

General Terms and Conditions of Purchase for the SMP companies SMP Deutschland GmbH, SMP Automotive Exterior GmbH, SMP Automotive Solutions Slovakia s.r.o. and SMP Automotive Interior Modules d.o.o. Čuprija

## I. Scope of Application

1. The following General Terms and Conditions of Purchase (hereinafter Conditions of Purchase) are applicable to the entire business relationship between SMP Deutschland GmbH, SMP Automotive Exterior GmbH, SMP Automotive Solutions Slovakia s.r.o. or SMP Automotive Interior Modules d.o.o. Čuprija (hereinafter SMP) and their suppliers. They apply to the purchase of production materials, as well as the purchase of spare parts, tools, machines, systems or other products.
2. The Conditions of Purchase shall also be applicable to all future business relationships, irrespective of being expressly agreed once again.
3. Supplier General Terms and Conditions or other deviations from these Conditions of Purchase shall only become effective if they are confirmed by SMP in writing. These Conditions of Purchase shall also apply in case SMP, being aware of supplier conflicting or deviating conditions, accepts supplies or services from the supplier without reserve.

## II. Orders

1. All orders placed by SMP shall be subject to these Conditions of Purchase as well as to other agreements made by the parties.
2. Any modifications and amendments to the order and the commission, including changes to the delivery item, constitute a new offer and need to be accepted by SMP in writing.
3. If the supplier fails to accept the order in writing within 14 calendar days after it was issued, SMP shall have the right to revoke the order. Orders become binding at the latest if the supplier does not object within 14 days of receipt.
4. In case of framework orders (delivery schedules), the respective call-off schedule shall be part of the order. Deviating from item II.3 above, call-off schedules become binding, unless the supplier objects in writing within two (2) days from their transmission.
5. The supplier shall be obliged to treat the conclusion of any contract confidentially. Supplier may only use SMR as a reference to third parties, if SMP has agreed in writing.

## III. Trade Clauses

1. Trade clauses shall be construed based upon the most recent version of INCOTERMS® applicable when concluding the contract.

## IV. Delivery Dates

1. The delivery period and delivery date stated in the orders or delivery schedules are binding. Compliance to any delivery date or delivery period shall depend on the receipt of the goods by the receiving SMP plant. If delivery EXW is agreed, the supplier has to make the goods available on time considering the usual time required for loading and dispatch.
2. If the supplier is in default due to the delivery date being exceeded, SMP shall be entitled to demand a contractual penalty of 0.5% for each week or part thereof, but not exceeding 5.0% of the order value. The right to assert claims for damages remains unaffected, however, the contractual penalty is to be offset against a claim for damages caused by the delay.
3. In case the supplier is in default and a reasonable grace period set by SMP has expired to no avail, SMP is entitled to have the delayed delivery performed by a third party at the supplier's expense, or SMP shall be entitled to withdraw from the contract.
4. The supplier is obliged to compensate SMP for damage caused by any delay to the extent provided by law.
5. The supplier shall inform SMP immediately about any impending delay in delivery, including the duration and reasons. This information does not prevent the event of default.

## V. Deliveries

1. Each shipment shall include a delivery note in duplicate listing the order data (at least the supplier delivery note number, SMP order number + SMP material number). Any breach of this obligation may result in delays and/or additional handling cost for which the supplier will be held accountable to pay.
2. Unless expressly otherwise agreed, all deliveries are to be made free destination at the supplier's risk and expense.
3. Deliveries shall be made in compliance with SMP's Packing Guideline, which can be accessed at [www.smp-automotive.com](http://www.smp-automotive.com).

## VI. Prices

1. The agreed prices are fixed prices and, unless otherwise agreed in writing, to be understood free destination including packing and insurance.

## VII. Invoices

Invoices have to be submitted in duplicate referencing the SMP order number. Any breach of this obligation may result in a delay in payment. SMP accepts no liability for any charges or penalties given by the supplier for late payment due to the receipt of an incorrect invoice.

