
FRAME PURCHASE AGREEMENT

between:

(1) **Dr. Schneider Kunststoffwerke GmbH**

Lindenstraße 10-12, 96317 Kronach-Neuses

– hereinafter "**Dr. Schneider**" –

(2) **[Supplier]**, [address]

– hereinafter "**Supplier**" –

PRELIMINARIES

- (A) Dr. Schneider wishes to purchase products from the Supplier, which in particular can involve components which are produced according to specifications of Dr. Schneider, merchandise or raw materials.
- (B) The Supplier is [description of Supplier].

IN VIEW OF THE ABOVE, the parties agree as follows:

1. SUBJECT MATTER OF THIS AGREEMENT

- 1.1 The subject matter of this frame agreement is the long-term obligation of the Supplier to supply products to Dr. Schneider and the related claims and obligations of the contracting parties between each other.
- 1.2 The supply to Dr. Schneider shall occur on the basis of individual contracts or supply plans which will be coordinated between the parties in a particular case. The parties agree to prepare for each individual contract a contract sheet with the material content of the individual contract according to the template attached in **Annex 1**.

This frame purchase agreement and its individual provisions ("**Frame Agreement**") apply automatically for each future order/individual contract between Dr. Schneider and the Supplier without any reference thereto being required in the order, order confirmation or at a different place or in a different way.

- 1.3 The application of the standard business terms of each party is excluded. This also applies if they are referred to in an order, an order confirmation or a different place or in a different manner or if they are sent to a party or a party is otherwise made aware of them and the other party does not object to them.

- 1.4 Dr. Schneider provides no commitment concerning an expected order scope, apart from any forecasts or binding individual orders or individual calls for delivery expressly described as binding and only to that extent. All estimates or forecasts of Dr. Schneider concerning the volume or the quantities on the basis of planned annual delivery calls of the customer of Dr. Schneider are non-binding and serve only information purposes.

Also an indicated project time ("SOP" and "EOP") is based on the information of the customer of Dr. Schneider and depending on the sales situation can also change. The indicated project time does not give rise to a limited term contract relationship as far as this is not expressly stipulated.

All estimates or forecasts of Dr. Schneider concerning the volume or quantities as well as also the information on the duration do not give rise to a purchase obligation for Dr. Schneider nor do they give the Supplier an entitlement to loss of profits if the purchase of the Contract Products are less or the duration reduced. In the event of an extension of the duration the Supplier agrees to continue to cover the requirements of Dr. Schneider.

- 1.5 The following **Annexes** have supplementary application for the deliveries

– agreed individual contract(s) as set forth in Annex 1

– Quality control agreement as set forth in Annex 2

– as well as the supplier documents available in the general download area of the Dr. Schneider web portal, in particular the delivery logistics specifications, the Code of Ethics as well as the shipping document. The Supplier agrees in the event of new enquiries and a new placement of orders to apprise himself of the version of the documents available on the web portal which are current at time of conclusion of the contract. Upon placement of an order to the Supplier the respectively applicable documents shall become an integral part of the contract as far as the Supplier does not object to the documents in whole or in part prior to placement of the order.

- 1.6 At the request of Dr. Schneider or a company of the Dr. Schneider group, the Supplier shall also deliver products to companies of the Dr. Schneider group on the terms set forth in this frame agreement. "**Companies of the Dr. Schneider group**" are all companies in which Dr. Schneider, or a company which directly or indirectly holds more than 50 % of the shares or the voting rights in Dr. Schneider (controlling company), directly or indirectly holds more than 50 % of the shares or voting rights, in particular all affiliated companies of Dr. Schneider within the meaning of § 15 et seq. Stock Corporation Act (SCA) or of the controlling company. As far as a company of the Dr. Schneider group makes orders or calls for delivery to the Supplier, an independent contractual relationship shall be created between the company of the Dr. Schneider group and the Supplier. The obligations resulting from such contractual relationship for the defect-free supply and payment shall be filled between the ordering company of the Dr. Schneider group and the Supplier. Dr. Schneider is not liable in this connection for obligations arising from this supply relationship.

