

## General Terms and Conditions of Purchase for Production Material and Spare Parts for Automotive Supplies

### I. Orders

- Orders placed by SMP Automotive Systems México, S.A. de C.V. (hereinafter referred to as "SMP") shall be governed exclusively by these General Terms and Conditions of Purchase. SMP expressly objects to any deviating terms and conditions of the supplier, unless by the express written agreement of SMP. The General Terms and Conditions of Purchase shall also apply to all future business transactions with the supplier.
- Any modifications or supplements to the order and the purchase contract, in particular any modifications or supplements to the contractual item, require the written confirmation by SMP.
- SMP shall be entitled to revoke the order if the supplier fails to accept the order in writing within 14 calendar days after shipment.
- The relevant call-off schedule of any framework order (delivery schedule) shall form an integral part of the order.
- The supplier must maintain confidentiality about the conclusion of any contract. He may only name SMP as a reference to a third party with the written agreement of SMP.

### II. Commercial terms

- The commercial clauses shall be interpreted in accordance with the INCOTERMS in the version applicable at the time that the contract was formed.

### III. Delivery dates

- The delivery periods and delivery dates stated in the order / delivery schedule are binding. The decisive date for compliance with the delivery date or delivery period shall be the date of receipt of the goods by the SMP plant to be supplied. Unless free delivery / DDP (Incoterms 2000) is agreed, the supplier must provide the goods in due time, taking account of the typical time required for loading and shipment.
- In the event of delay of the supplier, and after the fruitless expiry of a reasonable grace period set by SMP, in case SMP decides on its sole discretion to grant such a grace period, SMP shall be entitled to commission a third party to perform any outstanding deliveries at the expense of the supplier. Alternatively, SMP may choose to withdraw from the contract after the fruitless expiry of a reasonable grace period set by SMP.
- In addition, the statutory provisions shall apply.
- The supplier shall immediately inform SMP of any impending delay in delivery, stating duration and reasons. Such notification does not reclassify a delay.

### IV. Deliveries

- Each shipment shall include a delivery note in duplicate, clearly indicating the order detail (at a minimum the order number + SMP material number). Any violation of this obligation by the supplier may result in delays and/or additional processing cost for which the supplier will be held accountable.
- Unless expressly agreed otherwise, no charges shall be levied for delivery and the supplier shall bear all risks and expenses.
- SMP's Packaging Guidelines (see Supplier Requirements Manual) must be observed.

### V. Prices

- The agreed prices are fixed prices and, unless expressly agreed otherwise, include delivery, packaging and insurance.

### VI. Invoices

- Invoices must be submitted in duplicate, clearly stating the number of our order. Any violation of this obligation by the supplier may result in delays and/or additional processing cost for which the supplier will be held accountable.
- Any invoice concerning a foreign business transaction with an EC supplier (European Community) must include a Supplier Declaration pursuant to Regulation (EC) No 1207/2001. The lack of such a declaration requires express notification. Any invoice issued by a Mexican supplier must comply with all applicable Mexican legal requirements.

### VII. Payment

- A payment issued by SMP shall not imply an acceptance of the invoice.
- Unless otherwise agreed in the orders /delivery schedules, SMP will pay the invoice amount minus a 3% cash discount on the 30th of the month following the month of the delivery, provided that goods and invoice have been duly received. If premature deliveries are accepted, payment shall be due in accordance with the agreed delivery date.
- The decisive date for compliance with the agreed payment terms shall be the date payment is effected.

### VIII. Certificates of origin, supporting documentation for VAT purposes, Export restrictions

- The supplier shall immediately provide SMP with any certificates of origin requested by SMP, duly signed and including all required information. The same shall apply mutatis mutandis to all supporting documentation for VAT purposes for any international and EC deliveries.
- The supplier shall immediately inform SMP of any delivery subject in full or in part to export restrictions under Mexican or any other law.

### IX. Quality and documentation

- The supplier shall ensure that his deliveries are in accordance with established engineering practice, safety and other regulations, the agreed specifications (including DIN, NOM and any other agreed standards), as well as any representations made as to the properties of the goods. Any modifications to the contractual item require prior written approval.
- With regard to initial sample tests, we refer to the latest version of the Verband der deutschen Automobilindustrie e.V. ("VDA") Publication Volume 2 "Quality Assurance for Supplies". Deliveries from series production must not commence until samples are approved by SMP. The supplier's obligation to perform continuous quality audits and undertake continuous optimisation measures of the contractual items shall remain unaffected by such an approval. The parties to the contract shall inform each other about potential quality improvement measures.
- Unless the supplier and SMP have firmly agreed upon the nature and scope of tests, as well as test equipment and methods, SMP shall be prepared to discuss the tests with the supplier at the request of the supplier within the boundaries of its knowledge, experience and possibilities in order to determine the required standard of testing in each instance.
- In addition, the supplier shall maintain separate records of the date and method of any tests of any contractual items' properties requiring documentation, the person performing such test and the results with respect to the required qualities for any parts carrying

special labels, e.g. "D", "A" or "Control Item", in the specifications and in particular in any separate agreement. The test documents shall be retained for 15 years following delivery of the parts and shall be furnished to SMP if required. The supplier shall impose the same obligation on subcontractors, insofar as is legally permissible. VDA Publication Volume 1 "Documentation and Archiving - Code of practice for the documentation and archiving of quality requirements and quality records", Frankfurt a.M., shall serve as instruction.

