

GENERAL TERMS OF PURCHASE



of Proseat

Orders placed by us shall be subject only to the following Terms of Purchase. The provisions of the individually agreed sale and purchasing agreement shall have priority to specially agreed terms and conditions that, in turn, have priority to these general Terms of Purchase. Buyer shall be bound by differing terms of the contractor only insofar as Proseat has expressly acknowledged the same in writing. The suppliers confirmation of the order or its execution shall be deemed to constitute acknowledgement of our Terms of Purchase. Any exceptional arrangements differing from our Terms of Purchase shall apply only to the business transaction for which such arrangements have been confirmed by us in writing. Proseat Terms of Purchase shall also apply where the contractor installs or assembles delivered items on our behalf.

1. Delivery contract, delivery calls.

- 1.1. Delivery contracts (order and acceptance) and delivery calls must be in writing; this also applies to any changes, modifications or amendments to the same. Delivery calls can also ensue via remote data transmission or machine-readable media.
- 1.2. Unless otherwise specified each purchase order resp. call-off is to be confirmed by the contractor immediately in writing or by fax stating our order number and order date. Such confirmation is to be sent to the particular Proseat plant, for the attention of the ordering department (purchasing resp. materials). Should the contractor not accept the order within one week of receiving the same, the ordering party shall be entitled to cancel said order. Any modified order confirmation or confirmation not received by us until 5 working days after issuing the order shall be deemed to be a new offer and shall require express acceptance in writing by our company.
- 1.3. The ordering party can, where reasonable for the contractor, require changes in performance or the delivery item with regard to design and/or execution. The resulting effects, especially with regard to additional or reduced costs and delivery deadlines, shall be taken into account accordingly in this regard.
- 1.4. Should any deviations exist between models and drawings or in the specifications given by the ordering party, the contractor shall be obliged to notify the ordering party accordingly without delay and clarify the matter before commencing production.
- 1.5. The contractor shall give its consent to the personal data obtained in conjunction with our business relationship being processed within the context of the Data Protection Law.
- 1.6. Quotations. Quotations shall be submitted free of charge and without obligation. No remuneration shall be paid for any visits, the drawing up of plans, etc. Inquiries shall only be regarded as a request for the submission of a quotation.
- 1.7. Delivery terms shall be stated based on Incoterms 2000.

2. Payment.

- 2.1. Payment shall, unless agreed otherwise, be 60 days end of month, after receipt of the goods in accordance with the contract and following receipt of a due and proper and verifiable invoice. Should the invoice not comply with the requirements contained in Art. 4.2 of these Terms of Purchase, Proseat shall be entitled to withhold payment until receipt of an invoice that does meet said requirements without effecting discount terms. The quantities, weights or other basic units ascertained on the ordering party's premises shall be definitive for the making of payment.
 - 2.2. In the case of faulty delivery or partial deliveries, the ordering party shall be entitled to withhold payment on a pro-rata value basis until due and proper performance has been executed.
 - 2.3. Minimum quantity surcharges shall not be paid, unless agreed otherwise.
 - 2.4. The contractor shall not, without written prior consent from the ordering party, be entitled to assign its claim against the ordering party or have such claim collected by a third party. Such consent may, however, not be unfairly refused.
- ## 3. Delivery periods and deadlines, delay and force majeure.
- 3.1. Delivery periods and delivery deadlines shall be binding. Should the contractor not deliver on time, it shall be held liable under the relevant statutory provisions. The delivery period shall commence on the date of issue of the order and can only be changed with our written consent. The day of delivery is deemed to be the day on which the goods and services are received on our premises in a perfect state and in the quantity ordered or where, should the goods not be dispatched at out explicit request, readiness to dispatch is notified before expiry of the delivery period. In the case of contracts for work and services or materials, the delivery period is deemed to have been complied with where the delivery item has reached its destination and is operational and fit for final acceptance by expiry of said delivery deadline. Should the contractor become aware that it will not be able to execute all or part of the delivery on time, it must notify the ordering party accordingly without delay, stating the reasons for and expected duration of the delay.

Proseat reserve the right:

* in the case of premature delivery not to make payment until the agreed due date,

* in the case of late delivery and following unsuccessful reminder to fully or partly withdraw from the contract,

* in the case of loss or damage occurring through the delivery not ensuing within the agreed period to claim compensation.

Compliance with the delivery period is an essential term of the order. If the goods are not supplied at the latest on the date stipulated by contract, Buyer reserves the right without any further warning to rescind the contract wholly or in part and to demand compensation for all consequential damages and costs.

