Terms & Conditions of Purchase (TCP)

Article 1. Definitions

Capitalised terms and expressions used in these Terms & Conditions of Purchase (TCP) have the meanings as defined in the List of Definitions as published on the Website.

Article 2. Documents and interpretation

2.1. By agreeing to these TCP, the Supplier declares to have received them, the Supplier agrees with receiving them electronically and the Supplier agrees with its content and exclusive applicability to all agreements to be concluded and agreements concluded between the parties in the past. VB-Airsuspension shall not be bound by other terms than its own. These TCP apply to all Purchase Agreements, in which the Essential Stipulations shall be agreed upon between VBA and the Supplier, to be concluded and concluded between the parties in the past.

2.2. VBA may, at its own discretion, but without the obligation to do so, provide Supplier with:

a) a non-binding rolling Forecast for a period to be determined by VBA;

b) a Drawing of the Product for which an Offer is requested, which should, if provided by VBA, always be adhered by the Supplier. If the Product is not in Conformity with the Drawing, it is deemed Non Conform;

c) an explicit Written instruction concerning the marking of Products (this document is called Marking of Parts), which should, if applicable, always be adhered by the Supplier. If the Product is not in Conformity with the Marking of Parts, it is deemed Non Conform;

d) an explicit Written instruction concerning surface conditions and surface treatment of Products (this document is called Surface Conditions and Surface Treatment), which should, if applicable, always be adhered by the Supplier. If the Product is not in Conformity with the Surface Conditions and Surface Treatment, it is deemed Non Conform;

e) an explicit Written instruction concerning the production of wiring harness Products (this document is called Wiring Harness Assembly Guideline), which should, if applicable, always be adhered by the Supplier. If the Product is not in Conformity with the Wiring Harness Assembly Guideline, it is deemed Non Conform; and

f) any other document designated by VBA as a Technical Document. If the Product is not in Conformity with any other document that is designated by VBA as a Technical Document, it is deemed Non Conform.

The documents mentioned under 2.2 b) until and including f) are deemed to be Technical Documents.

2.3. Parties declare and agree that the following documents shall be applicable to the Agreement upon signing and/or Written agreement by both Parties:

a) Non-Disclosure Agreement (NDA);

b) Request For Information (RFI);

c) Quality Assurance Agreement (QAA);

d) Framework Agreement;

e) Party A-B Statement;

VB-Airsuspension B.V. Management System				
Document number:	*VB-PUF-013A*	Security level:	Revision date:	*11-04-2024*
Process owner:	*Operations Manager*	**C**	Revision level:	*02*
QA representative	*Quality Manager*	*Confidential*	Page:	*Page 1 of 13*

f)   Tooling Agreement;

g)   Packaging Registration Form;

h)   Any other document signed or agreed in Writing by both Parties.

2.4.   These TCP may be modified from time to time by VBA unilaterally, the latest version of which shall be made available by VBA on the Website.

2.5.   The Technical Documents mentioned under Article 2.2 c) until and including f) may be modified from time to time by VBA unilaterally. If VBA makes a new revision of the Technical Document(s), VBA will send the Supplier the revised version(s) of the Technical Document(s). Besides this Supplier has the opportunity to send a mail to purchase@vbairsuspension.com to receive the latest version of the Technical Documents. The new revision of a Technical Document will apply to all Purchase Orders sent by VBA to the Supplier after the date of sharing the revised version of the Technical Document.

2.6.   In the Agreement, unless otherwise specified:

a)   headings to articles are for convenience only and do not affect the interpretation of this TCP;

b)   where, in this TCP, any word or phrase in the Dutch language has been inserted in the text after any word or phrase, this TCP shall be construed as if the meaning of such English language word or phrase is the meaning that the laws of the Netherlands attribute to such Dutch language.

Article 3. Offers and Purchase Orders

3.1.   Parties conclude a Purchase Agreement (*koopovereenkomst*) for any Product and/or Service only in case VBA sends a Purchase Order (*aanvaarding*) to the Supplier that corresponds with the valid corresponding Offer (*aanbod*), that the Supplier sent to VBA concerning the same, preferably using the Offer Form provided by VBA on the Website. Order confirmations are invalid if not corresponding with the Purchase Order. A Purchase Order is sent to the Supplier by VBA in Written or Electronic form and shall reflect the Offer it is based on, unless VBA explicitly deviates from the Offer in the Purchase Order and only if this deviation concerns the Delivery Date, as mentioned in article 4.2 of these TCP. The Minimum Order Quantity and/or the Multiplier mentioned in the first Offer concerning any Product and/or Service may not be changed unilaterally by the Supplier.

3.2.   All Purchase Orders based on a valid corresponding Offer placed by VBA with the Supplier are accepted by the Supplier and/or deemed to be accepted. Supplier shall confirm receipt of the Purchase Order within three Working Days.