## VIII. Payment

1. Payment from SMP does not constitute acceptance to the accuracy of the invoice.
2. Unless otherwise agreed in orders/delivery schedules, SMP will pay on the 30th of the month following consumption, deducting a 3% cash discount, provided goods and invoice have been duly received. In case early deliveries are accepted, payment shall be due based on the agreed delivery date.
3. In the event of incomplete or incorrect delivery, SMP is entitled to withhold payment pro rata until proper fulfilment.
4. Compliance to the agreed payment terms shall be determined by the date of effecting payment.

## IX. Certificates of Origin, Value Added Tax Certificates, Export Restrictions

1. The supplier shall immediately provide SMP with the Certificates of Origin requested by SMP duly signed and including all required information. The same applies to all Value Added Tax Certificates in case of foreign and intra-community (EU) deliveries.
2. The supplier shall inform SMP immediately if a delivery is wholly or partly subject to export restrictions under any law.

## X. Quality and Documentation

1. The supplier shall be responsible to ensure compliance with acknowledged state-of-the-art technology, safety and other regulations, the agreed technical data (including DIN standards) as well as the assured properties. Modifications to the delivery item are subject to prior approval in writing.
2. With regard to prototyping, reference is made to the latest version of the VDA publication Volume 2 "Quality Assurance for Supplies – Production process and product approval (PPAP)". Deliveries from series production must not be started prior to the release of samples by SMP. Irrespective of this, the supplier shall continually check and optimize the quality of their delivery items. The contracting parties shall inform one another about quality improvement methods.
3. In the case of parts denominated specifically in technical documents or a separate agreement, for example parts marked with "D", "A", "Control Item", the supplier shall keep special records showing when, how and who tested the delivery items for their characteristics subject to documentation and compliance with requirements. The test documents shall be retained for 15 years following delivery of the parts and shall be submitted to SMP if required. The supplier shall impose the same obligation on subcontractors within in the bounds of what is legally possible. By way of instruction, reference is made to the latest

- version of the VDA publication Volume 1 "Volume 1 Documentation and Archiving - Code of practice for the documentation and archiving of quality requirements and quality records" and to the VDA publication "Special characteristics (SC) / A process description covering special characteristics (SC)".
4. Complementary to the Conditions of Purchase, the provisions of the "Global Supplier Manual" shall be an integral part of all supply agreements between SMP and its suppliers. In case of contradicting provisions, the provisions of the "Global Supplier Manual" shall prevail the provisions of the General Terms and Conditions of Purchase.
  5. Pursuant to EU directive end-of-life vehicles (RRR directive 2005/64/EC), the supplier shall enter the documentation of the raw material used for his products in the official IMDS database independently, completely and free of charge for SMP.
  6. As far as authorities responsible for vehicle safety emissions regulations or similar are responsible for reviewing certain requirements and request insight into the SMP production process and inspection documents, the supplier declares to grant these authorities the same rights in its company and to give every reasonable support.

## **XI. Notice of defects / Warranty**

1. On the basis of the inspection of outbound goods made by the supplier, SMP shall inspect the incoming goods with regard to identity, part number and externally visible damage caused to goods in transit. Furthermore, notice of defects will be given to the supplier as soon as such defects have been detected in the ordinary course of business. The supplier shall therefore waive the defence of delayed notice of defects.
2. The period of warranty shall be 36 months from the date of delivery to SMP, unless stipulated otherwise in the contract.
3. SMP shall be entitled to assert all legal warranty claims in their entirety. Irrespective of this, SMP shall be entitled to claim from the supplier either remedy of defects or another delivery free of defects in replacement. In this case the supplier shall bear all costs resulting from remedy of defects or replacement delivery. SMP reserves the right of claiming damages. Any such costs that are invoiced to SMP in the case of defective deliveries due to warranty agreements between SMP and the customer shall also be deemed to constitute a damage for the purposes of section 249 I Civil Code (BGB).