- The provisions of SMP's "Global Supplier Manual" are hereby incorporated into these General Terms and Conditions of Purchase. In the event of a conflict between the Global Supplier Manual and these General Terms and Conditions of Purchase, the provisions of the Global Supplier Manual shall control, unless such provisions of the Global Supplier Manual are, by law, not applicable to the supplier or the products.
- The supplier shall independently and completely enter the documentation of the raw material used for his products in the official IMDS database without incurring any charge for SMP.

### X. Notice of defects/warranty

- On the basis of the supplier's inspection of outbound goods, SMP shall inspect incoming goods only with respect to identity, part number and externally visible transport damage. Any other defects discovered in the ordinary course of business will be notified to the supplier immediately after their discovery. The supplier shall therefore waive the defence of delayed notice of defects.
- The warranty period shall be 36 months from the date of delivery to SMP, unless agreed otherwise in the contract.
- SMP shall be entitled to assert all statutory warranty claims in full. SMP's entitlement to claim either remedy of defects or a replacement delivery free of defects shall remain unaffected by the above. In this event, the supplier shall bear all necessary expenditures incurred through such remedy of defects or replacement delivery. SMP retains the statutory right to claim damages and losses, including any costs billed to SMP in the event of defective deliveries due to warranty agreements between SMP and its customers.

### XI. Product liability

- If any legal action is taken against SMP on the basis of product liability under Mexican or any other law, the supplier shall hold SMP harmless from all claims to the extent to which he would be directly liable. Any further contractual or legal liability of the supplier shall remain unaffected.
- The supplier shall be liable for any measures taken by SMP in order to avert damage, e.g. any recall campaign, insofar as the supplier is under a legal obligation.
- SMP shall immediately inform the supplier of his intention to hold the supplier liable for any claim according to the aforementioned paragraphs. SMP shall give the supplier the opportunity to investigate the claim and agree measures with SMP (e.g. settlement negotiations).

### XII. Third party intellectual property rights

The supplier shall guarantee that the delivered goods are free of any third party rights or claims pertaining to industrial and other intellectual property in the country of destination. The country of destination is deemed to be the country in which the head office of SMP is located, unless a different delivery address is stated. The supplier shall not be entitled to claim relief on grounds of SMP's prior knowledge of the existence of third party rights and claims in the country of destination.

### XIII. Means of production, drawings, design specification, tools

- Drawings and other documents, fixtures, models, tools and other means of production provided to the supplier shall remain property of SMP. The ownership of tools and other means of production paid for by SMP shall be conferred to SMP. This shall be effected by a separate transfer of title or a separate tool contract.
- The aforementioned objects may neither be scrapped without the written approval of SMP nor be made accessible to third parties, e.g. for manufacturing purposes. They may not be used for any other purposes than contractually agreed - e.g. delivery to a third party. The supplier shall store such objects at his expense for SMP carefully for the duration of contract performance.
- Handling, maintenance and partial renewal of the aforementioned objects shall conform to the relevant agreements between SMP and the supplier.
- SMP reserves all rights pertaining to drawings or products produced in accordance with SMP specifications as well as processes developed by SMP. The supplier shall immediately provide SMP with all necessary information and documentation in this context, insofar as these are required for filing a registration of industrial property rights.

### XIV. Force majeure / withdrawal

- In the event of force majeure, strike, lockout or any other major disturbance in operations and distribution, SMP shall be entitled to withdraw from the contract in full or in part without compensation, or to reasonably defer acceptance of deliveries or services, giving due consideration to the interests of the supplier.
- The same shall apply if the supplier becomes insolvent or a petition for an insolvency order or similar proceedings be presented against the supplier under the law applicable to the supplier, or in the event of substantial deterioration of the supplier's financial situation.
- In the event of withdrawal - for any cause in law whatsoever - SMP shall be entitled to return deliveries at the supplier's expense and risk or to store such deliveries with a third party, regardless of circumstance.

### XV. Retention of title

- SMP shall retain the title to all parts provided to the supplier. Any processing or transformation shall be performed by the supplier for SMP. If such parts are processed or mixed, SMP shall acquire joint ownership of the new products in proportionate value of the objects belonging to SMP to the value of the other processed parts at the time of processing.

