring during this period shall be immediately remedied by the supplier at supplier's costs and expenses upon request. All costs relating to the diagnosis and removal of such defects, also if they are incurred by us at our place of business, e.g. inspection, transport, disassembly and (re) installation cost, shall be borne by the supplier. The warranty period shall be suspended for the duration of the remedy work until the defects have been successfully remedied. A new warranty period of 24 months following replacement or repair shall be applicable for parts replaced or repaired within the supplier's warranty obligation. The place of performance for remedying defects under the warranty obligation is in our discretion. Any further legal remedies remain unaffected.
- 5.2 The warranty period for hidden defects, defects which cannot be detected at acceptance or receipt, shall not commence until such defects are identified.
- 5.3 In cases in which the supplier fails to fulfill his warranty obligation upon request within an appropriate time and in other particularly urgent cases, we are entitled without further notice to remedy the defects ourselves at the supplier's costs and expenses or have this done by a third party or, if this is not possible, to obtain substitute goods or services otherwise. Furthermore, in the event of repeated warranty claims, we are entitled to intervene and provide support in troubleshooting and corrective actions at the supplier's expense.
- 5.4 We reserve the right to immediately rescind the contract or to request a price reduction instead of requesting the remedy of defect and replacement of the defective goods. The supplier shall indemnify us against all damages and losses incurred by us resulting from defective deliveries.
- 5.5 In the event that we as the producer of the final product become liable for damages caused by defects of the input material or a partial product delivered by the supplier, the supplier shall be strictly liable to indemnify us and hold us harmless against any such liability.
- 5.6 The supplier agrees that his goods will not be subject

to any incoming goods inspection, but will be inspected in the course of further project processing by us or, if no such further processing takes place, after they have been handed over to the customer. In this respect the supplier waives the objection of a belated inspection and notification of deficiencies in terms of § 377 (1) of the UGB (Unternehmensgesetzbuch – Commercial Code). Our payment shall not signify unconditional acceptance of the goods.

## **6. Spare Parts, Means of Production and Preliminary Material**

- 6.1 The supplier shall, in cooperation with us, create spare part lists for the respective projects detailing the prices and delivery times for such spare parts. The supplier guarantees the availability of all spare parts included in the lists for a period of 15 years after completion of delivery and shall impose such obligation on all of his sub-contractors. In case that a spare part is no longer available during this period, the supplier shall deliver an equivalent technical solution to us. It is of essence that the original delivery time for such spare part shall not be prolonged.
- 6.2 The supplier shall handle any means of production provided by us with utmost care and keep them at our disposal for 15 years after completion of the delivery and shall impose this obligation on all of his sub-contractors. Der Lieferant wird alle seine Unterauftragnehmer verpflichten, dies ebenfalls einzuhalten. Upon our request any means of production have to be returned to us immediately.
- 6.3 Means of production that have been manufactured or purchased by the supplier and for which we have paid manufacturing cost (tooling cost) shall become our exclusive property from the moment of manufacture or purchase. Section 6.2 shall also apply to such means of production manufactured by the supplier at our costs. If the supplier is not in a position to keep the means of production at our disposal in a state ready for use for 15 years, the supplier shall inform us in writing and deliver us the means of production upon our request.
- 6.4 In case of damage, loss or destruction of input material supplied by us (semi-finished products, castings, pre-processed parts, etc.), the supplier shall reimburse us for the cost of replacement.