3.3.   The Supplier cannot derive any rights and/or guarantees for the future from any (series of) Purchase Order(s) placed by VBA.

3.4.   The only exception to the invalidity of any deviating order confirmation may concern Delivery Date and only after VBA explicitly agreed in Writing to a change in the Delivery Date.

3.5.   Supplier is willing and able to Deliver to VBA upon first request all Products and Services in Conformity with the requirements mentioned in the Technical Documents from VBA and the valid corresponding Offer from the

Supplier, provided that the Offer is a) in conformity with the Agreement and b) confirmed by VBA by placing a Purchase Order that reflects the requirements of the valid corresponding Offer.

3.6. The Supplier can only provide VBA with an Offer, using the Offer Form as provided by VBA on the Website, or in Writing, mentioning, with exclusion of the validity of any other information or statement:

a) relevant information about the Product or Service that enables VBA to order the required Product;
   – the Product Number of VBA;
   – the Product Number of the Supplier;
   – a Product description;
   – the Drawing Number;

b) relevant information to objectify the Purchase Order;
   – the Minimum Order Quantity (MOQ);
   – the Multiplier;
   – the Price of the Product per Price Unit (Prices for DDP and FCA);
   – the Price Unit;
   – the Quantity Discount *(staffel)*, including reasonable Prices for samples;
   – the Tooling costs, if applicable.

c) relevant information for transportation
   – the Lead Time (in Working Days);

Any other information or statement mentioned in the Offer, included but not limited to the applicability of terms & conditions of delivery and/or sale of the Supplier, are invalid and not applicable.

3.7. Every Offer shall have an Expiry Date of at least four months. By requesting or receiving an Offer from the Supplier, VBA is under no obligation to place a Purchase Order. Offers are sent to VBA upon its first request and free of any charge or (other) obligation. The minimum Notice Period for a change of the Price is one (1) month. The date of the Purchase Order – so not the Delivery Date – determines the applicable Price. Once a Purchase Order, that is based on the valid corresponding Offer for that Product or Service, is placed, the Price cannot be changed.

3.8. If Supplier after the Expiry Date of the Offer has passed wishes to change the Price of a Product or Service Supplier should make an express Written request, demonstrating its motivation for the requested Price change (both increase and decrease), which can only be due to changes in cost-determining factors, i.e. that the costs of, for example, raw materials, energy and/or personnel, import or export duties, wages, taxes, levies or the exchange rate of the Euro against foreign currency have changed after the Offer was sent. The minimum Notice Period for a change of the Price, as mentioned in article 3.7 of these TCP is one (1) month. This only applies for Products or Services that are purchased at least once per year.

3.9. Until both Parties agree on possible changes of the Price of a Product or Service in comparison to the previous agreed Offer, the Price of the previous agreed Offer applies. In case the Supplier does not timely inform VBA about a proposed change in the Price of a Product or Service in conformity with article 3.8 of these TCP and VBA places a Purchase Order based on an Offer for which the Expiry Date has lapsed, the Supplier can only Deliver the Products and/or Services for the Price of the previous agreed Offer.

3.10. The Supplier shall invoice VBA at the Prices for the Products and Services as set out in the agreed Offer and confirmed in the corresponding Purchase Order. The Prices are stated in euros and shall be paid by VBA in euros, unless the parties have agreed otherwise in Writing or Electronically.

3.11. In the event that in the Purchase Order a Drawing Number is stated that deviates from the latest Drawing Number VBA provided to the Supplier, the Supplier must Notify VBA within three (3) Working Days after receiving the Purchase Order. Supplier is not permitted to start producing the Product under discussion until VBA has given a Written reply, which can be a) changing the Drawing Number mentioned on the Purchase Order back to the previous Drawing Number, or b) Supplier shall be provided with the Drawing mentioned in the Purchase Order and requested to send a renewed Offer based on the latest Drawing, as mentioned in the Purchase Order. VBA may or may not accept the renewed Offer by placing a renewed Purchase Order.

3.12. VBA is free to cancel any Purchase Order at any time free of charge, by sending an Written Cancellation Notice to the Supplier. Any Delivery or production of Products or Services after the date of the Cancellation Notice remains at the expense and risk of the Supplier.

3.13. In case the Agreement is terminated as a result of bankruptcy of the Supplier the Purchase Orders sent by VBA before the termination date remain valid and shall be Purchased and Delivered on the agreed Delivery Date.

3.14. VBA is permitted to cancel any Purchase Order and/or terminate any agreement with immediate effect, without any Notice Period, without any obligation to pay damages and losses and without waiver of any rights under the Agreement, in case Supplier:

    a) has filed for or is granted temporary or permanent suspension of payment or reached an agreement with one or more of its creditors (included the applicability of the Dutch Act on the Confirmation of Out-of-court Restructuring Plans *(Wet Homologatie Onderhands Akkoord or WHOA)*);

    b) has filed for bankruptcy or is declared bankrupt, or otherwise loses the control over Supplier, or in case of liquidation of the Supplier.