### XVI. Setoff / right of retention

- The supplier is only entitled to offset against counterclaims which are uncontested or legally established; he shall only be entitled to assert a right of retention insofar as this is based on uncontested or legally established counterclaims arising from the same contractual relationship.
- SMP shall be entitled to offset all claims, including receivables from bills of exchange and cheques, against all claims of the supplier against SMP.

## XVII. Applicable law / language of the contract / partial invalidity / place of performance

1. All legal relationships between the parties to the contract shall be governed by the laws of the United Mexican States to the exclusion of the United Nations' purchasing law (Vienna UN Convention of April 11, 1980). The language of contract is Spanish.
2. If any individual provision of this contract is or becomes invalid, the validity of the other provisions shall remain unaffected.
3. The place of performance for the deliveries shall be the relevant receiving agency. The place of performance for any payment obligations shall be Av. Tlaxcala 480, Barrio del Calvario, 72700 San Juan Cuautlancingo, Puebla, Mexico.

## XVIII. Place of jurisdiction

1. The exclusive place of jurisdiction for all disputes arising from the contractual relationship shall be the courts of the State of Puebla, United Mexican States.

## General Terms and Conditions of Purchase (for all other materials and services)

### A. General provisions

1. The entire business relationship shall be governed by the following General Terms and Conditions of Purchase (General Terms and Conditions; hereinafter referred to as Terms of Purchase) of SMP Automotive Systems México, S.A. de C.V. (hereinafter referred to as "SMP"), however restricted to suppliers pursuing commercial or self-employed business activities at the point of conclusion of the contract, legal entities under public law and special funds under public law.
2. The SMP Terms of Purchase also apply to all future business relationships, even if these have not yet been expressly agreed. General terms and conditions of the supplier are not accepted, unless their application has been expressly agreed with SMP in writing.
3. Any deviations from these Terms of Purchase shall only become effective if they are confirmed in writing by SMP. These Terms of Purchase shall also apply if SMP accepts any deliveries by the supplier in the knowledge of any conflicting or deviating terms of the supplier without reservation.
4. All agreements that we and the supplier enter into for the purpose of performance of this contract must be stated in writing in this agreement.

### B. Quotations, quotation documents

1. The supplier is obliged to accept any order from SMP within a period of two weeks, unless any other periods of acceptance have been agreed in individual cases. If the supplier fails to accept an order in due time, SMP shall be entitled to cancel the order.
2. SMP shall retain property rights and copyrights of all images, drawings, calculations and other documents. All documents provided by SMP to the supplier in connection with quotation preparation and/or contractual cooperation are provided as a loan; they must not be made available to a third party without the express written approval of SMP. They shall be used exclusively for manufacturing in accordance with the order by SMP and be returned without further request once the order has been fulfilled. Due to confidentiality obligations, the provisions of Section I, paragraph 4 shall apply.

### C. Prices, invoices, payment terms, assignment

1. The price stated in the order is binding. Unless agreed otherwise, the price includes delivery/DPP (Incoterms 2000) and packaging. A return of packaging material requires a separate agreement.
2. The statutory value added tax is included in the price.
3. Unless otherwise agreed in writing, the purchase price shall be payable within 14 days after delivery and receipt of invoice minus a 2% cash discount, or within 30 days after receipt of invoice net.
4. Invoices must state the order number shown on the order in accordance with SMP's specifications and must comply with all applicable Mexican legal requirements. The supplier shall be responsible for any consequences resulting from non-compliance with this obligation, unless he is able to prove that he is not answerable for such non-compliance.
5. The supplier is only entitled to offset against counterclaims which are uncontested or legally established; he shall only be entitled to assert a right of retention insofar as this is based on uncontested or legally established counterclaims arising from the same contractual relationship.
6. The client shall be entitled to offset all claims, including receivables from bills of exchange and cheques, against all claims of the supplier against the client.
7. The supplier shall not be entitled to assign his claims against SMP or have them collected by a third party, unless with the prior written consent of SMP which may not be unreasonably denied. In the event of an extended reservation of title, consent is deemed to be given. If the supplier assigns his claims against the buyer to a third party in violation of clause 1 without the latter's consent, the assignment shall be effective nonetheless. However, SMP may make payment to the supplier or the third party at its own discretion with the effect of discharging the debt.

### D. Lead time

1. The lead time stated in the order is binding.
2. The supplier is obliged to notify SMP immediately in writing if any circumstances arise or become apparent which indicate that the agreed delivery time cannot be met. Such notification does not reclassify a delay.
3. In the event of strike, lockout, disruptions of operations or any other circumstances for which SMP is not answerable but which may affect SMP's interest in the deliveries or services of the supplier, SMP shall be entitled to revoke the contract in full or in part, or demand postponement of delivery. No claims against SMP shall arise from such measures.

