

Vibracoustic
General Terms and Conditions of Purchase
(valid as from 1 February 2020)

1. Scope of Application, Definitions

- 1.1 These General Terms and Conditions of Purchase ("**Conditions of Purchase**") of Vibracoustic ("**we**"; "**us**"; "**our**") shall apply, unless expressly stated otherwise or amended by mutual written agreement, exclusively to all purchase contracts ("**Contract**" and "**Contracts**") of all our affiliates, legal entities under public law and special funds under public law and to all orders ("**Orders**") placed and Contracts concluded with suppliers ("**Supplier(s)**"), governing the purchase of goods, materials, services and work performances (collectively, "**Goods**") and their delivery ("**Delivery**"). Our Conditions of Purchase have the content as qualified by way of the respectively applicable country annexes which are contained in Clauses 20-21 of these Conditions of Purchase and which shall - in case of any discrepancies - prevail over these Conditions of Purchase. Any terms and conditions set out by Suppliers, especially if those terms conflict with or deviate from our Conditions of Purchase, will not be accepted and shall not be binding on us, unless the application of such terms and conditions has been expressly approved by us in writing. These Conditions of Purchase shall also be exclusively valid if we do not object to the incorporation of our Supplier's conditions in a particular case or if, even in recognition of contrary or supplementary terms and conditions of Supplier, we accept its Delivery and/or pay Supplier's invoice without reservation.
- 1.2 These Conditions of Purchase shall also apply to all prior negotiations once the Contract is entered into. These Conditions of Purchase also apply to all future business relations with Supplier, even if not explicitly and separately stipulated.
- 1.3 There are no oral side agreements to these Conditions of Purchase between the parties. Supplier agrees not to assign or delegate the performance of its duties hereunder without our prior written consent.
- 1.4 If any Clause of these Conditions of Purchase is or becomes invalid or unenforceable, the validity of the remaining stipulations shall not be affected. In such case, the invalid or unenforceable provision(s) shall be replaced by lawful provision(s) coming as close as possible to the purpose pursued by the invalid or unenforceable provision(s). The same shall apply in case of an omission.
- 2. Completion of Contract, Orders, Changes of Process**
- 2.1 Any Contract with a Supplier and all Orders shall be considered binding on us only if they are set down in writing. Any modification, addition or subsidiary agreement before, at or after the conclusion of the Contract also requires our written consent. The requirement of written form may only be waived in written form itself. Fax, email or remote data transmissions shall be tantamount to written form unless the provisions of law require another specific form for the validity and effectiveness of a particular action.
- 2.2 If Supplier does not accept our Order within two (2) weeks of receipt in writing (email is sufficient), we shall be entitled to revoke the Order. Delivery on call shall be binding unless Supplier objects within three (3) working days of receipt. Any deviation from, modification of or supplement to our Orders shall only be effective if explicitly and separately indicated as deviation, modification or supplement and expressly approved by us in writing. If Supplier delivers to us without prior

confirmation of the Order, Supplier shall be deemed to have accepted the terms of the Order as well as these Conditions of Purchase.

- 2.3 For the purpose of initiating Contracts, we will send a letter of inquiry (*i.e.*, a request for quote) to Supplier. Upon receipt, Supplier is obliged to check such letter for any defects, deficiencies or misconceptions (*e.g.*, requirements under product liability or environmental law, accident prevention requirements, technical standards, regulatory obligations, practicality in technical terms, etc.) and notify us in its offer accordingly and specify the relevant product information without further request no later than upon Delivery. In no way does our approval of any documentation (*e.g.*, designs, drawings, etc.) release Supplier from its warranty or liability hereunder.
- 2.4 The trade terms will be construed in line with the INCOTERMS issued by the International Chamber in Paris, 2020 edition.
- 2.5 All Goods are to be packaged and processed by Supplier according to the provided purchase specifications. In the event Supplier intends to deliver any new or changed Goods, Supplier shall, at our request, provide samples of such Goods to us prior to the Delivery. After approval of samples or purchase specifications, further alterations of the Goods themselves (*e.g.*, material, function, appearance, etc.), their production methods or changes in process (*e.g.*, manufacturing location, subcontractors, material suppliers, etc.) are not allowed without our express written approval. Our final approval of samples does in no way affect our rights under these Conditions of Purchase or statutory law, as applicable.