2. CONTRACT PRODUCTS

- 2.1 The Supplier agrees to deliver to Dr. Schneider the products mentioned and specified in the individual contract ("**Contract Products**").
- 2.2 As far as the individual contracts and the sources mentioned in section 2.3 do not provide otherwise, the Contract Products must be in accordance with the latest state of science and technology and the applicable technical standards. The documents and markings agreed pursuant to QCA (Annex 2) and additionally required pursuant to the VDA conditions shall be delivered together with the Contract Products, etc.
- 2.3 The Supplier is also obligated to implement in the Contract Products any documents, information, requirements, specifications, samples, models, etc. provided to him or referred to (e.g. web portal) by Dr. Schneider. The Supplier must review these sources independently and in his own responsibility and shall indicate to Dr. Schneider without delay all apparent inaccuracies, incompleteness, inconsistencies, unclarities, impreciseness and other concerns.
- 2.4 The Supplier is independently responsible for the manufacturing and procurement of the Contract Products.

3. CHANGES IN THE CONTRACT PRODUCTS

- 3.1 A change of or in the Contract Products or a switch to other Contract Products by the Supplier is only permissible with the prior written consent of Dr. Schneider. Regardless thereof, the Supplier must notify Dr. Schneider in writing of an intended change or adjustment at least nine (9) months in advance. If this time limit can no longer be complied with, the notification must occur without delay. If the Supplier makes the change or adjustment without consent of Dr. Schneider, Dr. Schneider has a right of extraordinary termination. In addition, the Supplier shall indemnify Dr. Schneider for all damages incurred by Dr. Schneider from the impermissible change or switch.
- 3.2 Dr. Schneider can request changes to the Contract Products in writing at any time. The Supplier shall review the requests for changes as to their possible consequences and shall inform Dr. Schneider of the result in writing without delay. In this connection in particular the effects in relation to technology, additional or reduced costs as well as on the time schedule shall be indicated.

4. INDIVIDUAL CONTRACTS, SUPPLY TIMES, DELAY OF SUPPLY, DELIVERY QUANTITIES

- 4.1 The delivery dates and quantities indicated in the individual order or in the delivery call are deemed to be binding as far as they are not objected to within 3 working days. Regardless of the agreed Incoterm they relate to the receipt of the goods at the destination stated in the order as far as nothing is agreed to the contrary.

- 4.2 Dr. Schneider and the Supplier agree that time is a material factor and they recognize that Dr. Schneider is dependent on deliveries directly prior to manufacturing of the customer goods. For this reason the Supplier is obligated to deliver the products or just in sequence (depending on what is applicable).
- 4.3 As far as not agreed otherwise, the deliveries shall be made within the European Union DAT or DAP (Incoterms 2010) to the terminal or destination stated by Dr. Schneider in the individual contract. Deliveries from other countries shall occur CIP (Incoterms 2010) to the destination named by Dr. Schneider as far as not stipulated otherwise in the individual contract.
- 4.4 The Supplier confirms that he is in a position to produce the quantities needed to cover the weekly requirements of the customer of Dr. Schneider. The estimated weekly need is based on the production forecast of the customer of Dr. Schneider. This weekly capacity shall be continuously ensured with a flexibility of +/- 15 % per part number. This also applies for the downstream and upstream processes. As soon as delays become apparent concerning the securing of the capacities, the Supplier shall inform Dr. Schneider thereof in writing once they become apparent.
- 4.5 If deliveries of a Contract Product are made without the prior approval of Dr. Schneider, Dr. Schneider is entitled to reject excess quantities and to send them back at the expense of the Supplier.
- 4.6 The Supplier is required to inform Dr. Schneider in writing without delay, indicating reasons and the probable duration of the delay, if circumstances arise or become apparent to him indicating that the agreed time for delivery or performance cannot be met.
- 4.7 The unconditional acceptance of the delayed delivery or service shall not involve a waiver of any rights of Dr. Schneider due to exceeding of the time for delivery or performance.
- 4.8 In the case of delay Dr. Schneider is entitled to claim a contractual penalty from the Supplier. The contract penalty shall for each commenced week of the delay amount to 0.5 % of the net total value of the respective delivery, limited to 5 % of the net total contract value of the affected order. The assertion of the contractual penalty is timely if it is asserted by the final invoice for the Contract Products which were delivered late. Statutory claims and rights of Dr. Schneider due to delay remain unaffected by the provisions of this Section 4. Any paid contract penalty shall however be set off against damage claims.

