

**GENERAL TERMS AND CONDITIONS OF PURCHASE OF
PROSEAT GMBH & CO. KG, Proseat Schwarzheide GmbH,
Proseat LLP (Great Britain), Proseat SAS (France), Proseat
Sp.Z.o.o. (Poland), Proseat foam manufacturing S.L.U. (Spain)
und Proseat S.r.o. (Czech Republic) – („Proseat“)**

I. APPLICABLE CONDITIONS

Present and future business relationships between Supplier and Proseat shall exclusively be governed by these General Terms and Conditions (“**GTCs**”). They shall apply in the version valid at the time of the order and published on the Proseat website at www.proseat.eu/downloads/. In any case, individual agreements with the Supplier shall take precedence over the GTCs; for the content of such agreements a written confirmation by Proseat shall be decisive, subject to proof to the contrary. Diverging other General Terms and Conditions of Supplier shall not be applicable even if they were not explicitly objected to in individual cases. In the event that Proseat should accept and receive goods or other services of Supplier without express objection or Proseat should make payments without objection, this shall by no means be deemed to be an acknowledgement by Proseat of Supplier's general terms and conditions.

II. CONTRACT AND SUBSTITUTE SUPPLIES

1. Any representations or declarations made by Proseat such as, in particular, purchase orders, delivery call-offs or changes thereto shall require the written form to be legally effective. The written form may also be complied with by remote data transmission, particularly by letter, fax, email as well as teleservices and media services or machine-readable data carriers. Only declarations made by employees or vicarious agents of Proseat who are authorized to make declarations are legally effective.
2. Supplier's offers shall be free of charge for Proseat. Offers shall be binding on Supplier and valid for a period of ninety (90) days from receipt by Proseat. Proseat shall at no time be committed to accept an offer.
3. Supplier shall confirm purchase orders and revisions of purchase orders within a period of 48 hours in writing or purchase orders and revisions of purchase orders shall be considered accepted and binding upon shipment of the goods. From the date of receipt of the purchase order by Supplier up to its express acceptance, Proseat shall have a right of revocation towards Supplier to be exercised in writing. All other delivery call-offs based on valid agreements shall become binding and obligatory with immediate effect and have to be complied with by Supplier.
4. Proseat may require Supplier to implement reasonable changes to the design and execution of the goods to be supplied. The effects of such changes, particularly those relating to cost increases or decreases and/or delivery date changes shall be promptly notified and substantiated by Supplier. To the extent required the parties shall reach agreement on a reasonable adjustment of the contractual Terms and Conditions.

5. Supplier undertakes to maintain the necessary capacities for producing the respective supplies for the aftermarket, in order to enable Proseat to meet its customers' demand for spare parts during a period of not less than fifteen (15) years from the date of sale to the end customer/ consumer. The parties shall agree on reasonable periods of spare parts availability after consultation with Proseat's customers. In the event that Supplier should no longer be in a position to supply spare parts, whether or not due to Supplier's fault (e.g. bankruptcy), Supplier shall, in coordination with Proseat, ensure that the necessary capacities are made available by third parties. Supplier furthermore undertakes to grant any license required and provide any technical assistance necessary in this regard. The conditions agreed between the parties shall also apply to supplies for the aftermarket.

III. PRICES, SHIPPING, PACKAGING

1. Unless otherwise agreed, shipping will take place according to „DAP” (delivered named site) INCOTERMS 2020.
2. The supplier shall submit an estimate of freight costs to Proseat for review. Proseat only pays for freight costs up to a maximum of the customary local amount. Furthermore, Supplier shall provide sufficient insurance coverage for the goods until the goods reach their final destination (place of use as per purchase order specification).

IV. PAYMENT

1. The agreed prices are fixed prices and shall be understood to exclude the applicable statutory value-added tax but include the cost of packaging.
2. For spare parts that are ordered within five (5) years of the end of the serial production, prices will be calculated by Supplier with the relevant price from the last year of the serial production. After the expiration of this period of five (5) years, the parties will renegotiate the price.
3. Payment is due 60 days to the end of the month from the date of the receipt of the contracted deliveries or other services as well as the correct and verifiable invoice, but not earlier than 60 days to the end of the month after the initially agreed delivery date. If Proseat settles payments within 14 days Supplier shall give a discount of 3 % for the net amount of the invoice.
4. Any payments made by Proseat shall not imply acknowledgement of the correctness of the invoice.
5. Should the delivery not conform with the contractual conditions, Proseat shall be entitled to retain the respective proportional part of the payment until the contract has been fully complied with: If and to the extent that payments were already made for nonconforming deliveries, Proseat shall have the right to retain any further payments falling due, up to the amount of such payments made.
6. In the absence of prior written consent by Proseat, which may not be unreasonably withheld, Supplier shall not be entitled to assign any receivables from Proseat to third parties or have them collected by third parties. If the parties agreed to the extended retention of ownership, this consent shall be deemed granted.

