**Standard Purchase Terms of the**

**DR. SCHNEIDER Group**

# Area of Application

## These standard purchase terms apply for all enquiries and orders of companies of the DR. SCHNEIDER Group (hereinafter DR. SCHNEIDER), as far as not specifically expressly agreed otherwise. Companies of DR. SCHNEIDER are all companies affiliated with DR. Schneider Holding GmbH within the meaning of § 15 German Stock Corporation Act, such as in particular Dr Schneider Kunststoffwerke GmbH, Lindenstraße 10-12, 96317 Kronach-Neuses. These standard purchase terms also apply for all future business with the SUPPLIER, even if in a particular case (e.g. in the case of delivery calls) DR. SCHNEIDER does not expressly refer thereto.

## Conflicting or deviating standard business terms of the SUPPLIER are rejected and shall not become part of the contract even if DR. SCHNEIDER does not expressly object thereto in a particular case. This applies in particular for the unconditional acceptance of the deliveries of the SUPPLIER as well as for the counter-confirmations of the SUPPLIER with reference to his supply terms.

# Orders, Conclusion of Contract, Delivery Calls, Changes

## All enquiries of DR. SCHNEIDER are non-binding. Orders, conclusions of contract, delivery calls as well as changes and supplements thereto are only legally binding if they occur in written form. The written form is also fulfilled through EDI, Web EDI, email and fax.

## The SUPPLIER shall confirm the order of DR. SCHNEIDER without delay after receipt, and at the latest within two (2) weeks, in writing or by making the delivery or performing the service. If DR. SCHNEIDER does not receive the confirmation within two (2) weeks after the date of the order, DR. SCHNEIDER is entitled to revoke the order without the SUPPLIER being entitled to make claims based thereon against DR. SCHNEIDER. If in such cases no revocation is made by DR. SCHNEIDER, each act of fulfilment by the SUPPLIER constitutes the acceptance of the order.

Individual delivery calls within an existing SUPPLIER relationship are binding if and to the extent the SUPPLIER does not object in writing within three (3) work days (Monday to Friday with the exception of statutory holidays at the place of the registered office of DR. SCHNEIDER, hereinafter "workdays") after the receipt of the delivery call.

## The documents described in the order which are provided to the SUPPLIER upon request are part of the order. Only upon fulfillment of all terms mentioned in the document shall the delivery or the service be deemed to have been properly performed.

## Information in the order text, in illustrations and other documents are to be checked by the SUPPLIER as to accuracy and completeness prior to carrying out the order.

## Changes carried without the written consent of DR. SCHNEIDER and their consequences shall go to the detriment of the SUPPLIER. The same applies if the determined errors are not disclosed.

2.6 DR. SCHNEIDER can request changes of the subject matter of the contract in terms of the construction and design. In this connection the effects, in particular the additional and reduced costs as well as the delivery dates, shall be reasonably stipulated by mutual accord.

# Prices, Transfer of Risk, Delivery

## The agreed prices are fixed prices plus the statutory VAT applicable at the time of conclusion of the contract.

## The ancillary purchase 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.

## As far as not agreed to the contrary, deliveries within the European Union shall be made DAT or DAP (Incoterms 2010) to the terminal or the destination named by DR. SCHNEIDER. Deliveries from other countries shall be made CIP (Incoterms 2010) to the destination named by DR. SCHNEIDER.

# Invoices and Supplier Declarations

## 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.

## Upon the request of DR. SCHNEIDER, the SUPPLIER shall prior to delivery of the contract item submit a supplier declaration or long-term supplier declaration pursuant to Regulation (European Community) 1207/2001.

## As long as the form requirements set forth in sections 4.1 and 4.2 are not fulfilled, the invoices are deemed not to be issued.

# Payments

## The payments shall be made on a cashless basis as well as subject to review of the invoice.

## Payment for the goods by DR. SCHNEIDER does not involve an acceptance of such goods as fulfillment (in the sense of approval).

## 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.

## DR. SCHNEIDER has rights of set-off and rights of retention in the statutory scope. In particular in the event of 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 stated destination (place of unloading) are determinative for the invoicing of and payment for the delivery.

## 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 nor 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. In the event an extended retention of title exists, the consent is deemed to have been granted.

# Supply Dates, Delay in Supply

## The dates, quantities and time limits indicated in the order or in the delivery call are binding, and regardless of the agreed Incoterm relate to the receipt of the goods at the destination stated in the order as far as nothing is agreed to the contrary.

## If excess deliveries of a contract item are made, DR. SCHNEIDER is entitled to reject excess quantities and to send them back at the expense of the SUPPLIER.