5. SCOPE OF MANUFACTURING

- 5.1 The Supplier shall not manufacture any Contract Products beyond the scope agreed in the individual contract or purchase any materials necessary for their manufacture. Dr. Schneider is not under any obligation to accept or pay for such products or materials.

- 5.2 As far as in a particular case an order for minimum quantities of raw materials (e.g. aluminium) becomes necessary which go beyond the scope agreed in the individual contract, the parties can after joint consultation enter into a different agreement.

6. PRICES

- 6.1 The prices set forth in the individual contracts are applicable.
- 6.2 The prices agreed between the parties are fixed prices plus the VAT respectively applicable at the time of conclusion of the contract.
- 6.3 The ancillary delivery costs (packaging, shipping, customs, transport insurance) shall be stated separately by the Supplier in connection with his offer and in the absence of a written agreement to the contrary shall be borne by the Supplier.
- 6.4 The price calculation for each Contract Product shall be jointly reviewed respectively by 31 December of a year and a price adjustment made by mutual accord. The price adjustment shall be made based on the actual cost increases/decreases which result in connection with the material, personnel and manufacturing costs.

7. INVOICES AND SUPPLIER DECLARATIONS

- 7.1 As far as not agreed otherwise, the invoice of the Supplier must relate to the relevant delivery bill or an item of the EDI/DFÜ goods delivery note and shall be sent to the invoice recipient named in the order. The invoice must contain the supplier number, number and date of the order as well as the required mandatory VAT information, in particular the VAT identification number. The receipt of the invoice does not cause the claim to become due.
- 7.2 For deliveries from preferred countries the Supplier shall attach the evidence of preference status to each delivery. The long-term supplier's declaration pursuant to Regulation (European Community) 1207/2001 shall be submitted upon request of Dr. Schneider at any time, but at least once a year, at the latest by the end of February. The Supplier agrees to inform Dr. Schneider of a product change or a change of the country of product origin without delay and of his own accord. As far as the delivered goods require an export permit, Dr. Schneider shall be informed without delay with an indication of the export permit and export item number.
- 7.3 If a Contract Product is not entitled to preference status, the Supplier shall send an appropriate notice to Dr. Schneider. In this connection the exact country of origin (non-preferential origin) per product shall be indicated. For all Contract Products which are newly added during the course of a year, Dr. Schneider shall send to the Supplier together with the first sample order a request for the long-term supplier's declaration. The declaration shall be sent by the Supplier to Dr. Schneider by the date of the first sample delivery. As long as the form requirements set forth in Section 7.1 and 7.2 are not fulfilled, the invoices shall be deemed not to have been issued.

8. PAYMENTS

- 8.1 The payments shall be made on a cashless basis as well as subject to review of the invoice.
- 8.2 Payment for the goods by Dr. Schneider does not involve an acceptance of such goods as fulfilment (e.g. in the sense of approval).
- 8.3 Upon acceptance of early deliveries, the time limits to determine the due date begin only after the agreed delivery date. There is no obligation for Dr. Schneider to accept early deliveries.
- 8.4 Dr. Schneider has rights of set-off and rights of retention in the statutory scope. In particular in the event of a defective delivery, Dr. Schneider is entitled to retain the payment pro rata to the value until the proper fulfilment. The weights and quantities determined at the mentioned destination (place of unloading) are determinative for the invoicing and payment of the deliveries. Dr. Schneider is also entitled to set off claims of a company of the Dr. Schneider group against claims of the Supplier.
- 8.5 Without the prior written consent of Dr. Schneider, the Supplier is not entitled to assign his contractual claims against Dr. Schneider in whole or in part or to have them collected by third parties. If the Supplier assigns his claims against Dr. Schneider without the consent of Dr. Schneider, Dr. Schneider continues to be entitled to make payment to the Supplier with the effect of discharge.

