

General Terms and Conditions of Purchase

KHL Interior GmbH; Kreuzbergerstr, 56; D-42899 Remscheid; Registration court: Aurich - HRB 201389
Registered office of company: Kastanienallee 3-5; 26524 Hage; VAT no.: DE 268330184; Managing director: Wilfried Valpertz

Art. 1

General – Scope

- (1) Our Terms and Conditions of Purchase apply exclusively; we do not accept any Supplier terms and conditions varying from our Terms and Conditions of Purchase, except if we expressly agree to them in writing. Our Terms and Conditions of Purchase also apply if we accept the Supplier's delivery without reservations even if we are aware of Supplier terms and conditions varying from or contrary to our Terms and Conditions.
- (2) All agreements concluded between us and the Supplier for the purpose of performing this contract shall be included in this contract in writing.
- (3) Our Terms and Conditions of Purchase only apply to entrepreneurs according to Section 310 (1) of the Civil Code (BGB).

Art. 2

Quote – Quote documents

- (1) The Supplier undertakes to accept our delivery within a period of 2 weeks.
- (2) We shall retain our ownership and copyright of images, drawings, calculations, templates, types and other documents. These may not be made available to third parties without our express approval. They must only be used for manufacture based on our orders. After the end of the order, they shall be returned to us without further request. They must be kept confidential from third parties, in this respect Art. 9 (5) also applies.

Art. 3

Prices – Payment terms

- (1) The price shown in the order shall be binding. In the absence of any written agreement to the contrary, the price shall be a "door delivery" including packaging. If packaging is to be returned, this requires a separate agreement.
- (2) The prices contain statutory VAT.
- (3) We can only process invoices if these include the order number shown on and in accordance with our order. The Supplier shall be responsible for all consequences of non-compliance with this obligation, to the extent that he cannot provide evidence that non-compliance was due to events outside his realm of responsibility.
- (4) Unless agreed otherwise in writing, we shall pay the purchase price less a 2% discount within 14 days from delivery and receipt of the invoice or net within 30 days of receiving the invoice.
- (5) We shall be entitled to set off and retain the amount to the extent that this is legally permissible.

Art. 4

Delivery period

- (1) The delivery period shown in the order shall be binding.
- (2) The Supplier shall inform us immediately in writing if he becomes aware of circumstances or if circumstances occur, which might result in the agreed delivery deadline not being met.
- (3) In the case of a delivery delay, we shall be entitled to the legal claims. In particular, in the event of the unsuccessful expiration of a reasonable period, we shall be entitled to demand compensation instead of performance and a withdrawal. If we demand compensation, the Supplier shall have the right to provide evidence that he is not responsible for the violation of duty.

Art. 5
Transfer of risk – Documents

- (1) Unless agreed otherwise, the delivery shall be a door delivery.
- (2) The Supplier undertakes to quote our exact order number on all dispatch and delivery notes. If he neglects to do this, we shall not be responsible for the processing delays resulting from this.

Art. 6
Checking for defects – Liability for defects

- (1) We are obligated to examine the goods for potential quality and quantity deviations within a reasonable period. A complaint is deemed to be on time to the extent that the Supplier receives this within a period of 5 working days from receipt of the goods or, in the case of hidden defects, from discovery.
- (2) We shall be entitled to the statutory defect claims without restrictions. In any case, we shall be entitled to demand defect rectification or delivery of a new item from the Supplier at our option. We expressly reserve the right to receive compensation, particularly compensation instead of performance.
- (3) We are entitled to rectify the defect ourselves if the Supplier is in default.
- (4) The limitation period shall be 36 months from the transfer of risk to the extent that this is not governed by the statutory provisions of Sections 478, 479 BGB.

Art. 7
**Product liability – Indemnification –
General liability insurance cover**

- (1) To the extent that the Supplier is responsible for damages to a product, he is obligated to indemnify us from third-party compensation claims when first requested to do so to the extent that the cause of the damages lies within his realm of control and organisational area and that he is himself liable to third parties.
- (2) As part of his liability for damages in the sense of Art. (1), the Supplier also undertakes to pay back any expenses according to Sections 683, 670 BGB or Sections 830, 840, 426 BGB, which result from or in the context of a recall action performed by us. We shall inform the Supplier of the content and extent of recall measures to be performed – to the extent that this is possible and reasonable – and give him the opportunity to make a statement. This shall not affect any other legal claims.
- (3) The Supplier agrees to take out and maintain a general liability insurance with a flat-rate coverage amount of € 10 million for personal injuries/material damages. This shall not affect any additional compensation claims to which we may be entitled.

Art. 8
Property rights

- (1) The Supplier warrants that in the context of his delivery, no third-party rights are violated within the Federal Republic of Germany.
- (2) If a third party asserts a claim against us in this respect, the Supplier undertakes to indemnify us from these claims when first requested to do so in writing. We are not entitled to come to any agreements with the third party – without the Supplier's approval –, particularly to agree a settlement.
- (3) The Supplier's indemnification duty applies to all expenses, which we necessarily accrue from or in the context of a third-party claim.
- (4) The limitation period shall be 36 months from the transfer of risk.

Art. 9
**Retention of title – Provision of items – Tools –
Confidentiality**

- (1) To the extent that we provide items to the Supplier, we retain title of these items. Any processing or changes carried out by the Supplier are carried out for us. If our goods subject to the retention of title are processed with other goods, which are not our property, we shall obtain co-ownership of the new item in relation to the value of our item (purchase price plus VAT) compared to the other items used for the processing at the time of the processing.
- (2) If the item provided by us is inseparably mixed with other goods, which are not our property, we shall obtain co-ownership of the new item in relation to the value of the item subject to a retention of title (purchase price plus VAT) compared to the other items used for the mixture at the time of the mixing. If the mixing is performed so that the

Supplier's item can be regarded as the main item, it is agreed that the Supplier shall transfer a proportionate co-ownership to us. The Supplier shall maintain sole ownership and co-ownership for us.

- (3) We retain ownership of tools. Moreover, the Supplier undertakes to exclusively use the tool for goods ordered by us. The Supplier undertakes to insure the tools belonging to us at their replacement value against damages through fire and water and against theft at his expense. At the same time, the Supplier hereby transfers to us all rights to compensation claims from the insurances. We hereby accept this transfer. The Supplier undertakes to perform all maintenance and inspection work as well as servicing and repair work, which may be required for our tools, in a timely manner and at his expense. He shall instantly inform us of any incidents. If he is guilty of neglecting to do so, this shall not affect our right to compensation claims.
- (4) To the extent that the security to which we are entitled according to Art. (1) and/or Art. (2) exceeds the purchase price of all items subject to a retention of title, for which payment has not yet been made, by more than 10%, the Supplier may demand us to release the security interests of our choice.
- (5) The Supplier undertakes to keep all received images, drawings, calculations and other documents and information strictly confidential. They may only be disclosed to third parties with our express approval. The confidentiality duty continues to apply even after this contract has been performed. It shall expire if and to the extent that the manufacturing expertise contained in the provided images, drawings, calculations and other documents has become public knowledge.

Art. 10

Jurisdiction – Place of performance – Applicable law

- (1) To the extent that the Supplier is a businessman, our place of business shall be the exclusive jurisdiction. However, we are also entitled to assert claims against the Supplier at his place of residence.
- (2) To the extent that nothing to the contrary is stated in the order, our place of business shall be the place of performance.
- (3) The law of the Federal Republic of Germany shall apply excluding UNCISG.