

OEM Component Supply Agreement · Bosch × [OEM Buyer]

OEM supply · Buyer side · Counterparty: Robert Bosch GmbH

OVERALL VERDICT

LOW · Score 82/100

Zusammenfassung

Standard German-law OEM component supply agreement. Balanced on liability, warranty, and delivery obligations. Two commercial clauses to redline — price-adjustment mechanism (buyer-unfavorable) and volume commitment (no floor). Otherwise cleanly drafted and industry-standard for automotive-tier supply.

1. Price adjustment — 'Supplier may adjust prices annually with 60 days notice'

SEVERITY: MEDIUM

Unilateral supplier right to reprice annually with only 60 days notice. Buyer has no cap, no benchmark tie, and no right to counter-audit the cost basis. Puts the buyer's downstream OEM commitments at risk if input prices spike.

Redline: Add annual cap (e.g., CPI + 3%), require documented cost-driver disclosure, and give buyer 90-day termination right if adjustment exceeds cap.

2. Volume commitment — 'No minimum volume floor'

SEVERITY: MEDIUM

No committed floor volume. Buyer is exposed to capacity being redirected to higher-priority customers. Standard risk for tier-2 accounts in Bosch's Mobility Solutions procurement.

Redline: Add rolling 6-month capacity reservation with buyer-favorable rollover, OR premium pricing tier that guarantees priority-supply status.

3. Warranty — 'Standard 24-month warranty on defects'

SEVERITY: LOW

Industry-standard warranty terms, clearly scoped to manufacturing defects, with reasonable RMA process. No changes needed.

4. Liability cap — '2x annual contract value'

SEVERITY: LOW

Above industry median for OEM component supply. Adequate for typical failure scenarios; gross-negligence + wilful-misconduct carve-outs already included.

5. Governing law — 'German law, jurisdiction Stuttgart'

SEVERITY: INFO

Standard for German OEM component contracts. For non-EU buyer, consider requesting ICC arbitration seat in Zurich or Paris as an alternative escalation path.