9. RESERVATION OF TITLE OF THE SUPPLIER, MANUFACTURER CLAUSE

- 9.1 The Supplier only has a simple reservation of title to the supplied Contract Products. The reservation of title is extinguished at the latest upon payment of the purchase price for the respective delivered products.
- 9.2 All other forms of reservation of title of the Supplier, in particular the expanded reservation of title, the transferred reservation of title and the reservation of title extended to the further processing, are excluded.
- 9.3 In the event of processing, mixing, combination or reshaping (further processing) of the Contract Products by Dr. Schneider, Dr. Schneider shall be deemed to be the manufacturer and shall at the latest upon such further processing shall acquire ownership of the final product in accordance with the statutory provisions.

10. SECURING OF DELIVERY, REPLACEMENT PARTS

- 10.1 The delivery of changed Contract Products shall in any case require the prior express written consent of Dr. Schneider, e.g. in connection with a new initial sampling. This applies accordingly for changes in the primary material, for shifts in the production location as well as changes in the manufacturing process of the Supplier.
- 10.2 As far as the Contract Products are products which were specifically developed for Dr. Schneider and Dr. Schneider in particular participates directly or indirectly in the costs for the development and/or the means of production, the Supplier agrees to provide Dr. Schneider with the Contract Products within the scope of its needs and to accept orders of Dr. Schneider as long as Dr. Schneider requires the Contract Products.

- 10.3 As far as not agreed otherwise in a particular case or in an individual contract, after the end of a serial production (e.g. end of the series, expiry of a delivery plan), the Supplier agrees to supply to Dr. Schneider the Contract Products as replacement parts on reasonable terms for a further period of fifteen (15) years. The replacement part prices shall be stipulated in the individual contract.
- 10.4 If it becomes recognizable for the Supplier within the 15-year period that it will no longer be possible for him to supply Dr. Schneider with replacement parts, he shall inform Dr. Schneider at least 6 months prior to discontinuance and give Dr. Schneider the opportunity to obtain a sufficient quantity of replacement parts ("Last Buy Option") and/or support Dr. Schneider in obtaining a different source for replacement parts in a reasonable scope at his own expense. The reasonable scope also includes the granting or transfer of rights of use, as far as necessary.
- 10.5 Product-specific means of production may only be destroyed or disposed of, regardless of the ownership, after prior written consent of Dr. Schneider. The Supplier shall also ensure the supply for the spare part requirement period.

11. QUALITY CONTROL

The provisions of the quality assurance agreement set forth in **Annex 2** have supplementary application to the provisions in this Frame Agreement.

12. WARRANTY

- 12.1 The Supplier warrants that the Contract Products are defect-free, i.e. have in particular the contractually agreed conditions and quality including the stipulated product-related specification and comply with the statutory and public authority safety and environmental requirements at the date of the delivery. The Supplier warrants that the Contract Products comply with the respectively provided latest status of the illustrations, specifications and values and data indicated in the Quality Control Agreement.
- 12.2 In the event of a defective delivery, Dr. Schneider is entitled within the statutory scope at his option to request from the Supplier either the elimination of the defect or the delivery of a defect-free item. All expenses necessary for the elimination of a defect or for the collection and subsequent delivery shall be borne by the Supplier. Dr. Schneider shall set a reasonable time limit for the Supplier for replacement performance as far as the circumstances allow or shall consult with the Supplier.
- 12.3 The Supplier is also obligated to bear all costs associated with the exchange or the improvement of the defective Contract Products, in particular testing, sorting, shipping, work and material costs, regardless of whether they are incurred by Dr. Schneider or a customer of Dr. Schneider or a third party (e.g. end customer).