- 3.2. The contractor shall be obliged to compensate the ordering party for loss or damage caused by delays. Acceptance of a delayed delivery or service shall not be deemed to constitute a waiver of compensation claims.
 - 3.3. Force majeure, industrial disputes, unrest, public authority actions or other circumstances beyond the control of the parties shall release the parties to the contract from their performance obligation for the duration and to the extent of such disruption. This shall also apply where such events occur at a time when the party affected is in default. The parties to the contract shall be obliged to provide necessary information as far as is reasonable without delay and adapt their obligations to the changed situation in good faith.
- ## 4. Prices, packaging and dispatch.
- 4.1. The agreed prices are deemed to be fixed prices. No price increases may be made during the agreed delivery period; this also applies to call orders. Should no prices be stated, the best market prices shall apply together with the customary discounts/deductions.
 - 4.2. Invoices. An invoice is to be drawn up for each delivery or partial delivery. All invoices are to be sent in duplicate to Proseat, for the attention of the Accounts Department. The invoices must show the order number plus the delivery and contractor numbers; the type of packaging and any share in the costs must also be stated. Proseat shall only acknowledge invoices with the VAT shown separately. A separate invoice is to be issued for each different VAT rate. Price reductions are to be taken into account for orders issued insofar as these have not yet been executed by the time of the change in price.
 - 4.3. The delivery is to be made to the place of receipt stipulated by us without our company incurring any freight, packaging, customs or similar costs or charges. Proseat shall be entitled to refuse acceptance of collect charge consignments. Depending on the type of dispatch, all deliveries are to be sent to the delivery address stated.
 1. Should it be agreed in an exceptional case that Proseat is to bear the freight costs, the contractor undertakes to choose the cheapest type of dispatch. The ordering party reserves the right to collect the goods.Additional costs incurred through not complying with the delivery address or through unjustified selection of an expensive type of transport shall be borne by the contractor.
 1. C.o.d. consignments shall not be accepted, in principle.
 2. The goods must be delivered during the times notified for incoming goods.
 - 4.4. Packaging. The contractor shall be liable for proper packaging, identification plus safe and secure loading for transport. Loss or damage of the goods ordered occurring during transport through inadequate packing shall be borne by the contractor. In cases of doubt, any loss or damage occurring during transport shall be deemed to be the result of improper packaging, for which the contractor shall be held liable. Items damaged during transport shall be returned to the contractor as the latter's expense; the contractor shall also be responsible for settling the damage with the forwarding agent or haulage contractor where applicable. This provision shall not apply if Proseat has collected the consignment ourselves. Proseat reserves the right to return the packaging to the contractor, whereby the value shall be credited to us where such return ensues free of charge for the contractor.
 - 4.5. Pallets and containers shall be treated as the contractor's property and returned on the basis of exchange.
 - 4.6. The ordering party reserves the right to nominate the forwarding agent or haulier.

5. Warranty.

- 5.1. The warranty shall be subject to the relevant statutory provisions. Discernible defects or differences in weight can be notified to the contractor up to two weeks following receipt of the goods. All deliveries must fully comply with the local Accident Prevention Regulations in force at the time of delivery at the and with the EU Conformity Declaration. In the case of faulty delivery, Proseat shall be entitled, as we see fit:
 - a) to return the defective goods and demand delivery of faultless goods,
 - b) to rectify the defects complained of or have them rectified by a third party, at contractors expense
 - c) to demand a reduction of the purchase price,
 - d) to procure a replacement for the goods complained of from a third party on returning said goods,
 - e) to cancel the order, or
 - f) should the goods not be of the quality stipulated in the contract, to demand compensation for non performance

Should it not be possible to rectify defects on site, the transport costs shall be borne by the contractor. Entitlements to compensation for direct and indirect consequential loss or damage relating to a faulty consignment shall remain unaffected.

The costs arising in this context or loss or damage incurred by us through the further processing of the goods shall be borne by the contractor.

The warranty provisions set out above shall also apply where the contractor installs or assembles delivery items on our behalf. In such cases, the warranty period shall commence on final acceptance of the installed items by us or our customers in accordance with the written confirmation of final acceptance.

- 5.2. The contractor undertakes to examine notifications of defects within three working days. Failing this, the defect shall be deemed to have been tacitly acknowledged.

6. Quality

The contractor shall comply with the recognised technical rules and regulations, safety regulations and agreed technical data in relation to its deliveries. Changes to the delivery item shall require the prior written approval of the ordering party.

The supplier is obliged to fulfill all relevant customer specific requirements for the specific OEM's (see attachment B in IATF 16949). Furthermore the supplier shall have a product safety officer as required by Formel Q from VW group.

7. Energy Efficiency

Energy Efficiency is one of the criteria during supplier selection. The existence of energy efficiency processes are assumed should environmental certificate 14001 and energy certificate 50001 be presented. The supplied products or services of the suppliers have to be very energy efficient. When using raw materials and materials, the requirements of the currently applicable product safety regulations (ProdSG) as well as the Waste Management Act (KrWG) - the reuse or alternatively the recycling of the used materials - must be observed.