## **7. Conformity - Quality – Documentation**

- 7.1 The goods to be delivered shall correspond to the currently applicable domestic and foreign regulations (including, but not limited to, the safety, accident prevention and environment regulations, the relevant decrees and guidelines of the ÖVE/VDE Regulations, the REACH Regulation [EC] No. 1907/2006 and the RoHS Directive, the directive 2011/65/EU as amended by the delegated directive 2016/585/EU), the acknowledged state-of-the-art rules and standards and shall strictly correspond to the documents that are the basis of the purchase order, such as drawings, descriptions, samples, specifications, acceptance conditions, etc. The supplier shall provide all of the required data sheets and information leaflets and label his deliveries in accordance with the applicable regulations (e.g. CLP Regulation [EC] No. 1272/2008 and relevant Czech legislation).
- 7.2 AVL List GmbH is certified according to ISO 14001, ISO 9001, ISO 27001 and VDA 6.4. The supplier has to establish a quality management system according to the requirements of the ISO 9001 standard, to perform quality controls suitable in kind and scope and corresponding to the state-of-art, and to develop towards the ISO 16949, the VDA 6.4 standard and a zero-defect philosophy. The supplier must comply with the ISO 26262 standard concerning functional safety for electronic and software systems. Likewise, web applications must at least meet the ÖNORM A7700 requirements. The supplier must also ensure IT security in accordance with the ISO 27001 requirements.
- 7.3 Software and applications must comply with the latest state of technology at the time they are ordered.
- 7.4 Any changes concerning the production process, the production location or the goods' place of dispatch are subject to our prior written approval, which must not be unreasonably withheld. Any costs or damages incurred by us resulting from non-observance of this provision or, otherwise, from a change of location initiated by the supplier shall be borne by the supplier. The supplier shall immediately inform us of any relocations in his supply chain or of any changes of sub-contractors in his supply chain of which he becomes aware.
- 7.5 The supplier shall also supply a full product documentation (in particular installation, maintenance, operating and service instructions, test documentation, CE-declarations, etc.) without separate stipulations and without additional costs in an electronic editable form, as a PDF and as a hardcopy. The stipulations of the supplier documentation performance specifications (<http://srm.avl.com> > Notice customer documentation) are to be complied with. We are entitled to use this product documentation to an unlimited extent and in particular to integrate it these in training and distribution documents as well as in customer documentation – in full or as excerpts, in the original language or as a translation.
- 7.6 The supplier shall comply with his duty to warn pursuant to § 1168 a ABGB (Allgemeines Bürgerliches Gesetzbuch – Austrian Civil Code) and § 2591 Czech Civil Code, in particular he shall keep the buyer named on the purchase order informed in writing in a timely and comprehensive manner.
- 8. Confidentiality and data protection**
- 8.1 The supplier shall keep any business and trade secrets of AVL ("Confidential Information") of which he gains knowledge in the course of the cooperation strictly confidential and return the Confidential Information upon completion of the purchase order to us. Confidential Information must neither be reproduced nor made available to any third party nor be used for any other purpose than the performance of our purchase orders without our written consent. In particular, without limitation, the supplier must not remove any documents (e.g. data, documentation, software applications, etc.) from our premises without our written consent. If, with our prior agreement, the supplier should employ sub-contractors for (parts of) the purchase order in question, the supplier must impose corresponding confidentiality obligations on his sub-contractors. Similarly, the supplier must impose the confidentiality (including non use) obligations on his employees.
- 8.2 Confidential Information shall include, without limitation, any drawings, calculations and the like provided for the purpose of preparing offers and executing purchase orders, any business, technical and personal data of AVL or its customers, the entire technical know-how owned by AVL or provided by customers (designs, specifications, plans, software, etc.), the purchase order and any resulting work, results, data and knowledge. All confidential information shall be considered as a business secret within the meaning of § 504 Czech Civil Code.
- 8.3 The supplier shall take any steps necessary to effectively protect any Confidential Information against the access of unauthorized third parties applying the very latest technology. In particular, without limitation, the supplier must protect Confidential Information against theft, loss, manipulation, damage or any type of reproduction. If

the supplier becomes aware that unauthorized third parties might have gained knowledge of the Confidential Information, the supplier must notify us of this immediately and – in consultation with us – initiate any steps necessary to investigate the matter and to prevent any future accesses.