## **XII. Product Liability**

1. If legal action is taken against SMP arising from product liability under any law, the supplier shall release SMP from all claims to the extent supplier would be directly liable. This shall not affect any further contractual or legal liability of the supplier.
2. The supplier shall be liable for all measures taken by SMP in order to avert damage, e.g. in the event of a recall action the supplier shall be liable within the limits of legal obligations of the supplier.
3. SMP shall immediately inform the supplier of the intention to hold the supplier liable for any claim according to the aforementioned paragraphs.

## **XIII. Third Party Industrial Property Rights**

1. The supplier guarantees any delivered goods are free and clear of any third party claims or rights pertaining to industrial and other intellectual property. These include (but are not limited to) naming rights, patent rights, utility rights or registered design rights as well as copy rights (collectively named IPR). The supplier shall be liable for claims arising from the violation of such IPR and IPR registrations despite the delivery items being used in accordance with the contract.
2. The supplier shall indemnify and hold harmless SMP from all claims arising from the use of such IPR.
3. This shall not apply in case the supplier has manufactured the delivered goods according to drawings, models or other equivalent descriptions or information provided by SMP and does not know or need to know that property rights are being violated in connection with the products developed by the supplier.
4. The contracting parties commit themselves to inform each other on all risks of violation or alleged violations and to give each other the opportunity to jointly oppose such claims.

## **XIV. Means of Production, Drawings, Specification, Tools**

1. Drawings and other documents, fixtures, models, tools and other means of production handed over to the supplier shall remain the property of SMP. The title of property of tools and other means of production which are paid by SMP, shall be transferred to SMP. This shall be effected by a separate transfer of title or a special tool contract.
2. The aforementioned objects shall neither be scrapped without written approval from SMP nor be made accessible to third parties and shall not be used for any other purposes than those contractually agreed. The objects will at all times be properly operated, stored and maintained by the supplier.
3. SMP reserves all rights pertaining to drawings or products manufactured in accordance with SMP specifications as well as processes developed by SMP. The supplier shall, at the request of SMP, immediately provide any information and documentation in relation to the objects.

## **XV. Force Majeure / Withdrawal**

1. Force Majeure shall mean any circumstance beyond a Party's reasonable control and which, by exercise of reasonable diligence, the Party is unable to foresee, prevent or overcome, including but not limited to acts of God, floods, windstorms, explosions, riots, natural disasters, pandemics, wars, terrorist attacks and sabotage, and which objectively prevents a Party from performing its contractual obligations. In cases of Force Majeure, SMP shall be entitled, whilst considering the interests of the supplier, to withdraw from the contract completely or partly without indemnification or to reasonably defer acceptance of deliveries or services.
2. The same applies if the supplier becomes insolvent, if insolvency (or similar) proceedings are instituted against the assets of the supplier or in case the financial circumstances of the supplier deteriorate substantially.
3. In case of withdrawal SMP shall at any rate be entitled to return deliveries at the supplier's expense and risk or to store such deliveries at third party.

## **XVI. Setting-off / Right of Retention**

1. The supplier may only offset against agreed, legally established or adjudicated counterclaims. The supplier shall be entitled to assert a right of retention only to the extent it is derived from the same contractual relationship and is based on agreed, legally established or adjudicated counterclaims.
2. SMP is entitled to offset any claim against the supplier.

## **XVII. Miscellaneous**

1. These Conditions of Purchasing shall be subject to the laws where the registered seat of the respective SMP entity is located. The application of the United Nations Convention of 11 November 1984 on contracts for the international sale of goods is hereby excluded.
2. The invalidity of individual provisions shall not affect the validity of the remaining provisions.
3. The place of performance for deliveries shall be the respective delivery address.
4. The place of jurisdiction shall be where the respective SMP entity is domiciled.