



PORSCHE

Dr. Ing. h.c. F. Porsche Aktiengesellschaft
Terms and Conditions of Purchase for Production Material
Status 09/2021

1. Standard conditions

- 1.1 The legal relationship between the Contractor and Dr. Ing. h.c. F. Porsche AG (hereinafter "Porsche") shall be in accordance with these Terms and Conditions of Purchase and any other written agreements, including amendments and additions. As well as the written form, the text form and transactions concluded by means of an electronic system provided by Porsche shall suffice.
- 1.2 The Contractor's General Terms and Conditions shall not apply, even if they have not been expressly rejected in specific cases.
- 1.3 The Contract shall be based in the following order of precedence on the supply contract concluded with the Contractor or the particular orders/supply call-offs including the respective reference documents and these Terms and Conditions of Purchase.

2. Ordering

- 2.1 Supply contracts (order and acceptance) and supply call-offs as well as amendments and additions thereto must be concluded in writing. Supply call-offs may also be placed by remote data transmission.
- 2.2 If the Contractor does not accept the order within five working days of its receipt, Porsche shall be entitled to revoke the order. Supply call-offs become binding if the Contractor does not object within five working days of receiving the order.
- 2.3 To the extent reasonable for the Contractor it shall be possible for Porsche to request changes to the design and type of the delivery items. In this case, appropriate and mutually agreed action shall be taken to manage the consequences, particularly with regard to additional or reduced costs and delivery dates.

3. Invoicing and payment

- 3.1 As a basic principle, Porsche will settle invoices using the invoicing procedure. Invoices must be submitted by the Contractor exclusively in electronic form as follows:

- 3.1.1 Direct submission of invoice via EDI in valid VDA format,
3.1.2 Free-of-charge entry of invoice via the group business platform www.vwgroupsupply.com => Login => Information => Tools => Financial application (FIN),
3.1.3 Submission of invoice via a specified provider.

If electronic invoicing is agreed by the Contracting Parties, the Contractor has to ensure that the original invoices are already created electronically.

Information on electronic invoicing and the current EDI guidelines can be obtained under edirechnungswesen@porsche.de and under www.vwgroupsupply.com.

- 3.2 In justified exceptional cases, by agreement with Porsche's creditor accounts department, the Contractor shall submit its invoices in paper form to the following address:

Dr. Ing. h. c. F. Porsche AG, Kreditorenbuchhaltung, Porscheplatz 1, D-70435 Stuttgart.

- 3.3 Invoices must be submitted in a form suitable for checking stating the Porsche supplier number, order number, delivery note number, Porsche material number, place of unloading and name of contact in Porsche's organization. All necessary invoicing documents must be attached. Invoices must be produced in accordance with German sales tax law. Accounting vouchers in the form of credit notes, debit notes and payment advice notes will be made available to the Contractor electronically by EDI or email or as a download under www.vwgroupsupply.com => Login => Information => Tools => Financial application (FIN). In exceptional cases, they will be sent by post or fax.

- 3.4 Payment will be made within 30 days from receipt of invoice unless otherwise expressly agreed. This period shall commence on the day on which the invoice is received but not, however, before the agreed delivery date or service date and not before the actual shipment of the delivery items or the provision of the service.

- 3.5 Payment shall be made by bank transfer.

- 3.6 If deliveries are faulty, Porsche shall be entitled to withhold payment pro rata by value until orderly completion.

- 3.7 Unless prior written approval is granted by Porsche (which shall not be unreasonably withheld), the Contractor shall not be entitled to assign his claims against Porsche or to arrange for such claims to be collected by third parties.

If, contrary to section 1, the Contractor cedes his claim against Porsche to a third party without Porsche's consent, the cession shall nevertheless be valid. Porsche may, however, make payment to the Contractor or the third party at his own discretion with the effect of discharging his obligations.

4. Notification of defects

Porsche must notify the Contractor in text form within 14 days of receipt of delivery of any defects in the delivery where these involve clearly recognizable defects and transport damage or identity and quantity deviations. In the case of all other defects, notification of the defects shall be deemed to be timely if this takes place within 14 days of discovering the defect.