- 8.4 If the supplier stores, edits or processes the Confidential Information on his own data processing systems, the supplier must ensure that unauthorized third parties are unable to access such data.
- 8.5 The supplier shall return any Confidential Information, data, documents and storage media upon completion of the order. In addition, the supplier shall, at our option, remove any data or information from his data processing systems and return to us any reproductions of data and storage media or destroy the reproduction in such a manner that a reconstruction of the data is not possible. At our request, the supplier shall produce evidence and a written confirmation of the full return or destruction.
- 8.6 The supplier shall be obligated to comply with all of the relevant data protection regulations as amended and shall take note of them. The supplier has the duty to inform all of his employees and sub-contractors of the relevant data protection regulations and if applicable pursuant to the provisions under data protection law that are applicable to him to obligate them to maintain data confidentiality. The supplier shall undertake measures to, in particular, guarantee the data protection by technology (Privacy by Design) and to carry out data protection-friendly default settings (Privacy by Default).
- 8.7 The supplier shall support us with the obligations under data protection law that are applicable to us.
- 8.8 In the event of a breach of the aforementioned provisions, the supplier shall have to indemnify us and hold us harmless against any adverse consequences arising out of such breach. In such a case, we shall additionally be entitled to cancel the concerned order with immediate effect as well as any other orders placed with the supplier.
- 8.9 If the supplier processes personal data of AVL as contract data processor, he will do this exclusively according to our instructions and declares that he is willing to conclude a separate contract data processing contract pursuant to Art. 28 Para. 3 EU General Data Protection Regulation.
- 8.10 The supplier can access our privacy statement under [www.avl.com/](http://www.avl.com/). Our data protection officer or data protection office is available via [privacy@avl.com](mailto:privacy@avl.com).

## **9. Results and Intellectual Property Rights**

- 9.1 All results developed by the supplier shall become our exclusive and unrestricted property upon creation and shall be communicated and made available to us without delay. This shall also apply to inventions and/or shares in the invention made by the supplier. The supplier shall assign all rights in such inventions and/or shares in the invention to us without any restrictions. Should we waive our rights in inventions and/or shares in the invention completely or in part, the supplier shall not have the right to assert rights in such inventions and/or shares in the invention (e.g. own use, applying for industrial property rights, granting of licenses to third parties, etc.). Any inventions and/or shares in the invention shall be compensated in full upon payment of the price pursuant to Section 4.1.
- 9.2 The supplier grants us the perpetual unlimited, royalty free, license to use any copyrights created by the supplier in connection with the purchase order.
- 9.3 The supplier shall deliver goods and services free of any intellectual property rights of third parties. The supplier guarantees that no intellectual property rights of third parties are infringed in the course of the performance of the contract and the use of the goods or services delivered. The supplier shall indemnify us and hold us harmless against any liabilities and claims raised by any third parties because of an alleged infringement of their intellectual property rights.

## **10. Foreign Trade Data and Regulations**

- 10.1 The supplier shall inform us of any goods-related restrictions in the case of (re-) exports of the goods delivered (goods, technology, software) pursuant to the Austrian, Czech, European and US-American export and customs regulations as well as the export and customs regulations of the country of origin of the goods. For this purpose he will at least in his offers and order confirmations provide the following information to the individual goods:
  - the number in the Military Equipment List ("ML Number") in the EU List of Military Equipment
  - the number in the export list ("Ausfuhrlistennummer" – "AL Number") in the EU Dual-Use List of Goods,
  - the ECCN (Export Control Classification Number) in accordance with the US Export

- Administration Regulation (EAR) for US goods, the USML (United States Munitions List) category for US defense goods (so-called ITAR goods),
- details on the non-preferential origin of his goods (products, technology, software) and their integral parts,
- details on goods, which were manufactured on the basis of controlled US-technology and/or contain controlled US components.

The supplier shall further inform the buyer named on the purchase order upon request in writing of any further foreign trade data and of any changes to the above-mentioned data without further request.

- 10.2 The legally binding acceptance of re-export restrictions (e.g. relating to existing/issued export permits and the re-export restrictions contained therein or on the basis of License Exceptions claimed according to EAR) is limited to such goods which require an export license from the perspective of the country of delivery (for the US, the currently applicable version of the EAR shall be applicable), which additionally are correspondingly identified in the delivery papers, and for which the supplier has explicitly informed us about re-export restrictions in offers and order confirmations.
- 10.3 Suppliers with a domicile in the EU are obliged to provide us with the original of the supplier's (long-term) declaration for products having preferential origin status in accordance with Regulation (EC) No. 1207/2001 as amended and/or in accordance with the Commission Implementing Regulation (EU) 2015/2447 within one calendar week after our request. If the supplier does not comply with this obligation, or if the supplier's declaration does not comply with the legal requirements, the supplier shall indemnify us and hold us harmless against any adverse consequences resulting from such non-compliance.
- 10.4 The supplier shall comply with any applicable import and export regulations and any rules concerning sanctions.
- 10.5 We are entitled to cancel the respective purchase order if the supplier violates any of the obligations mentioned above. The supplier shall indemnify us and hold us harmless against any claims of third parties because of a non-compliance with the foregoing provisions.