### E. Delivery documents

The supplier is obliged to state SMP's order number on all shipment documents and delivery notes; if he fails to do so, SMP shall not be answerable for any delays in processing.

### F. Inspection of goods

SMP is obliged to inspect the goods for potential quality or quantity deviations within a reasonable period of time; the notice of defect shall be deemed in due time if it is received by the supplier within a period of 5 working days after the receipt of the goods or, in the event of hidden defects, from the date of detection.

### G. Liability for defects

1. SMP shall be entitled to assert all statutory warranty claims in full. In particular, SMP shall be entitled to demand, at its discretion, remedy of defects or delivery of goods free from defects from the supplier at the supplier's expense. SMP expressly reserves the right to claim damages and losses; in particular, the right of compensation in lieu of performance.
2. SMP's claims due to a defect of the delivered goods shall become time-barred after 5 years for any products typically intended for construction work, where the intended use has resulted in its deficiency, otherwise within 3 years after delivery.

### H. Product liability, exemption, liability insurance cover

1. Insofar as the supplier is responsible for any product damage, he shall be obliged to hold SMP harmless from any third party liability claims as far as the cause lies within his area of control and responsibility.
2. Within the scope of his liability for damage in terms of clause 1, the supplier shall be obliged to reimburse SMP for any expenditure which may result from or in connection with a recall campaign carried out by SMP. SMP shall inform the supplier of the content and extent of the measures taken in connection with a recall campaign - insofar as is practicable and reasonable - and give the supplier the opportunity to comment. Other statutory entitlements shall remain unaffected.
3. If any other claims are raised against SMP due to a defect of the product delivered by the supplier, SMP shall be entitled to assert the right of recourse against the supplier in full; an exception exists only if SMP has already been granted an equivalent compensation for its right of recourse.
4. The supplier undertakes to conclude an adequate third party liability insurance in order to cover such claims and furnish proof of such cover to SMP upon request.

### I. Retention of title, tools, confidentiality obligations

1. SMP shall retain the title to all parts provided to the supplier. Any processing or transformation shall be performed by the supplier for SMP. If goods subject to retention of title are processed together with other goods not owned by SMP, the latter shall acquire joint ownership of the new products relative to the proportionate value of the goods subject to retention of title into the value (purchase price plus VAT) of the remaining processed goods at the time of processing.
2. If goods provided by SMP are inseparably mixed with other goods not owned by SMP, the latter shall acquire joint ownership of the new products relative to the proportionate value of the goods subject to retention of title into the value (purchase price plus VAT) of the remaining mixed goods at the time of mixing. If products are mixed in such a manner that the supplier's good would be deemed the principal thing, it shall be considered agreed that the supplier will confer proportionate joint ownership to SMP; the supplier shall safeguard sole ownership or joint ownership for SMP.
3. SMP shall retain the title to all tools, fixtures and other objects ("tools") provided to the supplier for production; the supplier is obliged to use these tools exclusively for manufacturing the goods ordered by SMP. The supplier shall be obliged to insure all tools owned by SMP against damage resulting from fire, water and theft at his own expense. The supplier shall also assign all rights to compensation from his insurance to SMP at the point of conclusion of the contract; the latter herewith accepts such assignment. The supplier shall be obliged to carry any maintenance and inspection works of the tools owned by SMP that may be required, as well as all servicing and repair work in due time at his own expense. He must inform SMP immediately of any potential malfunctions; rights to compensation shall remain unaffected by any culpable failure to notify.
4. The supplier shall be obliged to maintain strict secrecy of all images, drawings, calculations and any other documents he has received. These may only be disclosed to a third party with SMP's express consent. Confidentiality obligations shall remain effective beyond the completion of this contract; they shall cease only when and insofar as the manufacturing know-how contained in the provided images, drawings, calculations and other documents has become public knowledge.
5. Insofar as the security interests that SMP is entitled to pursuant to clause 1 and/or clause 2 exceed the purchase price of the goods not yet paid for by more than 10%, SMP shall be obliged, upon request by the supplier, to release security interests at its discretion.

### J. Place of jurisdiction, place of performance, applicable law

1. The place of performance for the contractual obligations of SMP (in particular its payment) shall be at its registered head office.
2. The exclusive place of jurisdiction shall be the registered head office of SMP; other permissible general or special places of jurisdiction may also be used by SMP.
3. These Terms of Purchase and the entire legal relationships between SMP and the supplier shall be governed by Mexican law to the exclusion of the United Nations' purchasing law (Vienna UN Convention of April 11, 1980). The language of negotiation and contract is Spanish.
4. If any individual provision of this contract is or becomes ineffective in part or in full, the effectiveness of the remaining provisions of this contract shall remain unaffected.

SMP Automotive Systems México, S.A. de C.V.

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