5. Confidentiality and Information security

- 5.1 The Contracting Parties shall treat all Confidential Information within the meaning of section 5 from the other Contracting Party as confidential, protect it from access to and notice by third parties, in particular by means of appropriate technical and organizational measures, and shall not communicate or make accessible such information or any part thereof, either directly or indirectly, to third parties, and to use it exclusively in accordance with and for the purpose of the performance of the Contract and to make it accessible only to those employees who need the Confidential Information for the purpose of the performance of the Contract and who are themselves subject to a confidentiality obligation. Companies affiliated with Porsche as defined in Section 15 German Stock Corporation Act (Aktiengesetz) shall not be considered to be third parties in relation to Porsche.

"Confidential Information" shall mean any written, verbal, electronic, visual or any other tangible or non-tangible notices, documents, disclosures, materials or other information from the disclosing Contracting Party, including but not limited to data, know-how, source codes, technical and non-technical information, materials, prototypes, samples, specifications, prices and other business-related information, and any reproductions thereof, which are disclosed or otherwise made accessible to the other Contracting Party in connection with the Contract, regardless of whether these are explicitly identified as being "confidential" or "proprietary" or which must be regarded as such by reason of the disclosing Contracting Party's intention for them to be kept confidential owing to the nature of the information or for some other reason.

Information shall not be deemed Confidential Information to the extent the receiving Contracting Party can prove that such information:

- was known to the receiving Contracting Party, was generally known, or freely accessible to the public at the time it was disclosed or made accessible to the receiving Contracting Party;
- became generally known or freely accessible to the public after the time of disclosure or made accessible without any direct or indirect breach of a confidentiality obligation toward the disclosing Contracting Party;
- was disclosed or made accessible to the receiving Contracting Party by an authorized third party outside the scope of a confidentiality obligation toward the disclosing Contracting Party after the time of disclosure or making accessible;
- was created or developed by the receiving Contracting Party without using or referring to the Confidential Information of the disclosing Contracting Party;
- was expressly marked or described in text form by the disclosing Contracting Party as not confidential; or
- the receiving Contracting Party was obliged to disclose the information by virtue of judicial order or regulatory action.

The obligations under this section 5.1 shall apply for the duration of the Contract or its performance and for a period of five years thereafter.

Third parties within the meaning of this provision are not subcontractors or module/directed part suppliers involved in the project, provided that they are subject to a confidentiality obligation that corresponds with the provisions of this section 5.1, whereby disclosure of Confidential Information shall be limited to such Confidential Information that they need in order to perform their services for the receiving Contracting Party.

- 5.2 The Contracting Parties may only refer to their business relationship in advertising with prior written consent.

- 5.3 The Contractor undertakes to take state-of-the-art measures to protect with immediate effect all of Porsche's information and data, in particular Confidential Information (hereinafter "Porsche Data"), against unauthorised access, manipulation, destruction or loss, prohibited transmission or any other prohibited processing or other misuse. The full range of current recognized state-of-the-art precautions and measures must be taken to back up Porsche Data and to ensure that data stocks are at all times archived and can be restored in compliance with the law and at no risk of loss. On request of Porsche, the Contractor is obliged to have a TISAX assessment (www.tisax.de) carried out with the TISAX assessment scope specified by Porsche. Also, the Contractor should make the result available to Porsche within a reasonable period of time.

6. Delivery dates and deadlines

Agreed dates and deadlines for the respective supply contracts and supply call-offs – including reference documents in each case – are binding. The key date for determining compliance with delivery dates and deadlines shall be the date on which the delivery items are received by Porsche. If delivery "CIP to our factory" is not agreed, the Contractor shall make the delivery items ready in good time taking account of customary times for loading and dispatch.

7. Delay in delivery

The Contractor shall be obliged to compensate Porsche for damages due to delay. The Contractor shall be deemed to be late if he should exceed the delivery date agreed in the supply contracts and supply call-offs – or in the respective reference documents thereto – unless he is not responsible for exceeding the agreed delivery date. The statutory provisions relating to delay shall also apply.