Article 4. Delivery

4.1. The Products shall be Delivered DDP (ICC Incoterms 2020) to VBA, or one of its subsidiaries, or any location designated by VBA.

4.2. The Lead Times/Delivery Date agreed between the Parties in the Offer and the corresponding Purchase Order are binding. Only by mutual agreement in Writing Parties can agree upon an earlier/later Lead Time/Delivery Date in conformity with article 3.4 of these TCP.

4.3. If the Supplier fails to meet the agreed Delivery Date (delay), fails to Deliver at all (including Delivery of the wrong Product), fails to Deliver the quantity of Products (over- or under-delivery) ordered on the Purchase Order, fails to Deliver the agreed quality of the Products (damaged/defective Products), or if Products cannot be used due to damage to the Packaging or the wrong Packaging used, VBA has the right to inspect and return the entire delivered batch at the Supplier's expense, whereby VBA has the right to replace that batch of Products free of charge with Products that meet the requirements set out by VBA in the Agreement. Supplier shall be liable to pay VBA all the Damages and/or Losses consequently suffered by VBA, which shall be quantified by VBA. The Supplier is in default by operation of law, based on article 6:83 sub a DCC, which allows VBA to either claim fulfilment of the obligation (*nakoming*), without exclusion to claim Damages and/or Losses (*schadevergoeding*) - i.e. in case the delay triggers a penalty clause for late delivery in its agreements with its clients or other Losses caused by the delay, such as Overstaffing - or cancel (*ontbinding*) the Purchase Order.

4.4. If the Supplier is unable to Deliver certain Products and/or Services, the Supplier shall contact VBA in this regard immediately providing a reasonable solution to the satisfaction of VBA if possible for its inability to Deliver the ordered Products and/or Services. VBA reserves the right to claim Damages and/or Losses (*schadevergoeding*) - i.e. in case the delay triggers a penalty clause for late delivery in its agreements with its clients or other Losses caused by the delay, such as Overstaffing - or cancel (*ontbinding*) the Purchase Order.

4.5.   For any other damages and/or losses as a result of nonfulfillment in the Delivery obligations by the Supplier article 19.2 of these TCP applies, taking into account that the above is without prejudice to the rights of VBA to make a claim for Damages and/or Losses suffered by VBA.

4.6.   In case the Lead Time of a Product or Service needs to be extended in comparison to the previous agreed Lead Time, this extension cannot have immediate effect upon acceptance of the new Lead Time, but Parties shall need to take into consideration a reasonable Bridging Period that allows VBA to adjust to the change in Lead Time of the Product or Service with respect to its obligations towards its customers.

4.7.   Partial Delivery is not allowed without the explicit Written consent of VBA. Notice of a possible partial Delivery has to be given to VBA at a minimum 2 weeks prior to the agreed Delivery Date.

4.8.   VBA is free to change the Delivery Date at any time to a later date, provided it will Notify the Supplier one (1) week before the Delivery Date agreed by way of the Purchase Order corresponding with the Offer for the same Product, unless Supplier can prove that the Product has already been shipped and is in transit to VBA.

Article 5. Packaging

5.1.   Supplier will have every shipment be accompanied by a Packing List, per Purchase Order, which shall be checked prima facie by VBA upon arrival of the shipment. The Packing List should contain at least the following information:

   a)   Purchase Order Number; (preferably scannable by Barcode)
   b)   Name of the Supplier;
   c)   VBA Product Number; (preferably scannable by Barcode)
   d)   Drawing Number i.e.D-008800-01;
   e)   Total number of Products per Product Number in the Delivery (preferably scannable by Barcode);
   f)   Production Batch number of the Supplier;
   g)   Number of packages (colli).
   h)   Pallet 1 of x (number of total);
   i)   Packing list number (preferably scannable by Barcode)

5.2.   If VBA signs the Packing List, then the signing of this Packing List by VBA upon Delivery only means that VBA has received the correct number of packages, but in no way implies that the Products satisfy the requirements they must meet based on what has been agreed.

5.3.   The Supplier must provide each pallet (colli/packaging) with a VDA4902-label. If the Supplier cannot use the VDA4902-label, a similar label may be used, that is preferably scannable by Barcode, placed in a visible location on the packaging stating at least the following relevant information:

   a)   Purchase Order Number;
   b)   name of the Supplier;
   c)   VBA Product number;
   d)   Drawing Number i.e.D-008800-01;
   e)   Number of Products for the relevant pallet, colli or packaging;
   f)   Production Batch number of the Supplier;
   g)   Number of packages (colli) on the pallet;
   h)   Pallet 1 of x (number of total);
   i)   Packing list number.