7. Invoices of the performing entrepreneur shall be presented to Proseat in the statutory form of § 14 para. 4 UStG (German Value Added Tax Act).

V. DELIVERY, DELIVERY DATES AND TIMES, DELAYS IN DELIVERY

1. Supplier is not entitled to provide the owed services through third parties (e.g. subcontractors) without the prior written consent by Proseat. Supplier carries the risk of procurement for his deliveries, unless otherwise agreed in a particular case.
2. The delivery dates and times established in the purchase order and the delivery call-offs shall be binding. The relevant date for compliance with the contractual delivery date or time shall be the date of receipt of the final place of use specified by Proseat (place of use as per purchase order).
3. If Supplier anticipates that the agreed dates cannot be met for any reason, Supplier shall immediately inform Proseat by means of remote data transmission stating the reasons and duration of the potential delay. Supplier shall, at its own expense, take all necessary counter measures to prevent delay or any damage caused by delay. Upon request from Proseat, Supplier shall inform Proseat or its authorized representative, in writing, about the current status of production of the ordered goods or their whereabouts.
4. If goods are delivered before the agreed date, Proseat retains the right to return the goods at the expense of Supplier and/or to refuse acceptance. If, in the case of early delivery, the goods are not returned, or acceptance is not refused, the goods will be stored by Proseat at the expense and risk of Supplier until the contractual delivery date.
5. Proseat will accept partial deliveries only upon express prior agreement. If the parties agree to partial shipments, the quantity of the remainder of the goods still to be delivered shall be stated in the shipping documents.
6. In the case of delay in delivery, the rights of Proseat - especially to rescission and damages – shall be governed by the statutory provisions. The acceptance of the delayed or otherwise not contractual delivery or service does not constitute a waiver of claims for compensation.

VI. FORCE MAJEURE

1. Force majeure, e.g. legitimate labor disputes, civil disturbance, governmental actions and any other unforeseeable, unavoidable and serious events shall release the parties from their duties of performance for the duration of the disturbances and to the extent of their effects. Supplier shall immediately inform Proseat of any case of force majeure and provide the necessary information, especially with respect to the cause, estimated duration, etc. of a case of force majeure as well as adapt performance of its contractual obligations to the changed circumstances, to the best of its ability and in good faith.
2. Proseat shall be wholly or partly exempted from its obligation to accept the goods ordered and to rescind the contract to the extent that Proseat cannot be reasonably expected - from a commercial aspect - to accept such goods/services on account of the delays caused by force majeure and/or legitimate labor dispute.

VII. QUALITY AND DOCUMENTATION

1. Supplier must comply with the generally accepted rules of science and technology, safety regulations, any separately agreed quality assurance agreements and the agreed technical data with regard to the goods to be supplied. Any change to the goods to be supplied to the production process as well as any relocation of production, to another site, for example, shall require the prior written approval of Proseat.
2. Supplier shall employ a documented quality assurance system corresponding to the state of the art and of appropriate type and scope and update such system as required. In particular, Supplier shall warrant valid certification under DIN EN ISO 9001 or a higher-level quality management system throughout its supplier relationship with Proseat.

VIII. OBLIGATION REGARDING INSPECTION AND NOTICE OF DEFECTS

1. Supplier shall proceed with the diligence and care of a prudent businessman in performing inspections of the contractual goods before delivery and shall take master samples from each batch and retain them until the end of the project.
2. When taking delivery of the goods, Proseat will conduct a receiving inspection that will only comprise an identity check for obvious defects and damage, transportation damage and a quantity check. No further inspections will be made by Proseat. Any defects found will be reported by Proseat to Supplier within ten (10) days of discovery.
3. Apart from the aforementioned checks, the goods will only be examined in connection with the tests carried out in the course of production and end-of-line tests at Proseat. Any defects found during those tests will be reported to Supplier within ten (10) days of discovery. Supplier waives the right to claim late notice of defects.