8. Force majeure

Force majeure, lawful labour disputes, civil disturbances, action by official bodies and other unforeseeable, unavoidable and serious external events shall release the Contracting Parties for the duration of the problem and, to the extent affected by such occurrences, from their duties to perform. The Contracting Parties shall, wherever reasonably possible, be required to immediately provide the required information and adjust their obligations to suit the changed conditions in good faith.

9. Quality and documentation

- 9.1 The delivery items must comply worldwide, in particular in Europe (geographically), the United States (including California), Canada, Australia, New Zealand, Japan, India, Republic of South Africa, GSO States (United Arab Emirates, Saudi Arabia, Bahrain, Oman, Qatar, Kuwait), China, South Korea, Hong Kong, Taiwan, Brazil, Thailand, Mexico, Russia and EAEU (Eurasian Economic Union: Russia, Belarus, Armenia, Kyrgyzstan, Kazakhstan) with all approval regulations, the applicable safety requirements, testing regulations, environmental laws and regulations (including emissions and certification requirements as well as information reporting obligations), and identification/labeling applicable to the delivery items.

The Contractor agrees to promptly notify Porsche, the California Air Resources Board („CARB“) and the Attorney General of the State of California (the „California Attorney General“) when the Contractor providing, or performing work related to, engine control unit hardware or software has reason to believe that a Defeat Device, as defined in 40 C.F.R. § 86.1803-01 and 42 U.S.C.