5.4.   The Supplier shall in all cases observe and comply to the following requirements when packing the Products for receipt by VBA.

a) all Products are to be packed in such a way that the Products and the packaging cannot be damaged or contaminated (in transit) and are protected against (the effects of) moisture;

b) there are no company logo's on the packaging;

c) all Products in the same collo are of the same Product Batch;

d) the quantity of the Products in the package is indicated;

e) maximum dimensions:

– Euro pallet dimensions (120x80cm), unless otherwise discussed or agreed Products are not allowed to exceed the boundaries of the pallet;

– In case of pallets maximum 1 pallet plus 3 pallet edges (plus/ minus 20 cm per edge) or 1 cardboard box of 120x80x100 cm (L*W*H). For smaller volumes Delivery in cardboard boxes are also allowed but with a maximum of 20 KG per box. These boxes may also be shipped on a pallet with Euro pallet dimensions;

– Boxes should be stackable without collapsing of boxes;

– Maximum weight of the pallet including Products and Packaging is 700 kg.

5.5. If Supplier cannot comply with the requirements set out in article 5.4, or if VBA considers it necessary, a Packaging Registration Form may be provided by VBA to the Supplier. In this Packaging Registration Form Supplier then describes a proposed method of packaging the Products for Delivery to VBA. This proposal has to be approved by VBA in Writing, after approval the method of packaging of the Product or a group of similar Products specified in the Packaging Registration Form should be Delivered according to this.

5.6. In case, because of damage to or shifting of the packaging, the packaging needs to be renewed and/or the Product needs to be repacked, or restacked the Supplier shall be liable for all Damages and/or Losses and shall bear the costs, incurred by VBA, on first demand by VBA. This also applies to Deliveries that were packaged according to the specifications made in Packaging Registration Forms that were agreed upon between Supplier and VBA in Writing.

5.7. The cost of Packaging shall in all cases be borne by the Supplier.

Article 6.   Tooling

If the production of Products for VBA requires specific Tooling to be developed/purchased, which can only be used for the Products ordered by VBA, Parties may sign a Tooling Agreement.

Article 7.   Quantities

7.1. The quantity of the Product Delivered shall be in accordance with the corresponding Purchase Order.

7.2. Upon Delivery the Products and Services shall only be checked prima facie by way of the information mentioned on the VDA 4902-label or similar label as mentioned in article 5.3.

Article 8.   Payment

8.1. After Delivery of the Products and/or Services, the Supplier will send VBA an invoice, preferably in PDF format and received at accounts@vbairsuspension.com for such Products and/or Services, stating all the following requested information:

a) the invoice date;

b) the invoice number;

c) the invoiced Products and/or Services, quoting the Product Number and the description;

d) quantity and unit price of the Products and/or Services;

e)   the VAT numbers of both Parties;

f)   the Packing List number;

g)   the VBA Purchase Order number;

h)   the total price excluding VAT;

i)   the amount of VAT, if applicable;

j)   the total price including VAT, if applicable;

k)   clear indication of the Supplier's contact details;

l)   Supplier's International Bank Account Number (IBAN) or international equivalent suitable for receiving payments; costs for international payment shall be borne by both parties on a 50/50 basis. For security purposes change of bank details shall be done in Writing and oral verification of the same.

8.2.   If the invoices meet the requirements specified above and the Delivered Products are of the agreed quantity, VBA will pay the Supplier's invoices no later than 60 days after the date the (revised) invoice was received by VBA. If the invoice is sent to VBA before the Products are Delivered, then the invoice shall be paid no later than 60 days after the receipt of the Products. In case article 4.7 of these TCP (partial Delivery) applies, VBA may only pay for the Delivered Products, even if the invoice only mentions a total amount for the entire Purchase Order.

8.3.   Invoices that do not comply with the requirements as described in article 8.1 of these TCP will not be processed and will be rejected. VBA will give a Written Notice of this rejection to the Supplier.

8.4.   Payment of an invoice does not imply acceptance of the Products or their Conformity or the Delivery, nor it will affect any of VBA's rights under the Agreement or that the Supplier is released from any guarantee and/or liability whatsoever.

8.5.   VBA shall be entitled to suspend payment of the invoice for the Products or Services that are Non Conform or for Deliveries that deviate from what has been agreed upon in Writing in the Purchase Order.

8.6.   Payment terms agreed to in these TCP are leading. Standard payment terms on invoices or other documents are not leading.

8.7.   The Supplier waives all rights and powers accruing to it on the basis of the right of retention or the right of recovery.

