Terms of Purchase for Production Material AUDI AG
Edition May 2026

1. Governing terms

1.1 The legal relationship between AUDI AG (hereinafter “Audi“) and the supplier is governed by these Terms and Conditions of Purchase and any additional agreements made in writing, including any amendments and additions.
1.2 The supplier’s terms and conditions shall not apply even if they have not been expressly rejected in a particular instance.

2. Contract Implementation

2.1 Delivery contracts as well as any amendments and additions thereto must be concluded in writing or via an electronic system provided by Audi for this purpose. Delivery call-offs may also be placed via remote data transmission.
2.2 Orders are binding on the supplier if the supplier does not object within two weeks of receiving them. The objection has no effect insofar as the order is in accordance with the contract. If the supplier objects to an order which deviates from the contract, the supplier’s delivery obligation shall remain unaffected. In the absence of a binding order, the conditions from the previous order shall continue to apply for the interim.
2.3 Delivery call-offs become binding at the latest if the supplier does not object within two weeks of receipt. The objection has no effect if the delivery call-off is in accordance with the contract, in particular if it is within the contractually agreed capacities.
2.4 If the delivery item is intended for use in a plant of VW AG, the deliveries will be called off and paid for by that plant.
2.5 Audi may demand changes to the design and construction of the delivery item within the bounds of what is reasonable for the supplier. The effects, in particular with regard to additional and reduced costs as well as delivery dates, shall be settled by an appropriate mutual agreement.

3. Payments

3.1 Payment is conditioned on the receipt of a proper and verifiable invoice. Payment will be made 30 days after receipt of the delivery or service or, if Audi receives an invoice from the supplier only after receipt of the delivery/service, 30 days after receipt of this invoice, by crediting the corresponding amount to the account on file with Audi for the supplier. If early deliveries are accepted, the due date shall be determined by the agreed delivery date.
3.2 Payment will be made by bank transfer or check. The supplier will be informed of the account balance in the payment advice. Audi must be notified immediately of any discrepancies.
3.3 In the event of defective or faulty delivery, Audi is entitled to withhold payment in proportion to the value until proper fulfillment.
3.4 The supplier is not entitled to assign its claims against Audi or have them collected by third parties without the prior written consent of Audi, which may not be unreasonably withheld. If the supplier assigns its claim against Audi to a third party without the consent of Audi contrary to sentence 1, the assignment shall nevertheless be valid. However, Audi may, at its own discretion, make payment to the supplier or the third party with discharging effect.

4. Notification of defects

Audi shall notify the supplier in writing and without undue delay of any defects in the delivery as soon as they are discovered in the course of the operation of a properly organized business. To this extent, the supplier waives the objection of delayed notification of defects.

5. Confidentiality

5.1 The contracting parties shall treat all not generally known commercial and technical details of which they gain knowledge through the business relationship as confidential within the meaning of the German Trade Secrets Protection Act (GeschGehG), ensure their confidentiality and use them exclusively for the implementation of the contract (including the enforcement of possible warranty and liability claims and the pursuit of other contractually stipulated purposes).
5.2 Drawings, models, jigs and templates, samples and similar objects may not be provided or otherwise made accessible to unauthorized third parties. The reproduction of such objects is only permitted within the bounds of operational requirements and copyright regulations.
5.3 Corresponding obligations shall be imposed on sub-suppliers.
5.4 The contracting parties may use their business relationship for advertising purposes only with prior written consent.

6. Delivery dates and deadlines / shipping terms

Agreed dates and deadlines are binding. The relevant date for determining compliance with delivery dates and deadlines shall be the date on which the delivery items are received by Audi. The supplier must make the goods available in good time, taking into account the usual time for loading and shipping.

Deliveries shall be handled in accordance with Audi’s instructions. The INCOTERMS govern all trade terms.

7. Delays in delivery

The supplier shall compensate Audi for damage caused by the supplier being in default. The supplier shall be deemed in default if the delivery date agreed in the delivery contracts and delivery call-offs – or in the respective annexes thereto – is exceeded, unless the supplier is not responsible for exceeding the agreed delivery date. In all other respects, the statutory rules on default shall apply.

8. Force Majeure

Force majeure, lawful labor disputes, civil unrest, measures by government authorities and other unforeseeable, external and also not in a reasonable manner avoidable, serious events release the contracting parties from their performance obligations for the duration of the disruption and to the extent of its effects. The contracting parties are obliged to provide the necessary information without undue delay within the bounds of what is reasonable and to adapt their obligations to the changed circumstances in good faith.