## 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.

## The unconditional acceptance of the delayed delivery or service shall not involve a waiver of any rights of DR. SCHNEIDER due to the exceeding of the time for the delivery or performance.

## 6.5 Statutory claims and rights of Dr. Schneider due to delay remain unaffected by the provisions of this section 6.

# Force majeure

Natural catastrophes, unrest and other unforeseeable, unpreventable and serious events shall release the contracting parties from the performance of obligations for the duration of the disruption and in the scope of their effect. 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.

# Disclosure of Information and Objects

## The SUPPLIER shall keep confidential all non-apparent information of which he becomes aware in connection with orders of DR. SCHNEIDER, in particular illustrations, tools, CAD-data, models, documents, software, other means of production, etc., which DR. SCHNEIDER has provided to the SUPPLIER, not make them accessible to third parties and to use them only to carry out his contractual obligations.

The special provisions of the confidentiality agreement concluded between SUPPLIER and DR. SCHNEIDER shall have supplementary application, as far as such an agreement was entered into.

## The SUPPLIER may only use his business relationship with DR. SCHNEIDER for advertising purposes after prior written consent of DR. SCHNEIDER.

## Contract items which are manufactured according to illustrations, models or other information of DR. SCHNEIDER or tools paid for by DR. SCHNEIDER in whole or in part, may not be used by the SUPPLIER himself or offered or delivered to third parties, unless DR. SCHNEIDER expressly consented thereto in writing in advance.

# Security of Delivery

## The delivery of changed goods requires the prior express written consent of DR. SCHNEIDER, e.g. 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.

## As far as the contract items are involved which were specifically developed for DR. SCHNEIDER and DR. SCHNEIDER has in particular participated directly or indirectly in the cost for the development and/or the means of production, the SUPPLIER agrees to provide DR. SCHNEIDER with the contract items within the scope of its needs and to accept orders of DR. SCHNEIDER as long as DR. SCHNEIDER requires the contract items.

## As far as the contract items are deliveries in connection with a serial production, the SUPPLIER agrees to supply DR. SCHNEIDER with the contract items as replacement parts for a further period of fifteen (15) years after the end of the serial production. 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 of delivery 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. Replacement part prices may not exceed a reasonable amount (at most 200 % of the last serial production price).

## Product-specific means of production and production equipment may only be destroyed or disposed of, regardless of the ownership, after the prior written consent of DR. SCHNEIDER.

# Quality management, Receipt of Goods

## The SUPPLIER shall perform his services applying a quality management system in accordance with the requirements of DIN EN ISO 9000 et seq. or ISO/TS 16949 and continuously develop the system in accordance with the state of technology.

## The SUPPLIER shall constantly monitor the quality of his services. Prior to the respective delivery the SUPPLIER shall ensure that the delivery items are free from defects and in accordance with the agreed specifications.

## The acceptance of delivery services is made subject to quality, condition and quantity. DR. SCHNEIDER shall check incoming goods only with respect to externally recognizable deviations in identity and quantity. An objection due to excessive, insufficient or defective delivery has been timely made if it is made within 10 days after receipt of goods, and in the case of hidden defects within 10 working days after discovery of the defect. In the case of a longer statutory period for objection, the longer period applies.

## As far as a separate quality control agreement was concluded by the parties, it has priority over the provisions of this section 10.

# Liability for Defects, Warranty, Rescission

## The SUPPLIER warrants that the delivered goods or performed services are free from defects and therefore of the agreed quality (specification) and that as of the date of the delivery they comply with the statutory and public authority safety and environmental requirements as well as the state of technology.

## In the event of defective delivery, DR. SCHNEIDER is entitled at its option to require either elimination of the defect or delivery of a defect-free item by the SUPPLIER. All expenses necessary to eliminate the defect or for the collection and subsequent delivery shall be borne by the SUPPLIER.

## If a defect is only discovered after further processing of the contract items, the SUPPLIER agrees to bear all costs involved with the exchange or the improvement of the defective contract items, in particular testing, transport, work and material costs. This also includes the costs of a necessary exchange or the improvement of products in which DR. SCHNEIDER installed defective contract items of the SUPPLIER as well as the costs for handling and processing of warranty claims (additional material costs).

## If in the event of a serial defect the exchange of an entire series of contract items or DR. SCHNEIDER products in which the contract items of the SUPPLIER were installed becomes necessary, for example because in a particular case an error analysis is uneconomic, not possible or cannot be reasonably expected, the SUPPLIER shall indemnify the above mentioned costs also in relation to the part of the affected series which does not contain any technical defect.