Article 9.   Intellectual property rights

9.1.   All intellectual property rights belonging to VBA are and remain the property of VBA. The Supplier acknowledges the rights in question and declares that it will not infringe them. In case Supplier infringes the intellectual property rights of VBA, Supplier shall be liable for all Damages and/or Losses incurred by VBA.

9.2.   Where the Supplier develops, produces or assembles Products on VBA's behalf, thereby giving rise to intellectual property rights, those intellectual property rights belong to VBA. To the extent necessary, the Supplier hereby transfers the intellectual property rights concerned to VBA, and, where that is not possible here and now, the Supplier will transfer the rights concerned to VBA at VBA's first request.

9.3.   The Supplier is not permitted to sell products with a VBA logo and/or VBA trademark and/or with VBA data, such as, but not limited to, Product Number and Drawing Number, to third parties, except after Written approval by or at the Written request of VBA.

9.4.   The Supplier holds VBA, its customer and any subsequent user and/or (re)seller harmless from all claims of third-parties due to infringement of intellectual property or other rights of third parties due to the sale and/or use of Products and/or Services Delivered by the Supplier.

9.5.   The Supplier grants VBA and any subsequent user or (re)seller the right to use and (re)sell the Products and/or Services, and the Supplier waives any claim against VBA and any subsequent user or (re)seller, arising from any breach of the Supplier's intellectual property rights.

9.6. Upon termination of the Agreement Supplier shall return to VBA all documentation, information and Products made available to the Supplier by VBA under the Agreement, or developed and/or produced in consultation with and at the request of VBA. All information that can for whatever reason not be returned, for example, but not limited to, (digital) copies of Technical Documents, must be destroyed. The costs of Delivery of the Products referred to in the preceding sentence of this paragraph shall be borne by Supplier.

Article 10.   Exclusivity

10.1. Where the Supplier Delivers Products to VBA that are produced specifically at VBA's request and were developed according to VBA's ideas, specifications and requirements, as mentioned in the Drawings of the Product the Supplier shall supply such Products exclusively to VBA, and shall refrain from selling such Products, to parties other than VBA, unless it is indicated in Writing that Supplier may sell this Product to a specific customer and/or supplier of VBA as indicated in article 9.3 of these TCP. Article 10 of these TCP shall survive termination of the Agreement for 30 years after termination.

10.2. Where the Supplier is in breach of article 10.1 of these TCP, it shall be liable to pay VBA a directly enforceable penalty, without further Notice being required, of €100,000 per violation and €1,000 per day that the violation continues, without VBA losing its rights to claim actual Damages and/or Losses.

Article 11.   Product safety

11.1. In case a Product is specified by VBA in a Drawing, the Supplier shall:
   a)   periodically check whether the Product is still in Conformity with the Technical Documents;
   b)   allow VBA to carry out unannounced inspections at the premises of the Supplier in order to verify whether the Supplier complies with all product safety requirements;
   c)   ensure the appropriate identification and traceability of its Products; more specifically, Supplier shall maintain a system, which guarantees clear allocation of the parts to the respective Drawing and processing status and - if required - allows the deployed materials, machines, used parameters and the established test results to be allocated to the respective production batches; moreover, the system should also allow to minimize the number of defect Products and be able to timely trace the error that occurred;
   d)   ensure that with regard to all Products Delivered to VBA the appropriate and relevant certifications, licenses and permits are valid and remain to be valid. Upon request of VBA, they need be provided immediately;

11.2. In case a Product is specified by the Supplier in a drawing and/or other specifications, the Supplier shall:
   a)   investigate complaints submitted, and information received on accidents, that concern the safety of the Products, and shall keep an internal register of those complaints as well as of product Recalls and any corrective measures taken to bring the Product into Conformity, and subsequently report to VBA at the end of each year;
   b)   periodically check whether the Product still fully complies with all product safety requirements, and subsequently report to VBA about the outcome;
   c)   allow VBA to carry out unannounced inspections at the premises of the Supplier in order to verify whether the Supplier complies with all product safety requirements;
   d)   ensure the appropriate identification and traceability of its Products; more specifically, Supplier shall maintain a system, which guarantees clear allocation of the parts to the respective drawing and processing status and - if required - allows the deployed materials, machines, used parameters and the established test results to be allocated to the respective production batches; moreover, the system should also allow to minimize the number of defect Products by timely tracing the error that occurred;

e) ensure that with regard to all Products Delivered to VBA the appropriate and relevant certifications, licenses and permits are valid and remain to be valid. Upon request of VBA, they need be provided immediately;

f) ensure, in case software is integrated into the Product as a component, that the Product complies with the highest level of cyber security and regular software updates are carried out, where appropriate;

g) Notify VBA in Writing without undue delay of any accident(s) that have occurred involving a Product. Upon request of VBA, the Supplier also immediately provides all relevant documentation to VBA (such as risk analysis, test reports, expert reports, etc.) in order to enable VBA to make its own risk assessment.

h) Notify VBA in Writing without undue delay where the Supplier considers or has reason to believe, that that Product presents a health & safety risk. Upon request of VBA, the Supplier also immediately provides all relevant documentation to VBA (such as risk analysis, test reports, expert reports, etc.) in order to enable VBA to make its own risk assessment.