- § 7522(a)(3)(B), has been included in, designed for or requested for a vehicle.
- If the subject matter of this Contract includes creating or modifying engine control unit software and that is anticipated to be the subject of any filing with CARB, the Contractor agrees to (i) disclose, in the documentation for the software, for; and to (ii) maintain a change log of, any feature, that is known or reasonably should be known to detect emissions testing or function as an AECD (Auxiliary Emission Control Device), as defined in 40 C.F.R. § 86.1803-01.
- The Contractor shall ensure that the delivery items that are the subject matter of this Contract fully comply with the environmental, material and substance requirements defined in VW 91100, VW 91101, VW 91102 and VW 50156. The Contractor must ensure that components, operating supplies and process materials which remain on the vehicle or are intended for the supply of spare parts can be used worldwide in accordance with the respective legal requirements on substances and materials (in particular chemicals, heavy metals, persistent organic pollutants and biocides). The intended uses and legal deadlines must be taken into account. Furthermore, the Contractor shall provide notification about the material composition in accordance with the requirements and deadlines specified in VW 91101 and VW 50156 and shall immediately provide notification of any changes, enquiries by governmental authorities and doubts about worldwide applicability.
- The Contractor agrees to use the most environmentally compatible, economical, and technologically state-of-the-art method for the production and recyclability and recoverability of the delivery items.
- Necessary country-specific releases (e.g. CCC-Certification) must be obtained early enough to provide the results by the time of sample inspection and/or by the deadline agreed.
- The Contractor shall ensure compliance with the requirements of the specific quality formula ("Formel Q-konkret") and the Porsche quality requirement specifications ("Q-Lastenheft") and the other applicable directives listed therein.
- 9.2 If the type and scope of inspections and the inspection equipment and methods have not been agreed between the Contractor and Porsche, Porsche is prepared, at the request of the Contractor and as far as his knowledge, experience and opportunities allow, to discuss the inspections with the Contractor to determine the level of inspection technology required in each case.
- 9.3 The Contractor shall also keep separate records in the case of vehicle parts which are specially marked, for example with "D", in the technical documentation or by special agreement. These separate records shall document when, in what way and by whom the characteristics of the delivery items subject to mandatory documentation were inspected and what the results of the required quality tests are. The inspection documentation shall be retained in accordance with the Porsche quality requirement specifications ("Q-Lastenheft") and submitted to Porsche as required. The Contractor shall impose an obligation to the same effect on subcontractors to the extent allowed by law. For guidance, reference is made to VDA Volume 1 "Documentation and archiving – Code of practice for the documentation and archiving of quality requirements".
- 9.4 If public authorities which are responsible for vehicle safety, exhaust gas regulations and the like require access to Porsche's production process and inspection documentation for the purpose of verifying certain requirements, the Contractor shall agree that, at Porsche's request, he is willing to grant public authorities the same rights in his facilities and to provide all reasonable support.
- 10. Warranty and limitation period**
- 10.1 On delivery of defective delivery items, and where the applicable statutory and the following preconditions are met, Porsche shall - unless otherwise agreed - be entitled to demand the following:
- 10.1.1 Before commencing production (processing or installation), Porsche must first give the Contractor the opportunity to reject or rectify the delivery items, wherein Porsche has the right to choose the type of rectification. If the Contractor refuses to carry out the rectification, if the rectification is unsuccessful, if Porsche does not find it reasonable or if the Contractor does not meet Porsche's requirement to carry out the rectification within a reasonable time in the individual case, Porsche shall be entitled to make further claims based on defects in accordance with section 437 No. 2 and 3 of the German Civil Code ("BGB"). Under the same assumptions, Porsche shall be entitled to rectify the defect himself or have it rectified by third parties at the Contractor's expense and risk. If Porsche is obliged to return the delivery items as a consequence of claims based on defects, Porsche shall be entitled to return the delivery items at the Contractor's risk.
- 10.1.2 If, in spite of observing the obligation according to section 4 (Notification of defects), the defect is not discovered and accordingly notified until after the commencement of production, Porsche shall likewise have the right to statutory claims based on defects and the right to remedy the defects himself in accordance with the above provisions. In particular, Porsche may demand compensation for the transport costs (including towing costs) required for the purpose of rectification, as well as dismantling and installation costs (labour and material costs) from the Contractor.
- 10.1.3 If Porsche suffers damages based on the deficiency of the delivery items supplied or on an infringement of secondary obligations (e.g. the obligation to clarify, advise or investigate), Porsche may demand compensation for damages resulting therefrom in accordance with the statutory provisions.
- Further claims due to the supply of defective delivery items arising from section 437 of the German Civil Code ("BGB") or directly from the regulations mentioned therein remain unaffected.
- 10.2 The parts which are to be replaced by the Contractor shall be made available to the Contractor by Porsche on request without delay at the expense of the Contractor.
- 10.3 Claims arising from defect liability shall lapse on expiry of 48 months from the transfer of risk unless a longer limitation period is provided by law. Notification of a defect to the Contractor shall suspend the limitation period. If the Contractor is notified of a defect within the limitation period, the Contractor shall forego any defence under the statute of limitations.
- 10.4 Claims for defects shall not arise if the fault is the result of a failure to comply with operating, maintenance and installation instructions, the result of improper or inappropriate use, incorrect or negligent handling, and natural wear and tear or the result of interference with the delivery items by Porsche or third parties.
- 10.5 In the event of defective deliveries this section 10 shall not affect Porsche's claims under product liability law, for tortious acts or for actions performed without due authority. Guarantees relating to characteristics and durability must be expressly designated in detail as such.