- 12.4 The Supplier shall in addition indemnify Dr. Schneider from all claims of third parties (e.g. customers of Dr. Schneider) asserted against Dr. Schneider based on the defectiveness of a Contract Product as far as the Supplier caused the defect. These also involve the costs of a necessary exchange or the improvement of products in which Dr. Schneider installed the defective Contract Products as well as the cost for handling and processing warranty claims (ancillary material costs).
- 12.5 If in the event of a serial error, it becomes necessary to replace an entire series of Contract Products or products of Dr. Schneider which were installed in the Contract Products of the Supplier, for example because an error analysis in a particular case is uneconomic, not possible or cannot be reasonably expected, the Supplier shall indemnify the abovementioned costs also in relation to the part of the affected series which technically does not have any defect.
- A serial error exists in particular if at least 2.5 % of the quantity of Contract Products of the same type delivered in a production month (calendar month) has the same defect. In the view of the parties an exceeding of the 2.5 % threshold no longer involves a one-time qualitative deviation. In the event of a defect rate of less than 2.5 % there shall be a consultation with the Supplier whether such damage shall also be treated as serial damage.
- 12.6 Dr. Schneider is entitled to remove and return or to scrap defective Contract Products after prior coordination with the Supplier at his expense.
- 12.7 Dr. Schneider is entitled to himself undertake the elimination of the defect in the necessary scope at the expense of the Supplier if there is risk in delay or a particular need for urgency. The parties agree that a setting of a time limit due to particular urgency (e.g. impending line standstill at the customer's premises) is not necessary. In such urgent cases Dr. Schneider shall in any event attempt to inform the Supplier without delay and coordinate further measures. If this is not successful, Dr. Schneider or the customer is entitled to undertake the removal or the replacement performance itself or have it undertaken by a third party. The costs incurred thereby shall be borne by the Supplier.
- 12.8 As far as no longer limitation period applies by law or a different warranty period was agreed by individual contract, claims arising from liability for defects are subject to a limitation period of 36 months after receipt of the delivery at the agreed place of delivery.
- 12.9 In the case of replacement deliveries or elimination of defects, the time limit for the replaced or improved part begins to run again after elimination of the defect.
- 12.10 Additional statutory rights and claims of Dr. Schneider based on the delivery of a defective Contract Product shall not be affected by this Section 12.

13. INSPECTION OF RECEIVED GOODS AND NOTICE OF DEFECT

- 13.1 Dr. Schneider shall check without delay after the receipt of Contract Products whether they correspond to the ordered quantity and ordered type, as well as whether externally

recognizable defects/shipping damage exist. This check shall be made solely through a simple inspection by sight. Defects of the Contract Products themselves shall be notified in writing to the Supplier by Dr. Schneider as soon as they are determined in the ordinary course of business. In this connection the Supplier shall refrain from the objection of a delayed notice of defect.

- 13.2 In the event of a later discovery of defects (hidden defects), Dr. Schneider shall also notify them without delay after discovery.
- 13.3 Dr. Schneider does not have any duties of inspection and notice towards the Supplier other than those mentioned above.

14. CHECK OF OUTGOING GOODS

- 14.1 The Supplier shall carry out the agreed outgoing goods check or at least a check which is reasonable in terms of type and scope. If required by the quality assurance agreement (Annex 2), he shall also carry out the specific outgoing goods checks specified there.
- 14.2 All rights of Dr. Schneider shall remain unaffected by the outgoing goods checks of the Supplier.

15. SUBCONTRACTORS, LIABILITY FOR SUBSUPPLIERS

- 15.1 The Supplier is only entitled to engage subcontractors if he has previously obtained the express prior consent of Dr. Schneider. There is no entitlement to the consent.
- 15.2 The Supplier is fully liable for his subcontractors and for the fault of his subsuppliers in the same way as for own fault.

16. PROPERTY RIGHTS

- 16.1 The Supplier warrants that the contractual use of the Contract Product and/or its sale does not infringe patents, licenses, design patents, utility models or other property rights of third parties. This also applies for the resale and/or the use of the delivery item abroad.
- 16.2 If a claim is made against Dr. Schneider due to violation of property rights pursuant to Section 16.1, the Supplier agrees to indemnify Dr. Schneider against such claims as far as he is responsible for the violation of the property right.
- 16.3 This does not apply as far as the Supplier has manufactured the Contract Product according to illustrations and models provided by Dr. Schneider (build to print) and does not know or is not required to know in connection with the products developed by him that property rights are infringed thereby. In this case Dr. Schneider shall indemnify the Supplier against all claims of third parties.
- 16.4 Statutory claims against the Supplier, in particular for damages, remain unaffected thereby.
- 16.5 The limitation period of claims for infringement of property rights amounts to ten (10) years starting from the delivery of the contract item to Dr. Schneider.
- 16.6 The Supplier agrees to inform Dr. Schneider of the use of published and unpublished own and licensed property rights to the Contract Product.