Article 12.   Representations and Warranties

12.1. Supplier represents and warrants to VBA that:

a) the Product or Service is in Conformity with the Technical Documents and the Agreement. The Product and/or Service may not deviate in terms of size, type, weight, used materials and/or components from what has been agreed. VBA may expect that the Product and/or Service has the Properties and Performance required for its normal use, as well as the Properties and Performance required for a special use provided for in the Technical Documents and the Agreement. If the Product deviates from what is described in the previous sentences of this clause, the Product is deemed Non Conform;

b) Delivery shall be in accordance with article 4 and article 5 of these TCP;

c) the Delivered Product and/or Service are suitable for the intended purpose and shall be new, unused, merchantable, of good quality and free from all defects in design, materials, construction and workmanship. If the Product is not suitable for the intended purpose or deviates from the previous sentence in any way, the Product is be deemed Non Conform;

d) no changes are made to the Product without prior Written approval from VBA, in the absence of which the Product shall be deemed to be Non Conform. In case of Products specified by the Supplier, Supplier shall Notify VBA in Writing of changes to these Products 6 months prior to the change being implemented. If changes are made to the Product without the prior Written approval from VBA the Product is deemed Non Conform;

e) no changes are made to the manufacturing process and/or the tools and/or machines etc. which are used to produce the Products, without prior Written approval from VBA, in the absence of which the Product shall be deemed to be Non Conform. In case of Products specified by the Supplier, Supplier shall Notify VBA in Writing of changes to their production processes and/or the tools and/or machines. which are used to produce the Products 6 months prior to the change being implemented. If changes are made to the manufacturing process and/or the tools and/or machines. which are used to produce the Products without the prior Written approval from VBA the Product is deemed Non Conform.

f) The Supplier undertakes to be able to supply Products for a period of 15 years after the last delivery to VBA. The Supplier shall ensure that its suppliers or subcontractors comply with this clause. This article 12.1.f remains in force even where the cooperation is terminated.

g) The Delivered Product and/or Service complies with Dutch, local and EU laws, regulations, ordinances, standards and requirements in force at the time of production and Delivery to VBA, including the highest

requirements of health & safety and environmental regulations, quality standards and/or certification used within the sector, all as they apply at the time of production and Delivery of the Products and/or Services. Supplier must follow all instructions provided by VBA concerning possible further requirements provided by international or foreign laws and regulations existing in the Countries where the Products can be sold by VBA.

12.2. The Supplier also represents and warrants to VBA that the Delivered Product and/or Service does not violate or infringe any third party domestic of foreign patent, copyright, trade secret, trademark or other intellectual property rights.

12.3. Supplier will not infringe any intellectual property right of VBA.

12.4. The Warranty Term provided herein shall be 5 (five) years after commissioning of the Products by the end-user, unless in case VBA can prove that the Product is Non-Conform, then the Warranty Term is not limited in time.

Article 13.   Breach of Warranty

13.1. If the Delivered Product and/or Service is defective or Non Conform as described in article 12 of these TCP or if the Delivery deviates from what is agreed upon in the Purchase Agreement as described in article 4 and article 5 of these TCP, VBA shall Notify Supplier and may, without prejudice to any other right or remedy available to it under the Agreement or at law, at its sole discretion, and at the expense of the Supplier, demand:

a)   Delivery of the missing parts of the Delivered Product and/or documentation;

b)   repair of the Delivered Product, provided that the Supplier can reasonably comply with this;

c)   replacement of the Delivered Product (the exception as described in article 7:21 sub c DCC does not apply).

13.2. The Supplier shall bear all costs for the remedies mentioned in article 13.1 of these TCP: Delivery, repair, replacement, inspection, handling, repacking, transportation, storage and/or destruction costs, and shall reimburse VBA in respect of all costs and expenses incurred by VBA and/or its contractors in connection therewith.

13.3. As an alternative, VBA can demand, without prejudice to any other right or remedy available to it under the Agreement and/or at law, a full refund of the price paid under the Agreement, which needs to be paid by the Supplier within 14 days after Notification of the complaint.

13.4. The Supplier is obliged to fulfil its obligations referred to in article 13.1 of these TCP within a reasonable period of time and without serious inconvenience to VBA, without exclusion to claim Damages and/or Losses (*schadevergoeding*), as mentioned in the articles 13.5 and 13.6 of these TCP.