IX. WARRANTY FOR DEFECTS

1. The supplier shall be liable, in particular, for ensuring that the contractual products have the agreed quality upon transfer of risk. The liability for defects shall be governed by Proseat's written order or delivery call-off and the product descriptions referred to therein, which are subject matter of the contract or have been incorporated into the contract in the same way as these General Terms and Conditions, irrespective of whether the product description originates from the Supplier or the Manufacturer.
2. In the case of delivery of goods not according to contract Supplier shall receive – at Proseat's option – the opportunity to repair or deliver subsequently. The supplementary performance includes the removal of the defective goods and the installation of the new goods, as far as the goods were installed into or on another object according to its kind and purpose; the statutory right of Proseat for the compensation of corresponding expenses remains unaffected. For the examination and supplementary performance necessary expenses shall be borne by the Supplier even if the defect actually didn't exist. Proseat's liability for compensation in case of unjustified correction of defaults remains unaffected; however, Proseat shall only be liable if Proseat recognized or was grossly negligent in not recognizing that there was no defect.

3. If Supplier is unable to repair the defect or make a subsequent delivery within a reasonable period of time or fails to do so without undue delay, Proseat may, after consultation with Supplier, repair the defect itself or have it remedied by a third party. Any expenses incurred thereby shall be borne by Supplier. Proseat's right to claim damages or reimbursement of expenses incurred in vain shall remain unaffected.
4. Apart from the Proseat may withdraw from the contract and return the goods at Supplier's risk and cost or demand reduction. Supplier is obligated to compensation of all damage for Proseat resulting from the delivery of defective goods and will release Proseat from claims for damages of third parties due to the delivery of defective goods and any consequential damages at the initial request.
5. The relevant statutory provisions apply with regard to the statute of limitations.

X. SUPPLIER REGRESS

1. In addition to the claims based on material defects, Proseat shall be entitled without limitation to the statutory rights of regress within a supply chain (supplier's regress according to §§ 445a, 445b and 478 German Civil Code). Proseat shall be entitled to demand exactly the type of supplementary performance (subsequent delivery or subsequent improvement) that Proseat owes its customer in the individual case.
2. The claims arising from supplier regress shall also apply if the defective goods have been further processed by us or another entrepreneur (e.g. by incorporation into another product).

XI. LIABILITY

1. Unless otherwise stated in the General Terms and Conditions of Purchase with respect to liability, Supplier shall indemnify and hold Proseat harmless in connection with any damages incurred by Proseat directly or indirectly due to deliveries by Supplier that do not conform with the contract, due to any infringement of statutory or official regulations or due to any other reasons imputable to Supplier.
2. Should, as a result of nonconforming delivery by Supplier, Proseat or one of Proseat's customers have to take action to avert loss or damage (e.g. recall action or field campaign), Supplier shall be obligated to pay compensation for the costs incurred by Proseat due to such action.
3. If Proseat wants to assert a claim against Supplier as outlined above, Proseat will promptly and comprehensively inform and consult Supplier. In such event, Proseat shall grant Supplier the opportunity to immediately investigate the claim. The parties shall reach agreement on the action to be taken, especially in line with settlement negotiations.
4. The liability of Proseat - no matter for what legal cause - shall be limited to any damages caused by Proseat or its vicarious agents or contractors with intent, gross negligence or in case of breach of duties essential to fulfillment of the contractual purpose through slight negligence. In such cases of slight negligence, Proseat's liability shall be limited in scope to typical damage or loss for this kind of business which was foreseeable at the time of concluding the contract or, at the latest, of the breach of duty. Any claims for damages by Supplier against Proseat under the German Product Liability Act and resulting from loss of life, personal injury or damage to the health shall remain unaffected.

XII. INSURANCE

Supplier shall take out and maintain a product liability insurance with an amount of coverage customary in the automotive industry of at least EUR 10 million per personal/ material damage.

XIII. INTELLECTUAL PROPERTY RIGHTS

1. Supplier warrants that the development, manufacture and intended use of the contractual products do not infringe any third-party property rights or represent unauthorized use of such rights.
2. Supplier shall indemnify and hold Proseat and its customers harmless on first demand from any third-party claims resulting from use or infringement of such property rights. Supplier's indemnification obligation shall apply to any expenses and costs incurred by Proseat in connection thereto.
3. The indemnity obligation set out above shall not apply to the extent that Supplier has manufactured the goods delivered in accordance with drawings, models or equivalent other descriptions or information or instructions provided by Proseat and when Supplier does not know or cannot know that protective rights are infringed in connection with the goods developed by Supplier.
4. Supplier shall inform Proseat about any intellectual property rights and/or licenses, whether registered, unregistered, or pending, belonging to Supplier or a third party, which apply to the goods.