16.7 As far as not agreed otherwise in a particular case between the parties (e.g. development agreement), the Supplier agrees to grant to Dr. Schneider free of charge for the duration of the collaboration a non-exclusive transferable right of use - without restrictions as to time, territory and subject matter - to inventions and property rights and copyrights of the Supplier based thereon which verifiably existed prior to the collaboration with the Supplier ("old property rights") or which arise in conjunction with the collaboration.

17. PRODUCT LIABILITY

17.1 If a claim is made against Dr. Schneider by third parties by way of product liability due to the defectiveness of a product of Dr. Schneider and if such defectiveness is based on a Contract Product, the Supplier shall indemnify Dr. Schneider from such claims upon initial request, as far as the Supplier himself is liable towards a third party.

17.2 If, based on the defectiveness of a product of the Supplier and the risk arising from such Contract Product for persons and/or objects, Dr. Schneider is obligated to undertake a recall, the Supplier shall bear all costs which arise in connection with such a recall. Additional statutory claims remain unaffected. As far as possible and as far as can be reasonably expected, Dr. Schneider shall inform the Supplier as early as possible of recall measures and provide him an opportunity to respond.

17.3 If the Supplier has indications that a recall of a Dr. Schneider product could become necessary due to a Contract Product of the Supplier, the Supplier must inform Dr. Schneider without delay and provide him with appropriate documents. The Supplier is not entitled to take measures of his own accord and without prior coordination with Dr. Schneider which involve a recall or are equivalent to a recall.

18. INSURANCE

The Supplier shall insure himself sufficiently against all risks arising from product liability as a car parts supplier, maintain this insurance and prove to Dr. Schneider such insurance prior to the conclusion of this Agreement and upon request at any time, but at least once a year in January by sending a current insurance confirmation. The same applies with regard to the conclusion, maintenance and evidence of a public liability insurance ("Betriebshaftpflichtversicherung") which must be maintained in a sufficient and reasonable volume. The current insurance confirmation shall be sent to:

einkauf@dr-schneider.com

19. TOOLS

As far as the parties have not entered into a separate tool contract, the following applies:

19.1 As far as the Supplier manufactures the Contract Products with reference to tools, devices, testing equipment, etc. ("**Tools**") for which Dr. Schneider bears the costs in whole or in part,

Dr. Schneider shall at the latest upon payment of the respectively owed purchase price for the Tools acquire the ownership or the joint ownership thereto. If the Tools remain with the Supplier, the delivery of possession shall be replaced by the Supplier storing the Tools for Dr. Schneider with the care of a reasonable business person.

- 19.2 Tools shall be marked by and at the expense of the Supplier as the property of Dr. Schneider or upon particular instruction of Dr. Schneider as property of Dr. Schneider and/or the customer of Dr. Schneider, shall be carefully stored and sufficiently insured against damage at the replacement value (at least against fire, water and theft damage). A copy of the insurance policy shall be submitted to Dr. Schneider upon request. The Supplier hereby already assigns in advance all indemnification claims under such insurance to Dr. Schneider, which accepts the assignment.
- 19.3 The Supplier is responsible for the defect-free functioning of the tools during their use in connection with the supply to Dr. Schneider contractually agreed to by him, including spare part services and agreed service life. The Supplier shall carry out ongoing maintenance and inspection work as well as all repair and maintenance work on the tools of Dr. Schneider or the customer of Dr. Schneider at his own expense in a timely and proper manner in order to ensure the ongoing defect-free functional readiness of the tools for defect-free delivery to Dr. Schneider. This includes in particular expenses for maintaining the readiness for operation and the elimination of all defects and damage including all changes and deteriorations due to use. In exchange Dr. Schneider shall provide the tools for the Supplier free of charge. The Supplier shall give notice of any disruptions without delay. If he fails to do so with fault, Dr. Schneider reserves damage claims.
- 19.4 Dr. Schneider is entitled to convince itself at any time of the proper storage and marking of the Tools.
- 19.5 The Supplier shall after a request return the Tools of Dr. Schneider in a proper condition within a reasonable time and after completion of the order without delay without any request.
- 19.6 The documents and data provided to the Supplier or prepared by him by order or with approval ("free issue items") shall be stored separately by the Supplier, remain or become the property of Dr. Schneider and shall be marked as such. This also applies for the provision of materials tied to orders. Processing and adaptation of free issue items and materials shall be made for Dr. Schneider. Contract Products or semi-finished goods manufactured on the basis of down payments or free issue items are or shall become the property of Dr. Schneider. If the Supplier acquires (joint) ownership through processing, combination or mixing, he shall assign to Dr. Schneider at the date the ownership arises a joint ownership share corresponding to the value of the free issue item or the material (purchase price plus VAT). Dr. Schneider shall accept the assignment.