9. Quality and documentation

9.1 The supplier must comply with accepted engineering standards, safety rules and the agreed technical specifications for its deliveries. Modifications of the delivery item require Audi’s prior written consent. For guidance on first sample testing, see the VDA publication “Volume 2, Quality Assurance for Supplies, Production Process and Product Approval (PPA)”. The supplier may not commence series production delivery until Audi has approved the sample parts. Notwithstanding, the supplier must continuously inspect the quality of the delivery items. The contracting parties will inform each other of the possibilities for improving quality.
9.2 If the type and scope of inspections and the inspection equipment and methods have not been firmly agreed between supplier and Audi, Audi is prepared, at the supplier’s request and within the bounds of its own knowledge, experience, and resources, to discuss the inspections with the supplier in order to determine the level of testing and inspection technology required in each individual situation. If requested, Audi will also inform the supplier about the relevant safety requirements. For further information on measurement and inspection processes, see the VDA publication “Volume 5, Capability of Measurement Processes, Capability of Measuring Systems.”
9.3 9.3 With regard to characteristics that have been specially marked or designated in the technical documents or by separate agreement, e.g. with the letter “D”, the supplier must in addition keep special records showing when, in what manner, and by whom the delivery items were tested and inspected with respect to the special characteristics and recording the results of the required quality testing. The testing and inspection documentation must be retained for at least fifteen years and provided to Audi when needed. To the extent legally possible, the supplier must impose corresponding obligations on its sub-suppliers. For documentation and archiving, see the VDA publication “Volume 1, Documentation and Archiving – Code of Practice for the Documentation and Archiving of Quality Requirements and Quality Records” as well as the VDA publication “A process description covering special characteristics (SC).”
9.4 Should any governmental agency with authority regarding vehicle safety, emissions standards, or the like wish to verify certain requirements by examining Audi’s production processes and its testing and inspection documentation, the supplier agrees that, at Audi’s request, it will accord such agencies with respect to itself the same rights as are enjoyed by Audi and will give them all reasonable support.

10. Liability for defects and limitation period

10.1 On delivery of defective delivery items Audi is entitled to demand the following if the applicable statutory and the following preconditions are met and unless otherwise agreed:
10.1.1 If production (machining or installation) has not yet commenced, Audi must first give the supplier the opportunity to sort out and rectify the delivery items, wherein Audi has the right to choose the type of rectification. If the supplier refuses to carry out the rectification, if the rectification attempt is unsuccessful, if it is not reasonable for Audi, or if the supplier does not carry out Audi’s demand for rectification within a time that is reasonable in the individual case, Audi is entitled to further claims for defects in accordance with section 437 No. 2 and 3 of the German Civil Code (“BGB”). Under the same conditions, Audi is entitled to rectify the defect itself or have it rectified by third parties at the expense and risk of the supplier. In the event that Audi is obliged to return the delivery items as a consequence of claims for defects, Audi is entitled to ship the delivery items back at the supplier’s risk.
10.1.2 In the event that despite observing the obligation according to section 4 (Notification of defects) the defect is not discovered and notified until after the commencement of production, Audi shall likewise be entitled to the statutory claims for defects and the right to remedy the defects itself in accordance with the above provisions. In particular, Audi may demand compensation for the transport costs (including towing costs) required for the purpose of rectification, as well as dismantling and installation costs (labor and material costs) from the supplier.
10.1.3 In the event Audi suffers damages due to the defectiveness of the delivered delivery items or due to a breach of ancillary obligations (e.g. a duty to inform, advise or inspect), Audi may demand compensation for the resulting damage in accordance with the statutory provisions. Further claims due to the delivery of defective delivery items arising from section 437 BGB or directly from the provisions mentioned therein remain unaffected.
10.2 The parts to be replaced by the supplier shall be made available to the supplier by Audi without undue delay upon request and at the supplier’s expense.
10.3 Claims arising from liability for defects shall become statute-barred at the expiry of 48 months from the transfer of risk unless a longer limitation period is provided for by law.
10.4 The notification of a defect to the contractual partner leads to the suspension of the limitation period. If a defect has been notified to the contractual partner within the limitation period, the contractual partner waives the objection of limitation.

10.5 Claims for defects shall not arise if the fault is attributable to a failure to comply with operating, maintenance and installation instructions, unsuitable or inappropriate use, incorrect or negligent handling, natural wear and tear or interference with the delivery item by Audi or third parties.
10.6 In the event of defective deliveries, Audi's claims under the Product Liability Act, claims for tortious acts or claims for actions performed without due authority remain unaffected by this section 10. Guarantees of characteristics and durability must be expressly and specifically designated as such.