XIV. CONFIDENTIALITY

1. Supplier undertakes to treat strictly confidential all documents, information and data relating to Proseat which Supplier receives in connection with or in relation to the contractual relationship and to proceed at least with the due diligence and care of a prudent businessman and in compliance with the relevant provisions of the data privacy law.
2. Supplier shall be obligated to impose these confidentiality obligations on its employees and subcontractors; at the request of Proseat, Supplier shall evidence compliance with these obligations in writing.
3. Supplier may only use the business relationship between the contracting parties for advertising purposes subject to the prior written consent of Proseat. Supplier undertakes not to use the company name or any trademarks of Proseat without prior consent of Proseat.
4. This confidentiality obligation shall remain in full force and effect for two (2) years after the expiration of the contract or the end of the business relationship, whichever circumstance occurs later.

XV. USE OF PRODUCTION TOOLS AND CONFIDENTIAL INFORMATION OF PROSEAT

1. Proseat or rather its customers are or will become (starting upon completion), without exception, owner of all models, molds, templates, samples, tools and other manufacturing equipment (collectively referred to as "**Production Tools**") as well as any and all confidential information given by Proseat to Supplier or paid for by Proseat or if payment has been agreed between Proseat and Supplier. This provision shall apply no matter whether Supplier makes the Production Tools itself or has them made by a third party at Proseat's expense. Payment can be made in the form of a lump sum or by amortization through the piece price of the contractual products.
2. Supplier shall label the Production Tools as the property of Proseat and shall treat them with the due diligence and care of a prudent businessman. Such Production Tools must not be given or made accessible to third parties nor for supplies to third parties or in any other way, e.g. by the use or application of such tools, unless subject to the prior written consent of Proseat. In addition to its ownership rights, Proseat retains all applicable property rights to the Production Tools. Without having to give reasons, Proseat may demand the immediate return of Production Tools and confidential documents.

XVI. CHEMICALS AND HAZARDOUS SUBSTANCES

1. Supplier shall comply with all national, European and international laws, regulations, norms and standards, particularly Regulation EC No. 1907/2006 (REACH) and Regulation EC No. 1272/2008 (CLP). If the contractual products to be supplied are a substance or contain such a substance (as a preparation/mixture or product) which is governed by an European regulation (e.g. REACH) or national regulations and features dangerous or hazardous characteristics or if such dangerous or hazardous characteristics emerge when handling such substance, Supplier shall, on Supplier's own initiative, promptly proceed to classify, pack and label the substance in accordance with the provisions prevailing at the time of delivery before bringing such substance into circulation. For the first delivery, Supplier shall provide a safety data sheet in German and English, in each case in accordance with valid legal provisions and stating the relevant instructions for occupational safety (risk management measures as required under exposure scenarios) and releases for use. The safety data sheet shall be resubmitted by Supplier after every alteration of the substance/preparation/product and any revision of the safety data sheet. Any further obligations of Supplier regarding import and placing of the substance/preparation/product on the market under national or international provisions shall be fully met by Supplier.
2. Supplier shall ensure that, to the extent that goods/products or their packaging contain substances governed by REACH, these were duly registered in accordance with REACH. Supplier undertakes the commitment to transmit to Proseat within the periods stipulated in REACH/CLP, any and all information and documentation required under this Regulation and/or promptly pass on to Proseat any information provided by Supplier's vendors. In particular, Supplier shall ensure that the goods/products delivered do not contain any substances which by virtue of laws or other regulations are prohibited, restricted in use or require authorization (e.g. SVHC, GADSL, customer specifications, etc.).

XVII. TERMINATION

Proseat is entitled to terminate the supply relationship with a six (6) month period to the end of the month without giving reason. The right to extraordinary termination remains untouched.

XVIII. GENERAL PROVISIONS

1. Should insolvency proceedings be initiated against the assets of one of the parties, the other party shall have the right to rescind the contract with respect to the obligations not yet met.
2. Supplier shall only be entitled to a setoff based on unchallenged or court-established valid claims.
3. The law of the Federal Republic of Germany shall apply exclusively, excluding the conflicts-of-laws provisions and the United Nations Convention on Contracts for the International Sale of Goods.
4. Any amendments and supplements to this Agreement shall be agreed in written form. A waiver of the requirement of the written form shall also be agreed in writing to become effective.
5. Place of performance for delivery and payment shall be the registered office of Proseat (that company, which is contract partner of Supplier).
6. The venue for actions brought by Proseat against Supplier shall be, at Proseat's discretion, either Proseat's statutory place of jurisdiction (at the registered office of the respective Proseat company, which is contract partner of Supplier) or the Supplier's statutory place of jurisdiction. For litigation instituted by Supplier against Proseat, the legal venue shall be Proseat's statutory place of jurisdiction (at the registered office of the respective Proseat company, which is contract partner of Supplier).