- 11. Liability**
- Unless alternative liability provisions are agreed elsewhere in these Terms and Conditions of Purchase, the Contractor shall be obliged to provide compensation for damages directly or indirectly incurred by Porsche as a result of defective delivery, infringement of official safety regulations or any other grounds for which the Contractor bears responsibility.
- 11.1 There is an obligation to provide compensation for damages unless the Contractor is not responsible for infringing the obligation.
- 11.2 If claims are asserted against Porsche on the basis of mandatory strict third party liability, the Contractor shall assume liability with regard to Porsche to the same extent as he would if he were directly liable. Section 426 Para. 1 P. 2 and Para. 2 of the German Civil Code ("BGB") shall apply to the compensation for damages between Porsche and Contractor. This shall also apply in the event of direct claims asserted against the Contractor.
- 11.3 Claims by Porsche shall be excluded if the damage is the result of failure to comply with operating, maintenance and installation instructions, improper or inappropriate use, incorrect or negligent handling, natural wear and tear or incorrect repair for which Porsche is responsible.
- 11.4 The Contractor shall be liable for measures which are taken by Porsche to ward off damages (e.g. recall campaigns) to the extent that the Contractor is legally obliged to do so.
- 11.5 If Porsche wishes to assert claims against the Contractor in accordance with the above provisions, Porsche shall consult with and notify the Contractor in full and without delay. Porsche shall give the Contractor the opportunity to examine the damage. The Contracting Parties shall agree on the measures to be taken, in particular in the event of settlement negotiations.
- 12. Proprietary rights**
- 12.1 The Contractor shall be liable for claims arising from the infringement of proprietary rights and applications to register such rights (proprietary rights) committed when delivery items are used in accordance with the Contract where at least one of the family of proprietary rights has been published in the Contractor's own country, by the European Patent Office or in the Federal Republic of Germany, China, France, the United Kingdom, Austria or the USA, or when existing third party rights impede the undisturbed use by Porsche.
- 12.2 The Contractor shall indemnify Porsche and his customers against all claims from the use of such rights unless he was not aware of and could not be expected to be aware of the conflicting proprietary rights of the third parties.
- 12.3 This shall not apply if the Contractor has manufactured the delivery items in accordance with drawings, models or other equivalent descriptions or information produced and furnished by Porsche and either is not aware of, or in connection with the products developed by him, cannot be expected to be aware that proprietary rights are affected thereby.
- 12.4 The Contracting Parties undertake to inform each other immediately of any infringement risks or alleged cases of infringement of which they become aware and to give each other an opportunity to mutually prevent any claims based on these from arising.
- 12.5 At Porsche's request, the Contractor shall inform the latter of any use of its own and licensed, published or unpublished, proprietary rights or applications for such rights with respect to delivery items.
- 13. Use of free and open source software**
- 13.1 Definition of free and open source software
"Free and open source software" or "FOSS": Software which
- 13.1.1 is licensed and released on terms that meet the requirements of the "Open Source Definition" (<https://opensource.org/osd>) of the "Open Source Initiative" and is therefore licensed and distributed free of charge by its copyright holders also in source code form to be used in any way by anyone, and/or
- 13.1.2 is licensed on terms which have been recognized on the websites of the "Open Source Initiative" and/or the "Free Software Foundation" as free software licenses or open source software licenses, and/or
- 13.1.3 is offered as public domain software.
- 13.2 Preconditions for the use of FOSS
FOSS may only be used in products, technologies and services (including hardware with integrated software) which are distributed, licensed, transferred or otherwise made available to Porsche or which have been developed for Porsche (hereinafter "delivery items") if all the license requirements for the FOSS in use are met and all the following terms are complied with:
- 13.2.1 The Contractor must not make use of FOSS in the delivery items in any way that would cause a copyleft effect on pre-existing proprietary software or software newly developed as part of the Contract. This does not apply to modifications made in existing FOSS components (e.g. bug fixes and modifications to specific hardware) and individual cases that Porsche agreed upon.
- 13.2.2 The Contractor must not use any FOSS with license terms which require that the user must be able to install or execute modified software on hardware with integrated software (so-called embedded system, in particular motor vehicles), unless the Contractor has the confirmed information by Porsche that the software provided by the Contractor will not be used on such an embedded system with technical security mechanisms (e.g. signature procedure).
- 13.2.3 The Contractor undertakes to complete the FOSS declaration (located under https://www.vwgroupsupply.com/one-kbp-pub/de/kbp_public/information/procurement_conditions_new/porsche_ag.html) truthfully and confirms by signing it that any FOSS is used in compliance with the licenses and complies in full with the stipulations of the FOSS declaration.
- The requirements set out in this section 13.2 also apply, without further notice or request by Porsche, to every update of the software used in the delivery items, regardless of the form in which the software (such as source code, binary, software as a service, container) is provided.
- 13.3 Confirmation
Irrespective of any other rights of Porsche, the Contractor guarantees to Porsche that it will comply with the stipulations in section 13.2 and all requirements arising from the relevant licenses for all FOSS used by the Contractor for delivery items, that the delivery items do not contain any further FOSS and that there is no other copyright infringement.
- 13.4 Legal consequences and compensation
In the event that the Contractor fails to comply, or fails to comply in good time, with (i) the license terms for the FOSS included in or any other copyright provisions concerning the delivery items, and (ii) the preconditions and confirmations given in sections 13.2 and 13.3, the Contractor undertakes the following:
- 13.4.1 If FOSS is used in delivery items in a way which does not comply with licenses the Contractor shall exchange such software promptly at its own cost for other software components which can be used without infringing license terms or applicable copyright law.
- 13.4.2 The Contractor must reimburse Porsche for all costs, expenses and damages incurred and resulting from non-compliance or delayed compliance.