3. Audit, Quality Assurance

- 3.1 Supplier shall, upon our request, prior to the start of a business relation with us participate in a qualification audit ("**Audit**"), which shall be executed by way of an on-site review of Supplier's facilities by members of our Global Purchasing department. We will provide written notice to Supplier of any unsatisfactory condition detected in the course of such Audit and, within two (2) weeks after receipt of such notice, Supplier shall provide a response in written form to us.
- 3.2 Supplier shall during the entire business relation maintain a quality management system according to DIN EN ISO 9001:2008 or IATF 16949: 2016 that ensures the proper quality of Deliveries, monitors the systems by internal audits in regular intervals and promptly take action if any deviation has been detected. Supplier shall also implement an environmental management system according to ISO 14001 and if not yet implemented Supplier shall take all efforts to set up such environmental management system. Supplier shall report on its efforts on our request. We shall have the right to inspect Supplier's quality assurance and environmental management system with prior notice. At our request, Supplier shall permit us to examine certification and audit reports as well as inspection procedures including all test records and documents relevant to the Delivery.
- 3.3 Part of any Order placed by us or Contract between us and Supplier shall include our "*Quality Assurance Measures for Procurement of Purchased Parts*", as amended from time to time and published at our website www.vibracoustic.com (under Downloads - Supplier's Documents. By accepting any Order placed by us or by entering into any Contract with us, Supplier declares to have read the "*Quality Assurance*

Measures for Procurement of Purchased Parts”, to have full and complete understanding of its contents, effects and consequences and to accept to comply with the referred measures.

- 3.4 Supplier is obliged to review and comply at all times with our respectively effective quality system requirements that are being periodically updated, revised and amended by us, and which may be made available at our website www.vibracoustic.com/contact/downloads or be published by us in any other form and made accessible to Supplier; as well as to comply with additional requirements upon which both parties mutually agree in writing.

4. Delivery, Dates of Delivery, Delivery Time

- 4.1 Delivery dates specified in the Contract or the Order or otherwise agreed upon are binding and must be strictly met. The delivery date is defined as the date the Deliveries are received at our manufacturing plant specified in the Contract or Order. Supplier shall promptly notify us in writing of emerging delays in meeting Delivery dates and deadlines, explaining the reasons for the delay and specifying how long the delay is expected to last.

In addition to other rights and remedies we may have in the event of Deliveries after the agreed Delivery date, we may choose to cancel the delayed Order without any obligation or liability and contract a third party instead of Supplier.

- 4.2 If Supplier is unable to produce, sell or deliver any Goods or perform any services covered by the Contract, or we are unable to accept delivery, buy or use any Goods or services covered by the Contract, as a result of an event or occurrence beyond the reasonable control of the affected party and without such party's fault or negligence, then any delay or failure to perform under the Contract that results from such event or occurrence will be excused for only so long as such event or occurrence continues, provided, however, that the affected party gives written notice of each such delay (including the anticipated duration of the delay) to the other party as soon as possible after the event or occurrence (but in no event more than seventy-two (72) hours thereafter). Such events and occurrences may include, by way of example and not limitation, natural disasters, fires, floods, windstorms, severe weather, explosions, riots, wars, sabotage and power failures. However, Supplier's inability to perform as a result of or delays caused by, Supplier's insolvency or lack of financial resources will not excuse Supplier's performance under the Contract. The change in cost or availability of materials or components based on market conditions, Supplier or its suppliers' actions, customs duties and expenses (including tariffs), or contract disputes or any labor strike or other labor disruption applicable to Supplier or any of its subcontractors or suppliers will not excuse Supplier's performance under the Contract (under theories of force majeure, commercial impracticability or otherwise), and Supplier assumes these risks. During any delay or failure to perform by Supplier (including a force majeure event), we may (i) purchase substitute goods or services from other available sources, in which case the quantities under the Contract will be reduced by the quantities of such substitute goods or services, without liability to Supplier, and Supplier will reimburse us for any additional costs to us of obtaining the substitute goods or services compared to the prices set forth in the Contract and/or (ii) have Supplier provide substitute goods or services from other available sources in quantities and at times we request and at the prices set forth in the Contract. If Supplier fails to provide adequate assurances that any delay will not exceed thirty (30) days within forty-eight (48) hours of our request for such assurances, or if any delay lasts more than thirty (30) days, we may terminate the Contract without any liability to Supplier whatsoever.
- 4.3 Deliveries by installments and premature Deliveries shall be allowed only with our express prior written consent. Upon our request, Supplier will halt shipments and Deliveries for specified periods. We cannot be held liable for manufacture of Goods by Supplier in advance of the agreed schedule.

Delivery of excess quantities does not oblige us to take, store or maintain such excess quantities but can be responded to by returning any such excess quantities to Supplier at its expense. Payment claims, however, shall be due no earlier than on the Delivery date that has originally been agreed upon.