13.5. If the Supplier and/or the Product and/or Service Delivered by the Supplier does not comply with article 4 and/or article 5 and/or article 12 of these TCP, notwithstanding the remedies set out in article 13.1, article 13.2 and article 13.3 of these TCP, the Supplier is liable for the Damages and/or Losses caused by the defectiveness and/or Non Conformity of the Product and/or Service, and/or by an issue with the Delivery as described in article 4 and article 5 of these TCP. It allows VBA to either claim fulfilment of the obligation (*nakoming*) and/or (partly) dissolve (*ontbinding*) the Purchase Order and/or the Agreement. Aforementioned remedies are available to VBA, without the exclusion to claim Damages and/or Losses (*schadevergoeding*).

13.6. If the Supplier infringes any intellectual property right as mentioned in article 12.2 and article 12.3 of these TCP the Supplier is liable for the Damages and/or Losses which are the result of this infringement.

13.7. Article 7:17 sub 5 of the DCC does not apply.

13.8. The liability of the Supplier cannot be limited in any way and the Damages and/or Losses may also extend to Loss due to other Products and/or Services rendered useless, even if these products were not Delivered by the Supplier.

Article 14.   Indemnities

14.1. The Supplier shall expressly indemnify and hold VBA, its officers & directors, agents, contractors and employees fully harmless from and against all claims, Damages and/or Losses by any third party, such as but not limited to users, end users, sellers, resellers, (governmental) authorities, in any manner caused or claimed to be caused by or in connection to Products and/or Services Delivered by the Supplier, or anyone acting under its direction or control or on its behalf.

14.2. Article 14.1 of these TCP also explicitly applies in case VBA, and/or one or more of its customers and/or their customers, carries out corrective measures regarding Products, including but not limited to a Recall, containing Products Delivered by the Supplier, due to deemed defectiveness and/or Non Conformity of these Products or a violation of any intellectual property right. The Supplier shall fully compensate VBA at VBA's first request for all Damages and/or Losses.

14.3. The indemnification can not be limited to a certain amount or in any other way whatsoever.

Article 15.   Liability and Insurance

15.1. In case of liability of the Supplier, the Supplier shall compensate VBA for all Damages and/or Losses.

15.2. The Supplier shall ensure that it is adequately insured for its liability under the Agreement for Damages and/or Losses, providing minimum cover of € 20,000,000 per year and a minimum of € 10,000,000 per incident. The Supplier also ensures that it is adequately insured for (the risk of) taking corrective measures, such as a Recall, with a minimum cover of € 10,000,000 per year and a minimum of € 5,000,000 per incident.

15.3. The Supplier shall allow VBA to examine the Supplier's insurance policies at VBA's first request. Furthermore, the Supplier undertakes, at VBA's first request, to provide proof of its insurance as well as proof that the insurance premium has been paid (on time).

Article 16.   Suspension / right of retention / set-off

The Supplier shall not be entitled to suspend its obligations to VBA and exercise any lien on items owned by the VBA or on which the VBA is entitled to claim in any way. Nor is the Supplier entitled to set-off any amount due by it to amounts due by VBA.

Article 17.   Subcontractors or Affiliates

17.1. Supplier shall only engage with its Subcontractors and/or suppliers on the same or similar conditions as agreed to in the Agreement between Parties.

17.2. Supplier shall be responsible for the good performance of the Agreement by its Subcontractors or Affiliates to which part of the Agreement may be assigned as well as by other Subcontractors as agreed upon between the Parties. In case of default by any such Subcontractors or Affiliates, the Supplier hereby undertakes to assume the obligations of such Subcontractors or Affiliates towards VBA. Supplier is liable on behalf of such Subcontractors or Affiliates towards VBA.

17.3. The Supplier shall not be permitted to transfer (the rights and obligations arising from) the Agreement in whole or in part without the prior Written approval from VBA, which will not refuse its consent on unreasonable grounds. VBA may attach conditions to this permission.

Article 18.   Force majeure

18.1. Parties shall be authorized to abstain from performing any of their obligations under the Agreement for a period no longer than 45 days due to the following unforeseen circumstances: events of force majeure such as fires, wars (both declared and undeclared), general military mobilizations, insurrections, epidemics and pandemics also other than Covid-19. If the event of force majeure will last for more than 45 days, VBA shall be allowed remediate the delay in Delivery for the account and risk of the Supplier and article 4.3 of these TCP applies.

18.2. VBA shall be authorized to abstain from performing any of its obligations under the Agreement for a period no longer than 45 days due to the following unforeseen circumstances: events of force majeure such as strikes, requisitions, energy use restrictions, lock out, stop of production due to technical causes and any other events which could not be expected, avoided and overcome.

18.3. Supplier shall be authorized to abstain from performing any of its obligations under the Agreement for a period no longer than 45 days due to the following unforeseen circumstances: events of force majeure, such as strikes with the exclusion of strikes of Suppliers' personnel. If the event of force majeure will last for more than 45 days, VBA shall remediate the delay in Delivery for the risk of the Supplier and article 4.3 of these TCP applies.