- A lack of one of the confirmed issues in section 13.3 will be deemed a material breach of contractual obligations and the delivery items will be deemed defective as a result.
- 14. Use of production equipment and confidential information provided by Porsche**
Models, molds, templates, samples, tools and other production equipment, including confidential information, which Porsche makes available to the Contractor or which is paid for in full by Porsche, shall, unless otherwise agreed in a separate agreement between Porsche and the Contractor, only be used in deliveries to third parties with the prior written consent of Porsche.
- 15. Retention of title**
The Contractor reserves the right to the ownership of all delivery items supplied by him until the delivery concerned has been paid for in full. Other forms of retention of title shall not be recognized by Porsche.
- 16. Deployment of staff and minimum wage**
16.1 Before the start of contractual performance the Contractor is required to screen for terrorist activity all persons who are deployed at Porsche's factory premises to perform the contractual service. Therefore, the last name, first name, date and place of birth are to be verified against sanctions lists pursuant to Council Regulations (EEC) No. 2580/2001, No. 881/2002 and No. 753/2011 as well as any amendment to the lists of names which have been or will be issued by the European Commission. The check has to be repeated periodically, but as a minimum once per year. Porsche has the right to request proof from the Contractor that the appropriate verifications have been performed. If the Contractor is AEO-certified (AEO C/S or at least AEO S), i.e. authorized economic operator, the obligations under section 16.1 are deemed to be fulfilled.
16.2 The Contractor shall undertake to pay its employees at least the statutorily prescribed or contractually agreed minimum wage.
Further, the Contractor shall undertake only to employ such subcontractors that likewise contractually undertake to pay at least the legally prescribed or contractually agreed minimum wage to their employees. The Contractor shall place the subcontractors instructed by it under this obligation.
In the event of an infringement of the provisions of the Minimum Wage Act (*MiLoG*), the Contractor shall undertake to comprehensively indemnify and hold harmless Porsche from and against any and all obligations associated with such an infringement and also to compensate Porsche for any damages resulting from a culpable infringement.
The same obligation shall apply to the Contractor if a subcontractor instructed by him should infringe the provisions of the Minimum Wage Act (*MiLoG*).
If a claim should be made against Porsche by an employee of the Contractor for payment of the statutory minimum wage, the Contractor shall undertake to provide to Porsche all information necessary for the defence against the claim and any action for payment. This shall also apply following termination of the contractual relationship between Porsche and the Contractor. The Contractor shall guarantee to place subcontractors instructed by it under this obligation and to pass the necessary information to Porsche without delay if an employee of the subcontractor lodges claims against Porsche.
- 17. Data Protection and Attribution of data**
17.1 In case the Contractor has access to personal data while performing the Contract, the Contractor shall observe all applicable laws and regulations on data protection and privacy. In particular, the Contractor shall only process personal data as required by the contractual obligations (specification of purpose), shall make sure that the Contractor's employees only have access to personal data to the extent strictly required, and shall commit the Contractor's employees to data secrecy in writing as well as instruct the Contractor's employees on applicable laws and regulations on data protection and privacy and submit proof to Porsche upon request. In case of commissioned data processing by the Contractor on Porsche's behalf, the Contracting Parties shall – before the Contractor receives access to the personal data from Porsche – execute the required data protection agreement that Porsche provides in the respective context (particularly an agreement on commissioned data processing). The Contractor warrants that the processing of personal data that are allocated to Porsche or Porsche's customers is only conducted in the territory of the Federal Republic of Germany, a Member State of the European Union or a Member State of the Agreement on the European Economic Area. Derogations from this provision shall be agreed upon by Porsche and the Contractor in writing.
17.2 The contractual services must be provided in compliance with the requirements for data protection by design and by default (Article 25 General Data Protection Regulation (*DSGVO*)), to the extent that these requirements are applicable to the contractual services. In this case, the Contractor will provide Porsche with documentation of implementation of these requirements upon request and ensure that the principles relating to processing of personal data (Article 5 General Data Protection Regulation (*DSGVO*)) can be fulfilled during the intended use of the contractual services.