A serial defect exists in particular if in at least 5% of the quantity of contract items delivered in a single delivery the same defect arises.

In the view of the parties an exceeding of the 5 % threshold shall no longer involve a one-time quality deviation.

## DR. SCHNEIDER is entitled to remove and return or to scrap defective contract items after prior coordination with the SUPPLIER at his expense.

## DR. SCHNEIDER is entitled to itself 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.

## As far as no longer limitation period applies by law, claims arising from liability for defects are subject to a limitation period of 36 months after the receipt of the delivery at the agreed place of delivery.

## In the case of replacement deliveries or elimination of defects, the time limit for the replaced or improved parts begins to run again after the elimination of the defect.

## The SUPPLIER shall obtain product liability insurance and – as far as parts for use in motor vehicles are the subject of delivery – car parts supplier insurance (including recall) in the scope and amount usual in the industry and prove it to DR. SCHNEIDER upon request.

## The SUPPLIER is liable for his sub-suppliers and for other third parties which he utilizes in the performance of the services as if they were his agents.

## Additional statutory claims of DR. SCHNEIDER due to defects are not affected by this section 11.

# Property Rights

## The SUPPLIER warrants that the use of the item delivered and/or its sale does not infringe patents, licenses, design patterns, utility models or other property rights of third parties. This also applies for the resale and/or the use of the delivery item abroad.

## If a claim is made against DR. SCHNEIDER due to violation of property rights pursuant to section 12.1, the SUPPLIER agrees to indemnify DR. SCHNEIDER against such claims as far as he is responsible for the violation of the property right. DR. SCHNEIDER is not entitled to enter into agreements in connection with the third party without the consent of the SUPPLIER, in particular to enter into a settlement. The SUPPLIER shall - assuming all costs – join the dispute on side of DR. SCHNEIDER.

## Statutory claims against the SUPPLIER, in particular damages, shall not be affected thereby.

## The limitation period for claims due to violation of property rights is ten (10) years after delivery of the contract item to DR. SCHNEIDER.

## The SUPPLIER shall inform DR. SCHNEIDER of the use of published and unpublished own and licensed property rights to the contract item.

## 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 ("Background IP") or which arise in conjunction with the collaboration.

# Tools

## As far as the SUPPLIER manufactures the contract items using 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 free of charge with the care of a reasonable business person.

## Tools as set forth in section 13.1 shall be marked by and at the expense of the SUPPLIER as the property 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.

## The SUPPLIER shall carry out any necessary maintenance and inspection work as well as all repair and maintenance work on the material of DR. SCHNEIDER at his own expense in a timely and proper manner. He shall give notice of any disruption without delay. If he fails to do so with fault, DR. SCHNEIDER will reserve damage claims.

## DR. SCHNEIDER is entitled to convince itself at any time of the proper storage and marking of the tools.

## The SUPPLIER shall after every 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.

## The documents and the data provided to the SUPPLIER or prepared by order or with approval, regardless of their form, ("free issue items") remain or become the property of DR. SCHNEIDER.

Free issue items shall be stored separately by the SUPPLIER, remain 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. 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 and 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 accepts the assignment.

# Right of Set-off and Right of Retention

A right of set-off and retention of the SUPPLIER is excluded, unless the counterclaims of the SUPPLIER are not in dispute or have been finally adjudicated. The SUPPLIER in addition only has a right of retention if the claim arises from the same contractual relationship.

# Compliance with Laws

## The SUPPLIER agrees not to engage in any acts or fail to undertake any act 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 above mentioned events.

## 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 expects the SUPPLIER to comply with such principles.

# General Provisions

Oral side agreements, deviations from the purchase terms as well as supplements or the exclusion of these purchase terms must be made in writing to be valid.

## The ICC Incoterms in the version applicable upon the conclusion of the contract (since 1 January 2011 Incoterms 2010) have application.

## The invalidity of a provision or individual parts of a provision of these purchase terms does not affect the validity of the remaining purchase terms and/or other agreements entered into between the parties. If in the event of invalidity no provision of dispositive statutory law exists, the parties agree to replace the invalid provision with a valid provision which comes as close as possible to the commercial purpose of the invalid provision. The same applies in the event of a lacuna.

## The place of performance for supplies and services is the destination stated by DR. SCHNEIDER. The exclusive place of jurisdiction for 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 of jurisdiction at the place of the registered office of the SUPPLIER.

## The contractual relationship is governed by German law, excluding the United Nations Convention on the International Sale of Goods (CISG).