8. Guarantee.

- 8.1. The guarantee period shall be 24 months, unless expressly agreed otherwise. The guarantee period shall commence with the delivery item being surrendered to the ordering party. In the case of devices, plant and machinery, the guarantee period shall commence with the perfect functioning of the item concerned, which shall be confirmed by the drawing up of a final acceptance protocol.
- 8.2. The guarantee period for spare parts shall be 24 months from the day of delivery.
- 8.3. Warranty and guarantee claims shall lapse 24 months after lodgement of the defect complaint within the guarantee period.

9. Liability.

- 9.1. The contractor shall be obliged to compensate the ordering party for loss or damage incurred directly or indirectly by the ordering party as a result of faulty delivery, through infringement of official safety regulations or by virtue of domestic or foreign product liability provisions.
- 9.2. The ordering party shall inform the contractor without delay and consult with it extensively should the ordering party intend to assert such a claim. The ordering party shall give the contractor the opportunity to examine such claim accordingly.

10. Industrial property rights.

- 10.1. The contractor shall be liable for ensuring that the protected rights of third parties are not infringed by the contractor's services of deliveries or through our use of the items and services acquired from the contractor. The contractor undertakes to indemnify us against any such cases of infringement.
- 10.2. The parties to the contract undertake to notify each other without delay of any risks of infringement becoming known or alleged and to give each other the opportunity to jointly counter any corresponding claims accordingly.

11. Right of ownership.

The ordering party shall acquire unrestricted ownership of the delivered goods as soon as full and final payment has been made. Property rights of the contractor or third parties shall not be acknowledged.

12. Models and tools.

- 12.1. Tools or moulds produced or procured on our behalf shall become our sole property on being produced or procured by the contractor. Surrender shall be replaced by the contractor holding such tools in safekeeping for us free of charge. During said safekeeping, the contractor shall be liable for any type of deterioration, loss or destruction of such tools and moulds.

The contractor undertakes, at its own expense, to insure tools and moulds against theft, fire, loss and every type of deterioration and to furnish us with proof of such insurance on request.

The contractor shall maintain such tools and moulds at its own expense.

The contractor may not pass on such tools and moulds to third parties or use the same for its own or third-party purposes.

Proseat shall also be entitled to provide such tools and moulds to third parties for the production of components for our company as well as repair, renew or modify said tools and moulds for our purposes or via third parties.

Proseat shall be entitled to withdraw the tools from the contractor should the delivery of components not ensue promptly or in a due and proper manner. Proseat also reserve the right to withdraw such tools should the contractor indicate being no longer interested in to execute the order at previously agreed terms.

13. Maintenance of secrecy.

- 13.1. The contractor undertakes to treat all commercial, business and technical details becoming known to it as a result of the business relationship and which are not in the public domain as confidential and not to make these accessible to any third party.
- 13.2. Any samples, models, drawings or other items submitted by us or produced on our behalf shall remain our property and must not be made accessible to third parties. The contractor may not use our documents for its own purposes or make them accessible to third parties insofar as there is no direct correlation with the execution of the contract. The documents are to be returned to us free of charge at the latest and without any such specific request being required as soon as they are no longer needed by the contractor for the execution of the services and deliveries concerned. Any infringement of this obligation shall entitle us to cancel contracts and demand compensation. The contractor shall also be held liable for compliance with this obligation where it passes on contracts to third parties with our approval.
- 13.3. Subcontractors are to be placed under the same obligation accordingly.

14. General provisions.

- 14.1. All suppliers of proseat are obliged to contractually ensure that all requirements of proseat and our common end customer are broken down to their respective sub suppliers. This obligation is also valid for the sub-suppliers of our suppliers with the aim to cover the complete supply chain downwards.
- 14.2. Should either party to the contract discontinue making payments or insolvency proceedings are instituted in relation to its assets, the other party shall be entitled to withdraw from the non-performed part of the contract.
- 14.3. The purchase contract shall be subject to the laws of the country where the respective Proseat company has its registered office.
- 14.4. Unless expressly agreed otherwise, the place of performance for the delivery obligation shall be the place of use or delivery address specified by the ordering party.
- 14.5. In case the execution of the order requires the contractor to be at any Proseat site the contractor must comply with all possible pertinent provisions of social security and EU legislation as well with the Proseat safety and security regulation of the respective site.
- 14.6. The court having jurisdiction at the registered office of the respective Proseat company shall be competent.
- 14.7. Should any of these Terms of Purchase prove to be legally ineffective, this shall not affect the validity of the remaining provisions. In such a case, the parties to the contract undertake to replace the ineffective provision with an effective one coming as close as possible to the content and economic purpose of the original ineffective provision.

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