- 17.3 The Contractor acknowledges that all data created at Porsche, the Contractor, the end customer or another third party from or in connection with use of the subject of the Contract shall be attributed to Porsche, if the end customer or another third party is not entitled to it under prevailing law. The Contractor shall not claim ownership of or any other rights to this data and shall not use the data in particular for big data purposes, such as for collecting data, creating databases or conducting data analyses. The right of the Contractor to use the data for fulfilling this Contract, where it is required for that purpose, shall remain unaffected.
- 18. Compliance and sustainability**
18.1 The Contractor shall take all necessary and appropriate measures to combat corruption and avoid any other violation of the law, in particular violations of the provisions against antitrust law, competition law, environmental protection law, customs and foreign trade law and of employees' rights. The Contractor shall take the appropriate organizational (including, but not limited to, appropriate legal or contractual) measures to prevent his legal representatives, employees, subcontractors, consultants or other third parties acting on his behalf from becoming liable to prosecution for committing or failing to act in light of, for example, bribery, corruptibility, granting of undue benefits, acceptance of undue benefits, money laundering, fraud or embezzlement.
18.2 In the event of an infringement of these obligations relating to the performance of this Contract, or if sufficient reason exists to suspect such an infringement in relation to this Contract, the Contractor must inform Porsche without undue delay and inform Porsche which measures he is taking to remedy such infringement and prevent future violations. If the Contractor fails to inform Porsche without undue delay or to take appropriate remedial measures within 60 days of learning of the situation, Porsche shall be entitled to end the entire business relationship by extraordinary termination immediately. Porsche has a right to waive such consequences and instead to take measures if the Contractor assures Porsche in a credible manner and can prove that it has taken countermeasures without undue delay to prevent future breaches of a similar nature.
18.3 The Contractor shall indemnify, defend, and hold Porsche, its directors, officers, agents and employees harmless from any and all claims, causes of action, losses, damages, liabilities, costs and expenses, including attorneys' fees, to the extent arising from any breach of the obligations under this section; provided, however, that the Contractor shall not be obligated to indemnify, defend, or hold harmless Porsche to the extent arising from negligent or intentionally wrongful acts of Porsche or anyone for whom Porsche is responsible.
18.4 If Porsche or a public authority requires access to the production process and/or the service provision process and the contractor's documents and processes related to an order in order to verify compliance with specific requirements, the Contractor shall allow such an evaluation and/or audit in his division and provide all reasonable support.
18.5 The "Requirements of the Volkswagen Group Regarding Sustainability in its Relationships with Business Partners (VW Code of Conduct for Business Partners)" available at www.vwgroupsupply.com also apply if contracted through VW Group Supply platforms "Star" and "Globe". In all other cases, the terms and conditions of the Porsche Code of Conduct for Business Partners available at www.porsche.com/compliance/overview apply.
- 19. General provisions**
19.1 If one of the Contracting Parties ceases payments or if an application is made for commencement of insolvency proceedings on its assets or for out-of-court settlement proceedings, the other Contracting Party will be entitled to revoke the portion of the Contract not yet executed. This shall also apply accordingly if the economic position of a Contracting Party deteriorates in such a way as to seriously jeopardize fulfilment of the Contract.
19.2 The place of performance is the registered office of Porsche. Alternative provisions may be agreed for the delivery itself.
19.3 If one of the provisions of these Terms and Conditions of Purchase and of additional agreements is or becomes ineffective, this shall not affect the validity of the remaining provisions. The Contracting Parties are obliged to negotiate in good faith a rule which replaces the ineffective provision. The same shall apply in the event of a lacuna.
19.4 The law of the Federal Republic of Germany shall apply exclusively. The application of the terms of UN Trade Law (United Nations Convention on Contracts for the International Sale of Goods) of April 11, 1980 shall be excluded.
19.5 The exclusive place of jurisdiction is the registered office of Porsche; whereby Porsche reserves the right to assert claims at the court of the Contractor's registered office.
19.6 These Terms and Conditions of Purchase are produced in German and English. In the event of contradictions and discrepancies between the German and the English version the German version shall prevail.