11. Liability

Unless alternative liability provisions are agreed elsewhere in these Terms and Conditions of Purchase, the supplier shall be obliged to compensate Audi as follows for damages incurred by Audi as a result of defective delivery, infringement of official safety regulations, infringement of other applicable official regulations and laws (e.g. duties of care and cooperation regarding the prevention of human rights and/or environmental risks), or any other grounds attributable to the supplier.
11.1 There is an obligation to compensate damages unless the supplier does not bear responsibility for the breach of duty.
11.2 If claims are asserted against Audi on the basis of strict liability which cannot be disclaimed with respect to third parties, the supplier shall assume liability towards Audi to the extent that it would also be directly liable. Section 426 (1) sentence 2 and Section 426 (2) BGB shall apply to the settlement of damages between Audi and the supplier. This shall also apply in the event of a direct claim being asserted against the supplier.
11.3 Claims by Audi are excluded insofar as the damage is caused by a failure to comply with operating, maintenance and installation instructions, unsuitable or improper use, faulty or negligent handling, natural wear and tear or faulty repair attributable to Audi.
11.4 The supplier is liable for measures taken by Audi to avert damages (e.g. recall campaigns) to the extent the supplier is legally obliged to do so.
11.5 Audi will inform and consult the supplier without undue delay and comprehensively if Audi intends to assert a claim against the supplier in accordance with the above provisions. Audi shall give the supplier the opportunity to investigate the damaging event. The contracting parties shall agree on the measures to be taken, in particular in case of settlement negotiations.
11.6 In addition to compensation for its own losses, Audi may claim compensation for losses incurred by companies involved in the implementation of the contract by payment to itself as if the losses were Audi's own losses, if and to the extent that the company involved in the implementation of the contract does not itself assert the same losses against the supplier.
11.7 Companies commissioned by the supplier (hereinafter: Subcontractors) shall be deemed to persons of whose services the Supplier avails itself in order to perform its obligation (§ 278 BGB).

12. Third party Intellectual property rights

12.1 The supplier shall be liable for claims arising from the infringement of industrial property rights or copyrights (hereinafter collectively "Intellectual Property Rights") when the delivery items are used in accordance with the contract.
12.2 The supplier shall indemnify and hold Audi harmless from and against any and all liabilities, costs, damages, claims and expenses (including court and legal costs as well as costs arising from settlements of such claims and lawsuits) incurred by Audi with regard to a claim or legal action of a third party against Audi (including its customers) concerning the delivery items, their manufacturing process, or their use by Audi infringing Property Rights of such third party, and at its own expense, assist Audi in the defence.
12.3 The obligations in clause 12.2 shall not apply if the supplier proves that it is not responsible for the infringement of the third-party Property Rights.
12.4 The supplier shall notify Audi of any known risks of infringement and alleged cases of infringement with regard to the delivery items without undue delay upon their occurrence.
12.5 The limitation period for Audi's claims under clauses 12.1 and 12.2 shall be three years. The limitation period shall commence at the end of the year in which the claim arose and Audi became aware of the circumstances giving rise to the claim and of the identity of the debtor or should have become aware thereof without gross negligence. Any longer statutory limitation periods shall have priority.

13. Use of production equipment and confidential information provided by Audi

Models, molds, jigs and templates, samples, tools and other production equipment as well as confidential information which Audi makes available to the supplier or which are paid for by Audi in accordance with the contract, shall, unless otherwise agreed in a separate agreement between Audi and the supplier, be used for deliveries to third parties only with the prior written consent of Audi.

14. Retention of title

The supplier retains title to all delivery items supplied by the supplier until full payment of the delivery in question. Other forms of retention of title shall not be recognized by Audi.

15. General provisions

15.1 Any rights to refuse performance and rights of retention of the supplier are excluded unless the supplier's counterclaims arising from the same legal relationship have been legally established with binding effect, are not disputed or have been acknowledged by Audi.

15.2 If one of the contracting parties ceases to make payments as they fall due 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 rescind the portion of the contract not yet performed. This shall apply accordingly if the economic position of a contracting party deteriorates in such a way as to seriously jeopardize fulfilment of the contract.
15.3 Should a provision of these Terms and Conditions and the additional agreements be or become invalid, this shall not affect the validity of the remaining provisions. The contracting parties are obliged to replace the invalid provision with a provision that comes as close as possible to the invalid provision with regard to its economic effect. The same shall apply in the event of a regulatory gap.
15.4 Unless otherwise agreed, the law of the Federal Republic of Germany shall apply exclusively.. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 is excluded.
15.5 The place of performance is the registered office of Audi. Alternative provisions may be agreed for the delivery itself.
15.6 The place of jurisdiction for all legal actions arising from or in connection with the supply relationship shall be the registered office of Audi. This place of jurisdiction shall be exclusive for the supplier. Audi is also entitled to bring actions arising from or in connection with the supply relationship before any other competent court. In addition, Audi may bring actions against the supplier jointly with companies affiliated with Audi (Sections 15 et seq. German Stock Corporation Act (Aktiengesetz)) in Wolfsburg or Stuttgart if one of the parties to the dispute bringing the action jointly with Audi ("Streitgenossenschaft") has its registered office there.

Instructions for shipping documents and invoicing forms

If so agreed, settlement between the supplier and Audi is carried out by means of credit notes. Information on this procedure is available from Audi. If no settlement using credit notes has been agreed, an invoice must be issued for each and every delivery note. The prescribed invoicing forms must be completed in full and must state in particular the supplier number and the number of the delivery note.
The invoices are to be submitted separately from the goods only to Ingolstadt, in the case of clause 2.4 only to Wolfsburg. Empties not marked on the delivery bills (identification code) shall become the property of Audi without charge.