## 11. Environment

- 11.1 The QES documents to be observed by suppliers, including the current list of ingredients and substances („AVL Restricted Substances List“), that must not be delivered to us or may only be delivered with some

reservations are listed on the [www.avl.com](http://www.avl.com) website > Discover all > Company > Quality, Environment, Safety & Security > Documents. If goods delivered by a supplier contain one of the above-mentioned substances, the supplier has to contact the buyer named on the purchase order and inform him about the substances concerned in a particular case.

- 11.2 During the execution of the supply contract, the supplier shall use the required resources – in particular materials, energy and water – efficiently and reduce the impact on the environment, particularly in regards to waste, wastewater, air and noise pollution to a minimum. The same applies to logistics/transportation requirements. For the quantitative assessment of the supplier's resource efficiency, the supplier must provide us with the following information about his entire annual volume of orders received from us and our affiliates at our request:
- total energy requirements in MWh;
  - CO<sub>2</sub> emissions from own and external energy generation in t;
  - total water consumption in m<sup>3</sup>;
  - process wastewater in m<sup>3</sup>;
  - waste for disposal in t;
  - waste for recycling in t;
  - VOC emissions (volatile organic compounds) in t.
- 11.3 The supplier covenants to have a certified environmental management system in accordance with ISO 14001 or a recognized and certified environmental management system based on ISO 14001 in place and in operation within two years after the date of the purchase order and to prove evidence thereof by submitting the respective certificate.
- 11.4 The supplier shall ensure that his sub-contractors also comply with the obligations contained in this Section 11 by imposing upon them appropriate contractual obligations.

## 12. Compliance and Social Responsibility

AVL supports and respects the protection of internationally proclaimed human rights and does everything in its power to meet all of the applicable laws and regulations. AVL has implemented a Code of Conduct for its employees which is based on the principles of integrity, honesty and fairness and also expects its suppliers and their sub-contractors to adhere to the rules

relating to the protection of the internationally proclaimed human rights, all of the applicable laws and regulations and the principles these are based upon.

The following aspects are of particular importance:

- respect of fundamental and human rights,
- ban on child labor and forced labor,
- compliance with the minimum wage and social benefits set by law or common in the industry sector,
- compliance with the working times set by law or by industry or other standards,
- compliance with applicable laws and regulations relating to freedom of association and right to collective bargaining,
- ban on discrimination for reasons of race or owing to the ethnic origin, the sex, the religion or ideology, a disability, the age or the sexual identity,
- compliance with health protection and occupational safety requirements,
- responsibility for the environment and compliance with the applicable environmental protection regulations,
- compliance with the anti-corruption regulations and the ban on either actively or passively, directly or indirectly participating in any form of bribery and corruption or inadmissible granting of benefits,
- compliance with applicable competition and antitrust laws, in particular compliance with the prohibition of anticompetitive agreements.

The supplier shall further use no "conflict minerals", as specified in Section 1502 of the US Dodd-Frank Act, which were mined in the Democratic Republic of Congo or in bordering states, in his goods. In case the goods provided by the supplier contain tin, tantalum, wolfram or gold, the supplier must be able to present all of the documentation needed to prove legal compliance of the entire supply chain upon request.

In view of these aspects, the supplier shall take reasonable measures and is obliged to prove this upon request without delay. The supplier shall further ensure that his sub-contractors also act in accordance with the rules specified in this section.

### **13. General Terms and Conditions**

- 13.1 For the elaboration of quotations, layouts, cost estimates, etc., no remuneration shall be granted.
- 13.2 The supplier may mention the business relations with us in his advertising activities only with our explicit written consent.
- 13.3 This contractual relationship shall be governed by and construed in accordance with Czech Law excluding its conflict of laws principles. All disputes shall be

decided by the court in Olomouc in the Czech Republic (CZ).

- 13.4 If individual clauses of these General Purchase Conditions are invalid, this shall have no effect on the validity of the remaining clauses.
- 13.5 The place of performance for the delivery shall be the place of destination stated by us. The place of performance for the payment shall be Hranice unless otherwise agreed upon in writing.