18.4. Circumstances that Supplier cannot claim to be a force majeure event include, but are not limited to, the following:

    a)   insufficient availability of sufficiently qualified personnel of Supplier;

    b)   illness of personnel of Supplier;

    c)   strike of Supplier's personnel;

    d)   unsuitability of materials, equipment and resources of the Supplier;

    e)   liquidity or solvency problems of the Supplier; and

    f)   the non-compliance or failure of third parties engaged by the Supplier or Supplier's suppliers.

Article 19.   Choice of law and domicile

19.1. All the aspects of the Agreement shall be regulated and interpreted in accordance with Dutch Law. If the Supplier's legal seat is located in a country that does not allow the choice of law, the applicable law shall be the one of such Country.

19.2. Before pursuing any remedy under the Agreement, the Parties must attempt to resolve their disputes through good faith negotiations and, if such negotiations fail, through formal mediation moderated by a neutral third party. The Parties bear the costs of the mediation equally and each Party bears its own legal costs. Mediation must occur within 60 days of receipt, by either Party, of Written Notice requesting mediation from the other Party.

19.3. In case Parties cannot settle the dispute extrajudicially, Parties agree that, depending on the country in which the Supplier has its seat, any dispute between the Parties relating to or in connection with the Agreement shall be settled by:

• FOR SUPPLIERS WITH LEGAL SEAT IN AN EU COUNTRY: Disputes arising between the Parties shall be referred to the competent Dutch court Rechtbank Gelderland, location Zutphen, district of Gelderland, Netherlands. However, VBA is free to sue the Supplier in the courts of the Supplier's place of domicile.

All costs actually incurred by VBA due to a dispute with the Supplier (both in and out of court) shall be reimbursed by the Supplier to VBA where the verdict is in VBA's favour.

• FOR SUPPLIERS WITH LEGAL SEAT IN CHINA: Any dispute arising between the Parties shall be settled in accordance with the Rules and Regulation of Arbitration of CIETAC (China International Economic and Trade Arbitration Center), by a sole arbiter appointed under said rules. Seat of arbitration shall be Shanghai (China),

language of arbitration shall be English. Costs of arbitration shall be finally borne by the losing Party. The award shall be final and binding upon the Parties.

• FOR SUPPLIERS WITH LEGAL SEAT IN HONG KONG: any dispute concerning the interpretation and execution of the Agreement shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC administered arbitration rules in force when the Notice of arbitration is submitted. The numbers of arbitrators shall be one (1). Seat of arbitration shall be Hong Kong. Language of arbitration shall be English. Costs of arbitration shall be finally borne by the losing Party. The award shall be final and binding upon the Parties.

• FOR SUPPLIERS WITH LEGAL SEAT IN ANY OTHER NON EU COUNTRY: Any dispute arising between the Parties shall be settled in accordance with the rules and regulations of the International Chamber of Commerce (ICC), by a sole arbiter appointed under said rules. Seat of arbitration shall be Geneva (Switzerland), language of arbitration shall be English. Costs of arbitration shall be finally borne by the losing Party. The award shall be final and binding upon the Parties.

Article 20.   General provisions

20.1. VBA reserves the right to amend or modify these TCP. Changes and additions will be published on the Website. If the Supplier is put in a more unfavourable position by the change, Supplier can give Notice within 30 days of publishing the new version of the TCP on the Website to VBA with a suggestion to change the TCP. Until a change has been agreed upon between Parties the previous version of the TCP still applies.

20.2. Supplier will inform VBA about any change of control in Supplier within two weeks after this change has become definite.

20.3. If any provision of the Agreement is not valid, the rest of the Agreement remains in force.

20.4. VBA shall not be liable to Supplier for any lost revenue, lost profit, or any other incidental, indirect or consequential damages based on breach or default under the Agreement, or on tools, machines, products, materials and/or materials provided by VBA to the Supplier in connection with the Purchase Order, such as, but not limited to software products, (raw) material and/or components and Products. In no event shall VBA be liable to Supplier in excess of the amount due to Supplier for complete performance of the involved Purchase Order, less any amounts already paid to Supplier by VBA. In addition, VBA will never be liable for more than what is covered by her insurance.

20.5. If the Agreement is terminated the following articles of these TCP shall survive such termination and remain in full force and effect: article 1, article 2, article 9, article 10, article 11, article 12, article 13, article 14, article 15, article 16, article 19, article 20.3 and article 20.4.

20.6. The Parties undertake to replace any invalid or non-binding provisions of the Agreement with binding provisions which, given the purpose and intent of the Agreement, correspond as far as possible to the invalid or non-binding provision.