- 4.4 Unless otherwise agreed upon, Deliveries must be accompanied by a Delivery note and a works test certificate according to EN 10204:2004 or any other equivalent internationally recognized test certificate specifying the details as mutually agreed upon with Supplier. An initial sample test report must be furnished with first-time Deliveries.
- 4.5 On-site Deliveries are only possible at previously arranged times.
- 4.6 In case of delayed Delivery we shall be entitled to impose a contractual penalty of 1% as liquidated damages for each commenced week of delay, but no more than a total of 5% of the Order value, while Supplier shall have the right to furnish evidence that no or only slight damage was caused. The right to assert additional damages shall be reserved. We shall be obligated to declare a reservation of contractual penalty no later than upon payment of the invoice following the delayed Delivery.
- 4.7 An unreserved acceptance of delayed Deliveries does not imply a waiver from our right to claim damages based on such delay. Any additional legal or equitable rights will remain unaffected. In particular, we reserve the right to claim damages exceeding the amount of the liquidated damages.
- 4.8 If not agreed otherwise each delivery shall be performed according to DAP (Incoterms 2020). Part of any Order placed by us or Contract between us and Supplier are our *"Logistics Requirements for Suppliers"*, as amended from time to time and published at our Website www.vibracoustic.com/contact/downloads (under *"Downloads", Supplier's Documents"*).
- 4.9 Supplier shall inform us immediately, if any deliverable or performance is subject, in whole or in part, to export restrictions under foreign trade rules, exchange control regulations or the terms of international embargos or export restrictions.
- 5. Place of Performance, Packaging, Passage of Risks, Acquisition of Ownership, Execution of Delivery**
- 5.1 The place to which, according to the Order, the Goods have to be delivered or where the service is to be performed, shall be the place of performance. Place of performance for our payments is the registered office of our principal place of business (registered office) in the country from which the Order is issued.
- 5.2 On Supplier's account and at Supplier's risk the Delivery shall be properly packed and made, "Delivery at Place", to the address named by us in the Order. Packaging must protect the Goods against damaging and deterioration in transit, be in compliance with relevant packaging regulations especially in respect to environmental and recyclable aspects, specify our Order number, the content (kind and quantity) of the Order, as well as special handling or storage requirements (e.g., flammability, toxicity, corrosiveness, etc.) of the delivered Goods. The risk of accidental perishing or accidental deterioration of Delivery will pass on to us only with receipt of Delivery by us or by a forwarding agent appointed by us at the place of performance or after final acceptance of the Delivery, whichever comes later, even if we have agreed to pay the freight charges.
- 5.3 With the passage of risk at the place of performance or with Delivery to a forwarding agent independently appointed by us we shall acquire ownership of the Goods without reservation of any rights to the benefit of Supplier.
- 5.4 Supplier guarantees the future availability of service and replacement Goods for a period of fifteen (15) years following the end of serial production of the vehicle program for which the production Goods are being used in original equipment automotive parts (e.g., spare parts or other material necessary

for remedial work) and for a period of seven (7) years after the end of serial production for material used for Goods used in all other parts. For the first five (5) years of the post-production period, the price for the service or replacement Goods shall be fixed at the price in effect at the commencement of the post-production period. If applicable, Supplier must be able to provide maintenance for Goods for a period of four (4) years after the end of serial production. All other services must be available for a period of four (4) years after expiration of warranty.

5.5 Any employees of Supplier or of a third party acting on behalf of Supplier, who, in delivering, installing, demonstrating or maintaining the Goods of Supplier on our premises, do so at their own risk and must at all times comply with applicable safety rules and regulations and adhere to safety instructions of our staff. The foregoing does in no way establish any employer's managerial authority on our part with regard to such employees, nor does it confer any other responsibility on us with regard to the services to be performed by Supplier on our premises.

6. Prices, Invoicing, Conditions of Payment, Retention Rights, Assignments, Competitiveness

6.1 Prices specified in the Order are fixed prices. Unless mutually agreed in writing, prices are DAP (INCOTERMS 2020) and include packaging and costs for the disposal of packaging, the return transport of exchangeable containers as well as insurance and other costs of Delivery. Value Added Tax, service taxes or any other applicable taxes must be shown separately, otherwise it will be deemed to be included in the price.

6.2 In case Supplier is responsible for erection, assembly and/or commissioning and no other provisions have been agreed upon in writing, Supplier shall bear all necessary costs, such as travel expenses and provision of tools.

6.3 Invoices will be processed only if we receive them by separate mail. Each Order must be invoiced separately without delay after the shipping of the Goods. Invoices must include the Order number specified in our Order, Order date, Supplier number and our item number, all highlighted for easy readability.

6.4 Payment maturity dates will be suspended in the event that we are entitled to object to the Goods delivered or works performed by Supplier.

6.5 Unless stated otherwise in the Contract, mutually agreed in writing by the parties or required by mandatory law, invoices must be made out in EUR and payments will be made in EUR.

6.6 Payment will be made at our sole discretion either by bank transfer, cheque and/or bill of exchange after acceptance of Delivery and receipt of an orderly invoice as well as after receipt of all documents pertaining to the Delivery. Unless otherwise agreed upon in writing or stated differently by mandatory law, we shall pay either within 15 days with a 3% discount, within 45 days with a 2% discount or within 90 days without discount. In the event delays occur due to Supplier sending the invoices different from such as stipulated in Clause 6.3 of these Conditions of Purchase, our rights, in particular the right to apply discounts, remain unaffected.

6.7 Supplier shall not be entitled to assign or otherwise dispose of its claims wholly or partly against us without our prior written consent. Supplier is not entitled to set-off payments against counterclaims, unless such counterclaims are undisputed or subject to a legally binding court decision.

6.8 We shall be entitled to claim statutory setoff and retention rights.

6.9 As we aim at supplying our customers with the highest quality of products at the lowest possible cost, any Goods delivered by Supplier must, at least, be equivalent to comparable goods, materials, services and work performances of competitors in terms of quality and price. In the event that a competitor of Supplier offers any Goods at better quality or lower price, Supplier shall, within 30 days following our respective request,

provide us with a new offer that, at least, matches such competitor's conditions.

6.10 Promptly upon our request, Supplier agrees to recover at its sole expenses, any of the Goods, licenses and/or services stored at any site that we are no longer able to use.

6.11 Supplier agrees to provide a completed "US Customs Form 434 - North American Free Trade Agreement Certificate of Origin" for all parts that have an origin of USA, Canada, or Mexico; and for parts with origins other than USA, Canada or Mexico, to provide and properly mark the country of origin of each part.

7. Liability for Defects, Other Liability, Recourse

7.1 If the Goods are defective, Supplier agrees to indemnify, defend and hold us harmless against and pay all damages of any kind, including but not limited to retrofitting and recall campaign expenses and incidental and consequential damages, in the event that the Goods (a) do not comply with the requirements under applicable law; (b) do not conform to drawings, materials and specifications designated and with all samples approved by us; (c) are not packaged and marked in conformity with the requirements set out in Clause 5.2 of these Conditions of Purchase; (d) are not new, unused, best available technology, of merchantable and first-class materials and workmanship, safe, and free from defects, contamination and rust; (e) to the extent Supplier knows or has reason to know of the purposes for which the Goods are intended, are not suitable for the intended purposes; and (f) if designed by Supplier are not free from defects in design.

7.2 We will inspect the delivered Goods on the basis of accompanying documents only for identity and quantity as well as for visible transport damage as the case may be, on the basis of sample checks only. We will notify Supplier about defects of the Delivery once discovered in the ordinary course of our business within an appropriate time of at least five (5) working days after the defect has been detected. If we comply with the aforesaid, Supplier hereby waives its right to object to the notification of defects on grounds of delay.

7.3 Unless stipulated otherwise in this Clause 7, Supplier shall be liable according to the applicable legal provisions, in particular for defects of the Delivery, whereas this liability is in no way limited or disclaimed with respect to cause or amount, and insofar shall indemnify, defend and hold us harmless from and against any third party's claims.

7.4 In case, the applicable legal provisions foresee different types of subsequent performances (e.g. repair or replacement), we shall be entitled to choose the type of subsequent performance to be executed, unless Supplier has a right to refuse the type of subsequent performance chosen by us under applicable law and exercises such right.

7.5 In the event that Supplier fails to remedy the defect within a reasonable time-limit as set by us, we shall be able to remedy the defect ourselves and demand from Supplier compensation for the expenses necessary for this or an appropriate advance payment. A deadline shall not be necessary in the event that supplementary performance by Supplier shall be abortive or unacceptable for us (e.g., on account of special urgency, operating safety hazard or imminent occurrence of disproportionate damages); Supplier shall be informed of this immediately, if at all possible, in advance.

7.6 We reserve the right to assert all legal and equitable warranty claims also in the case any given defect remained unknown to us upon completion of Contract as a result of gross negligence, where we accepted Deliveries even though we were aware of minor defects or where our inspectors approved or failed to inspect Supplier's obligations under Clause 7.1 of these Conditions of Purchase.

7.7 Unless otherwise agreed upon individually or governed by legal provisions that call for extended periods, claims for defects shall lapse 24 months after selling our product to the

consumer, but - unless otherwise agreed upon by way of individual agreement

- no later than 60 months after the passage of risk according to Clause 5.2 of these Conditions of Purchase, or in case of work performance 48 months after the written final acceptance. This shall not apply to Deliveries that, consistent with their common application, are used in buildings and have caused the letters' defectiveness; in that case claims will lapse five (5) years after such use.

- 7.8 We reserve the right to take recourse against and are entitled to compensation from Supplier for all costs incurred by us if we are obliged to take back any product from our customers, if the purchase price paid to us is reduced by our customers, or if any other claims are asserted against us due to defects attributable to Supplier.
- 7.9 In addition, Supplier shall exempt us from any third-party claims related to deficiencies in title if Supplier can be held responsible for the deficiencies in title. The limitation period mentioned in Clause 7.7 of these Conditions of Purchase shall apply.
- 7.10 For every defect detected by us during the incoming inspection process Supplier shall pay to us an administration fee in the amount of EUR 75 for the processing of such defect.

8. Product Liability, Recall, Insurance

8.1 Supplier assumes full responsibility for, indemnifies, defends and holds us harmless from and against any liabilities and third party claims arising out of the death of or injury to any person or damage to property, if and to the extent the causes for this lie in Supplier's domain. Within the scope of this provision Supplier is also obligated to reimburse us for all expenses that are incurred by or in connection with a recall action or any other measure reasonably initiated by us, our customer, or a governmental agency. Supplier will be – to the extent possible and reasonable – (1) informed about the content and scope of the recall measures to be performed and (2) allowed opportunity for comment. The foregoing also applies in case that – after due consideration- we have settled or adjusted any such third-party claims.

8.2 Supplier and Supplier's subcontractors must provide evidence in adequate form (e.g., certificates) to us, (1) verifying that they have secured satisfactory insurance coverage as to (a) worker's compensation; (b) commercial general liability (including products liability at a minimum - per each individual instance of liability - of EUR 5,000,000 or the equivalent in the currency of the country from which the Order is issued; or some other amount mutually agreed upon in writing); (c) completed operations and contractual liability; (d) all risks property (including, but not limited to, coverage for tools provided by us or maintained by Supplier and owned by us); and (e) liability and damages incurred in connection with automobile accidents (= comprehensive automobile insurance coverage) and (2) showing (a) the amount of coverage; (b) the policy number; (c) the date of expiration; (d) with regard to product liability coverage, that we are named as an additional insured. Supplier may only terminate or modify insurance coverage after having informed us in advance and having provided evidence of new equivalent coverage to us. However, in no way shall our claims be limited to the amount insured.

9. Industrial and Intellectual Property Rights

9.1 Notwithstanding the provisions under Article 11 which in case of conflicts shall prevail over the provisions in this Article 9, the following shall be applicable for the entirety of the respective Party's intellectual property rights which are already in existence at the time of the conclusion of this Agreement ("**Background IP**") and all intellectual property rights created by the respective Party after entering into this Agreement ("**Results**"). Intellectual property rights shall include but are not limited to patents, utility models, trademarks, designs, design patents, copyrights, *droits d'auteur* and rights of database creators, regardless of whether the aforementioned rights - where applicable - have already been applied for

and/or are registered at the effective date of this Agreement or will be applied for and/or registered later on, as well as know-how of any kind, particularly inventions, test and development reports, drawings, models, ideas, suggestions and calculation results ("**Intellectual Property Rights**"). "**Right of Use**" shall be the right to exploit Intellectual Property Rights and encompasses, in particular, the right of manufacturing, of performing further development, reproduction, dissemination, presentation, adaptation, redesign, use, and marketing; unless otherwise expressly provided, for the duration of the Intellectual Property Rights the Right of Use is irrevocable and valid worldwide and can be freely transferred and/or sub-licensed.

9.2 Each Party shall remain the owner of its Background IP. Use of the Background IP of the other Party shall, unless otherwise provided in this Article 9, only be permissible with the prior written consent of that Party.

9.3 If the Background IP of the Supplier is necessary for the use or further development of the Goods, licenses and/or services, Supplier shall grant us a Right of Use to its Background IP free of charge. If Supplier cannot grant the Right of Use to its Background IP without the assistance of a third party, Supplier shall reach an agreement with such third party on a Right of Use in favor of us.

9.4 Unless otherwise set forth in the relevant Supply Contract, the grant by Supplier of the Right of Use to its Background IP shall be compensated by the payment of the price indicated in the Supply Contract.

9.5 All Results shall belong to and be owned by us. As the owner of the Results, we may, for all countries, freely use, grant Right of Use, operate or transfer the Results. Use of the Results by Supplier or third parties shall only be permissible with the prior written consent of us.

9.6 If necessary and legally permissible, Supplier shall be required to transfer all ownership rights or other possessory rights to the Results, to us or, if a transfer is not legally permissible, grant us an irrevocable, exclusive, royalty free, and world-wide right of use of such rights. Supplier shall undertake the transfer of the right of use incrementally as the Results come into existence.

9.7 Unless otherwise set forth in the relevant Supply Contract, the transfer of the Results shall be compensated by the payment of the price indicated in the Supply Contract.

9.8 Supplier shall ensure that it is not using any Intellectual Property Rights of third parties (including its sub-suppliers) within the framework of the performance of the Agreement.

9.9 If Supplier needs to use the Intellectual Property Rights of third parties, Supplier shall obtain our prior written consent, and if authorized, Supplier shall conclude a license agreement with said third parties which should also contain an appropriate Right of Use in favor of us. Supplier shall bear any royalty payments or other remuneration that is incurred for the use of such Intellectual Property Rights of third parties.

9.10 Supplier warrants that the use of the Background IP, Results and the Goods, licenses and/or services by us does not infringe or will not infringe any Intellectual Property Rights of any third party. Supplier shall indemnify, defend and hold us and our customers harmless against any judicial or extrajudicial claims asserted in any manner by a third party on the grounds of infringement of Intellectual Property Rights resulting from the use of the Background IP, the Results or the Goods, licenses and/or services. Supplier shall bear all costs, expenses and financial consequences resulting from such proceedings. Supplier will be responsible for and shall coordinate substantial decisions in relation to such proceedings with us, in particular, conclusion of settlement agreements, withdrawal of complaints, acknowledgment of claim, etc.

9.11 If the Supplier's Background IP, Results, Goods, licenses and/or services supplied by the Supplier are found to be

infringing upon any third party's Intellectual Property Rights, Supplier will obtain from the relevant third party a Right of Use for the Background IP, Results, the Goods, licenses and/or services for us or our customers with no additional cost; replace or modify the Goods, licenses and/or services within a reasonable time period only to the extent necessary to cease any infringement of the third party's Intellectual Property Rights, as described in this Article 9.

- 9.12 Promptly upon our request, Supplier agrees to recover at its sole expenses, any of the Goods, licenses and/or services stored at any site that we are no longer able to use.
- 9.13 Supplier agrees to provide a completed "US Customs Form 434 - North American Free Trade Agreement Certificate of Origin" for all parts that have an origin of USA, Canada, or Mexico; and for parts with origins other than USA, Canada or Mexico, to provide and properly mark the country of origin of each part.

10. Ownership of Intellectual Property Rights

Any information, formulations, drawings, models, tools, technical records, procedural methods, software as well as other technical, commercial or creative know-how or work product (including all copyrightable works) paid for by us, made available by us or acquired by Supplier through us during or because of the business relationship will be owned by us or remain in our ownership and must be surrendered to us on our request at any time, but in no case later than at the end of the business relationship (including any copies, extracts and replicas), or by our choice must be destroyed at Supplier's cost. Supplier, thus, has no right of retention thereto. If necessary, Supplier hereby assigns and agrees to assign to us all right, title and interest in and to the intellectual property generated as a result of the services provided by Supplier under the Contract. In addition to the foregoing, Supplier must comply with the confidentiality obligations as set out in Clause 12 of these Conditions of Purchase.

11. Reservation of Ownership, Provision of Tools to and from Supplier

- 11.1 We shall reserve the ownership of goods provided by us (e.g. parts, components, semi-finished goods).
- 11.2 Reservation of ownership shall also apply to Goods resulting from the processing, mixing or combining of our Goods in their full amount, whereas these processes are performed on our part so that we are considered as manufacturer. If third-party ownership rights extinguish after processing, mixing or combining with Goods from those parties, we shall acquire joint ownership at a ratio of the objective value of those goods.
- 11.3 Tools made available to Supplier as well as tools manufactured by Supplier itself or ordered at a third party on our behalf, to the costs of which we have contributed, shall remain our property or shall pass into our ownership upon manufacturing and/or acquisition by Supplier, must be clearly indicated as our property and shall not be removed from the Supplier's premises without our prior written consent. Without any written and explicit agreement being concluded for such purpose, we do not transfer any rights or licenses in connection with such tools when Orders are placed, or Deliveries are accepted.
- 11.4 Supplier shall hold our tools in custody on our behalf at no charge, insure them adequately and furnish evidence of insurance cover at our request. Supplier shall use the tools exclusively for the purpose of manufacturing parts for us, unless otherwise agreed upon. We hereby grant our prior approval to manufacture parts based on Orders placed by any of our affiliates different from the one that had placed the original Order.
- 11.5 Supplier shall ensure proper maintenance and repair of the tools provided at its own cost. At the end of Contract Supplier shall surrender the tools without delay at our request while no right of retention may be derived by it. Upon surrender the tools must be in apparent good order and condition corresponding

to their earlier use. Costs of repair shall be borne by Supplier. In no case may Supplier scrap the tools without our prior written approval.

- 11.6 In the case Supplier provides tools (e.g. special dies, jigs, patterns etc.) to us, which are included in the price paid for the Goods, then such tools become our property and we are granted all rights and licenses thereto after payment. Supplier is obliged to maintain, repair and replace where needed such tools at its expense except for the actual costs caused by a change of our design or specifications, in the event that such change is made prior to the exhaustion of the useful life of the tools. We may transfer or dispose of such tools at our discretion once the Order has been terminated. We shall have the right to take possession of, including the right of access for such purpose, any such tools without any liability to Supplier. We may, at our discretion, purchase from Supplier at book value any tools that we have not already acquired ownership of by (direct) payment or amortization in the price of purchased Goods. Any partial amortization shall be credited to us in determining the fair market value price. Supplier is, whenever applicable, responsible for reducing the price of Goods purchased according to the Contract when the amortization period for tooling and/or equipment is complete. The Supplier warrants that the tools provided, manufactured or created in connection with the performance of its contractual obligations will not infringe or contribute to the infringement of any third party's right and in particular of any intellectual property (including but not limited to: copyrights, droits d'auteur, patents, trademarks, designs, models, design patents, rights of database creators).

12. Confidentiality, Documentation, Data

- 12.1 Any information, formulations, drawings, models, tools, technical records, procedural methods, software as well as other technical, commercial or creative know-how made available by us or acquired by Supplier through us, and also any work results thus obtained ("**Confidential Information**") shall be maintained in secrecy by Supplier towards third parties, may be used in Supplier's business exclusively for Deliveries to us, may not be used for Supplier's own purposes or for any other purpose and be made available only to such persons as need to have access to Confidential Information in connection with the business relation and have therefore been obligated to maintain secrecy. This provision also extends beyond the duration of contractual relations so long as Supplier fails to prove that the Confidential Information was known to it already or was in the public domain at the time it was acquired or was made public later without its fault.
- 12.2 Supplier also has to maintain secrecy about the supply relationship to us and requires our prior written approval for indicating to third parties that Supplier is furnishing Goods to us.
- 12.3 Supplier is obliged to keep the documentation relating to Goods for at least fifteen (15) years after the date of Delivery and to provide such documentation to us upon our written request.
- 12.4 We are entitled to process any information, documents or any other data obtained in connection with the business relation to Supplier for our own purposes.
- 12.5 The parties reciprocally authorize the personal data treatment within the scope of the Contract in accordance with the applicable data protection law provisions.

13. Environmental Compatibility

Supplier warrants that the Goods comply upon Delivery with up-to-date environmental standards, *i.e.*, all applicable regulations regarding the supplied Goods (including all used materials). Supplier shall provide all information required by such regulation and/or upon our request. Supplier shall be responsible, where physically possible, to take its Goods back for the purpose of recycling them within the scope of statutory duties or to dispose of them in an environment-friendly manner. Supplier shall keep track of and comply with our

respectively effective restricted substances management which may be made available at our website www.vibracoustic.com or be published by us in any other form and made accessible to Supplier and as may be amended by us from time to time. In the event that we are subject to any liabilities, cost, damages, fees, fines, etc. due to a violation of any of the obligations mentioned in this Clause 13 by Supplier, Supplier will indemnify us. Supplier shall support our defense in the event of administrative procedures against us due to Supplier's Goods including materials/substances used therein, and provide all reasonable information needed and/or requested by any authority and/or us for such defense.

14. Paperless Communications

Upon our request, Supplier will use electronic data interchange communication (EDI). All EDI communication that is properly issued and verified will have the same legal effect as if it were transmitted on paper in writing.

15. Cancellation of Order

We reserve the right to entirely or partially cancel an Order without liability in the event that (1) Goods (a) are defective; (b) are not shipped according to the specifications in our original or subsequently amended Order; or (c) deviate from agreed specifications or provided samples; (2) Supplier (a) breaches or does not comply with any provision of these Conditions of Purchase; (b) does not perform any of its promises or warranties in connection with the Goods; (c) does not issue a new offer according to Clause 6.9 of these Conditions of Purchase; (d) becomes insolvent or commits an act in insolvency/bankruptcy; (e) is subject to filing of a voluntary or involuntary petition in insolvency/bankruptcy; (f) has legal proceedings instituted for the appointment of a receiver or trustee; or (g) suspends, or threatens to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts; (3) Supplier's ability to perform is, in our reasonable judgment, endangered or impaired due to Supplier's condition; or (4) anytime at our discretion, provided that in the event of such cancellation at our discretion, we pay Supplier's reasonable costs incurred up to the date of cancellation, but in no event more than 2 weeks of finished Goods (at the contracted price) or 2 weeks of material at a price to be determined in good faith by the parties.

16. Ethics Policy

Our agents and employees must not encourage or accept bribes, kickbacks, inappropriate gifts or entertainment. Supplier is obliged not to induce - and not to have induced in the past - our agents and employees to any such action, whether legal or illegal. We reserve the right and Supplier hereby permits us to audit any of Supplier's records that are deemed necessary by us to ensure compliance with this Ethics Policy. Supplier keep track of and comply with our Code of Conduct which may be made available at our website www.vibracoustic.com - Downloads - Code of Conduct or be published by us in any other form and made accessible to Supplier and as may be amended by us from time to time.

17. Compliance with Law

- 17.1. Supplier and Supplier's subcontractors are obliged to comply with all effective and relevant legal provisions (e.g. laws, regulations, directives, guidelines, rules, and orders), conventions, ordinances and standards of the country/countries of origin and destination of the Goods which govern their manufacturing, labeling, shipping, transportation, importation, exportation, licensing, approval or certification, including, but not limited to those relating to environmental matters; hazardous chemicals; data protection; hours and conditions of employment, wages; subcontractor selection; discrimination; occupational health/safety and motor vehicle safety and at our request, provide us all information necessary by such norms and/or certify in writing your compliance. Supplier's and Supplier's subcontractors are obliged to maintain their own compliance rules as to the aforesaid that satisfy local regulatory requirements. Supplier will indemnify, defend, and hold us harmless from and against any liability,

claims, demands or expenses (including, without limitation, legal or other professional fees) arising from or relating to Supplier's noncompliance with the obligations of this Clause.

- 17.2. Supplier and Supplier's subcontractors must not facilitate or utilize any form of forced or involuntary labor, nor engage in abusive worker treatment or corrupt business practices and provide, at our request, written certification of Supplier's and Supplier's subcontractors' compliance with the foregoing to us. Supplier shall indemnify, defend, and hold us harmless from and against any liability, claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Supplier or Supplier's subcontractors' noncompliance with the obligations in this Clause.

18. Waiver, Modifications, Changes of Order

Any waiver of a breach of a specific provision of these Conditions of Purchase is exclusively limited to this specific breach and does not entail a waiver of any other breach. These Conditions of Purchase may be amended or modified at any time by us only. The Conditions of Purchase are applicable in their respectively current version being available at www.vibracoustic.com/contact/downloads - Downloads - Supplier's Documents which Supplier is obliged to keep track of and download. We may, at our discretion, at any time issue written change Orders in which we are entitled to make changes as to (1) ordered quantities of Goods (2) the drawings, designs, or specifications relating to the Goods covered by the respective Order (3) the details of shipping, packing, and/or (4) the place of performance. In the event the date of Delivery, the manufacturing costs for the Goods (including the costs for performing services), are affected by such changes, we will make equitable adjustments to the purchase price, the Delivery schedule or both.

19. Applicable Law, Place of Jurisdiction, Compliance

- 19.1 The legal relationship between the parties will be governed exclusively by German Law. For the avoidance of doubt, the United Nations Convention on the International Sale of Goods (C.I.S.G.) and other international conventions or uniform law on the sale of Goods shall not be applicable.

- 19.2 The exclusive place of jurisdiction for all legal disputes arising out of our contractual relationships with our Suppliers, in particular the Delivery, the Contract or its validity or in connection with these Conditions of Purchase, shall be Frankfurt, Germany.

20. This Clause is only applicable to Contracts issued by a Vibracoustic entity having their registered address in the United States of America

- 20.1 If the Contract is issued from a Vibracoustic entity having a registered address in the United States of America, Clause 19.1 shall read: "The legal relationship between the parties shall be governed by and construed in accordance with the laws of the State of Michigan (USA) without giving effect to the principles thereof relating to conflicts of law. For the avoidance of doubt, the United Nations Convention on the International Sale of Goods (C.I.S.G.) and other international conventions or uniform law on the sale of Goods shall not be applicable."

Clause 19.2 shall read: "The parties hereby submit and consent to the exclusive jurisdiction and venue of either the state courts sitting in Oakland County, Michigan or the United States District Court for the Eastern District of Michigan for the purpose of hearing and determining any disputes."

- 20.2 If Supplier is eligible for C-TPAT certification, we must have documentation (e.g., C-TPAT certificate, SVI number, etc.) verifying certification. For those Suppliers not eligible for C-TPAT certification, we require Supplier to demonstrate it is meeting C-TPAT security criteria via a written/electronic confirmation (e.g., contractual obligation; via a letter, from the Senior Officer of Supplier's company, attesting to compliance; a written statement from Supplier demonstrating its compliance with C-TPAT security criteria or an equivalent WCO accredited security program administered by a foreign customs authority; or, by providing a completed version of our

security questionnaire). Based upon documented risk assessment process, non-C-TPAT eligible Suppliers must be subject to certification of compliance with our C-TPAT security criteria. In order to enhance the integrity of the shipment at point of origin, periodic review of Supplier's processes and procedures will be conducted based on risk and Supplier will maintain the security standards required by us.

[End]

21. This Clause is only applicable to Contracts issued by a Vibracoustic entity having their registered address in Mexico

21.1 If the Contract is issued from a Vibracoustic entity having a registered address in Mexico, Clause 19.1 shall read: "The legal relationship between the parties shall be governed by and construed in accordance with the laws of Mexico without giving effect to the principles thereof relating to conflicts of law. For the avoidance of doubt, the United Nations Convention on the International Sale of Goods (C.I.S.G.) and other international conventions or uniform law on the sale of Goods shall not be applicable."

Clause 19.2 shall read: "The parties hereby submit and consent to the exclusive jurisdiction and venue of the courts sitting in Mexico City, Mexico for the purpose of hearing and determining any disputes."