20. COMPLIANCE WITH LAWS

- 20.1 The Supplier agrees not to engage in any acts or fail to undertake any acts which could lead to fines or criminal sanctions, in particular due to corruption or violation of competition law. The Supplier shall inform Dr. Schneider without delay of the initiation of investigation proceedings by public authorities due to the abovementioned events.

20.2 Within its sphere of influence Dr. Schneider supports the principles of the Global Compact of the United Nations (UN) for the safeguarding of human rights, for the compliance with work standards and the requirements of environmental protection as well as to combat corruption in a globalized world and also expect the Supplier to comply with such principles in accordance with the Dr. Schneider Code of Ethics (see web portal).

The same applies for the use of and the trade with conflict minerals in accordance with the Dodd-Frank-Act which relates in particular to tin, tantal, wolfram, columbite, gold and their derivatives, which are mined in areas of conflict, such as for example the Democratic Republic of Congo and adjoining countries, and which serve to finance armed conflicts there. The Supplier confirms that he does not use any such conflict minerals and shall prove this to Dr. Schneider upon request.

20.3 The Supplier shall in addition ensure that the sub-suppliers engaged by him also comply with the principles mentioned in Section 20 and refrain from the use of conflict minerals.

21. FORCE MAJEURE

Natural catastrophes, unrest and other unforeseeable, unpreventable and serious events shall release the contracting parties for the duration of the disruption and in the scope of their effect from the performance obligations. Both the occurrence as well as the end of such an event shall be notified to the other party without delay. If the disruption lasts for longer than one (1) month, the contracting parties shall adjust the obligations on either side to the changed circumstances according to the principles of good faith. The Supplier agrees to support Dr. Schneider upon request in procuring an alternative source for the purchase of the Contract Products in a reasonable scope. The reasonable scope also covers the granting or transfer of rights of use, as far as necessary.

22. CONFIDENTIALITY

22.1 The Supplier agrees to keep confidential the terms of this Frame Agreement and all individual contracts as well as all information and documents provided for this purpose – regardless of the form – as well as the knowledge and experience acquired from information from Dr. Schneider and to only use them for the performance of the contractual relationship with Dr. Schneider. They may only be disclosed to third parties with the express written consent of Dr. Schneider. The Supplier shall in particular not reproduce documents and data – regardless of the form – and after completion of inquiries or after completion of orders return them to Dr. Schneider without delay and of his own initiative. Dr. Schneider can request from the Supplier at any time a conclusion of a separate written confidentiality agreement which then has priority over the provisions in this Section 22.

22.2 Without prior written consent of Dr. Schneider, the Supplier is not entitled to refer to the business relationship in advertising materials, etc. and may not display Contract Products manufactured for Dr. Schneider. This also applies for the use as a reference.

22.3 The Supplier shall subject his sub-suppliers and employees to corresponding obligations, as far as permitted by law.

- 22.4 These obligations also apply for the handling of trade secrets of the Supplier by Dr. Schneider.
- 22.5 The obligations under this Section 22 remain unaffected by a termination of this Frame Agreement or an individual contract and continue to apply for a period of 10 years after termination.

23. TERM

- 23.1 This Frame Agreement shall enter into force upon its signature by both parties and is concluded for an indefinite time.
- 23.2 As far as not agreed otherwise, the Frame Agreement can be terminated in writing by each contracting party on twelve (12) months' notice effective as of the end of a month.
- 23.3 The issuance of a termination or the end of this Frame Agreement has no effect on the continuing existence of the individual agreements for the delivery of Contract Products concluded between the parties on the basis of this Frame Agreement. For such agreements the provisions of this Frame Agreement continue to apply.

Irrespective of the termination of this Frame Agreement such individual contracts can be terminated by Dr. Schneider at any time on six (6) months' notice effective as of the end of a month.

24. EXTRAORDINARY TERMINATION

- 24.1 The right of each party to make extraordinary of this agreement for good cause remains unaffected by Section 23. The extraordinary termination must be made in writing.
- 24.2 Good cause exists if the terminating contracting party, taking into account all circumstances in the particular case and considering the interests on both sides, cannot be reasonably expected to continue the contractual relationship until the end of the notice period. This is in particular the case if obligations under the agreement have repeatedly been breached and despite a written request have not been eliminated or due to impending inability to make payments or the commencement of an insolvency proceeding.
- 24.3 For Dr. Schneider good cause exists for the termination without notice of this Frame Agreement and/or the individual contracts for the delivery of Contract Products concluded under this Frame Agreement in particular,
- if the Supplier is persistently or repeatedly in delay of delivery
 - if the Supplier despite objection of Dr. Schneider repeatedly or persistently delivers the Contract Products without complying with the contract or the specifications;
 - if a material change of the owner structure or the management of the Supplier occurs;
 - if a customer of Dr. Schneider, or its own customer to whom the products of Dr. Schneider containing Contract Products are delivered, makes termination of or does not extend the delivery relationship with Dr. Schneider or the customer of Dr. Schneider; or
 - if the Supplier commits a significant violation of material contractual obligations, in particular the duty of confidentiality.

- 24.4 Good cause for termination of both parties exists in particular if
- a condition of force majeure continues for more than one month
 - one of the parties is unable to make payments or an application for commencement of an insolvency proceeding was made
- 24.5 An extraordinary termination can also be issued only in relation to an individual contract, in particular if supply dates and quality are not complied with. In this case the frame agreement continues to apply in full.
- 24.6 Calls for delivery existing at the end of the contract shall be carried out and supplied on time as far as the parties have not agreed otherwise.

25. OTHER PROVISIONS

- 25.1 This Frame Agreement contains together with its annexes all agreements and declarations of the contracting parties concerning the subject matter of the agreement. It replaces all preceding agreements, oral or written declarations of intention and other legally binding or non-binding arrangements between the parties in relation to the subject matter of the agreement.
- 25.2 The annexes to this frame agreement are a material part of the Frame Agreement. In general the specificity principle applies that the respective more specific provision in an annex has priority over a provision of this Frame Agreement. As far as a provision in an annex and a provision of this Frame Agreement conflict with each other, the provision in the Frame Agreement has priority.
- 25.3 The amendments and supplements to this Frame Agreement must be made in writing to be valid. This also applies for a change of this written form clause.
- 25.4 The contractual relationship is governed by German law, excluding the United Nations Convention on the International Sale of Goods (CISG).
- 25.5 The place of performance for supplies and services is the destination stated by Dr. Schneider. The exclusive place of jurisdiction for all disputes arising from or in connection with the contractual relationship existing between the Supplier and Dr. Schneider is Coburg. Dr. Schneider is also entitled to file a claim at the court having jurisdiction at the place of the registered office of the Supplier at any time.
- 25.6 The invalidity or unenforceability of one or several provisions of this Frame Agreement does not affect the validity of the remaining provisions of this Frame Agreement. This also applies in the event that the Frame Agreement does not contain a provision which is in principle necessary. The invalid or the unenforceable provision or the omission shall be replaced by the legally permissible and enforceable provision which according to the intention of the parties



comes as close as possible in commercial terms to the sense and purpose of the invalid, unenforceable or missing provision.

[Party]

represented by:

Name:

Title:

[Party]

represented by:

Name:

Title:

[Party]

represented by:

Name:

Title:

[Party]

represented by:

Name:

Title: