

**General purchase terms and conditions (GPT) of the
“Karl Simon GmbH & Co. KG“
“Betek GmbH & Co. KG“
“Sitek Spikes GmbH & Co. KG“
(in the following referred to as: “SIMON“)**

1. Application:

These GPT shall now and in future apply to any initiation and implementation of our business relations with a supplier of goods or services. Contradictory or deviating conditions of the supplier shall be excluded without exception, unless contradictory or deviating conditions are stipulated in detail or expressly confirmed by us. These GPT can be downloaded under www.SIMON.de in the current valid version.

In cross-border business these GPT shall be submitted as a stand-alone document according to article 23 EuGVVO; article 8 CISG (UN-sales law) applicable to the entire business relation of the supplier. As regards cross-border business relationships section 21 shall apply.

Decisive for the supplier relationship shall be the version valid at the time of placing the order.

2. Fundamental conditions for the supply of products:

SIMON shall be obliged to deliver goods free from defects. The obligation to avoid faults along the total value-added-chain shall therefore also be binding for each supplier or service provider. The basis of contract of each supply relationship therefore always assumes with direct legal effect the fulfilment of the requirements made in internationally applicable regulations for product development and quality assurance customary in the trade as being provided and agreed upon. Definitions used in regulations and standards further applicable or customary in the trade (e.g. ISO 9000) shall always have priority to any other interpretation.

3. Delivery item:

The supplier shall evaluate the product requirements made by SIMON and confirm his ability to deliver according to the SIMON specifications by means of a producibility and feasibility analysis. The agreed quality shall be determined by means of the initial sample test report, if required. “Special features” determined in this report are independent quality and durability guarantees. The SIMON delivery approval shall be based on the

supplier's declaration of contract conformity of the supplied product documented in the ISIR. It shall not constitute a legally binding approval of SIMON. The approval shall therefore not release the supplier from his sole product responsibility.

On request of SIMON the supplier shall cooperate within his prospective scope of supply and services to SIMON in the determination of quality features of the products to be delivered by SIMON to the customers of SIMON:

The supplier shall be obliged to render all performances himself. Any subcontracting to third parties shall require the written consent of SIMON. He shall be obliged to carry out process-related examinations of the products procured by him. If the supplier is a supplier assigned by the customer of SIMON (directed part supplier), the rights and obligations stipulated in these GPT shall not be affected.

SIMON shall at any time be entitled to require modifications of the delivery item or the production process including test equipment and methods. Additional or reduced costs resulting from this shall be agreed upon. The supplier shall not be entitled to condition the implementation of modifications on the conclusion of such an agreement.

4. Delivery:

Deliveries shall take place on the basis of logistic agreements with the supplier. These agreements shall in particular regulate the scope of delivery, binding call sequences, place of delivery, type of delivery (e.g. "ex works", DAP, on the basis of the Incoterms 2010), means of transport routes and packaging. Delivery shall only be considered as being in accordance with the contract, if the agreed or legally required documents, including customs documents for cross-border traffic (if required the long-term supplier declaration of the individual declaration according to the EU-directive 1207/2001 and all documents pursuant to the current customs legislation), are attached or transmitted by the supplier in completeness, in time and the correct form.

Partial performances shall not be permitted. Furthermore legal claims of SIMON shall not be affected by the acceptance of partial performances.

5. Delay in delivery

Non-adherence of delivery dates, delivery periods or scopes of delivery agreed upon shall constitute the supplier's delay. Notwithstanding all legal claims of SIMON, the supplier shall immediately inform SIMON about any impairment threatening delivery and their measures taken for avoidance and reduction of the default damage. The supplier shall provide proof of the preparation of emergency plans and maintenance of

their effectiveness for each imminent delivery disturbance and cases of force majeure (article 15). On the basis of information obtained from the supplier, SIMON shall be entitled at their own discretion to take any measure for damage reduction, covering purchase included.

6. Incoming goods inspection

SIMON shall carry out an incoming goods inspection pursuant to § 377 Commercial Code as regards identity, quantity and obvious transport damages. SIMON shall immediately report damages resulting from this. Defects at the delivery item shall be inspected by SIMON in line with production and process-related within the scope of the verification of products or services procured (proper course of business). By protecting the rights of SIMON, immediate reporting of defects indentified in the course of this is stipulated by contract and shall take place in time also within the meaning of § 377 Commercial Code, which is waived in so far.

Damages, which are only identified within the scope of verification of products at SIMON or during validation of the customer's production by SIMON, are latent defects, which shall immediately be reported after own identification or due to a customer's complaint. A notification of defect shall still be considered as being made without delay, if indications for an assignment of the root cause to the supplier only result from examinations and investigations.

Without prejudice to the foregoing the supplier shall be obliged to a restricted incoming goods inspection at SIMON as well as to a documented outgoing goods inspection. The supplier's documents including acceptance test certificates required by SIMON according to EN 10204 3.1 or 3.2 shall serve as proof of quality by SIMON towards the customers of SIMON.

7. Payment:

Payment shall be effected after contractually agreed delivery (receipt of goods at SIMON) or performance and submission of complete and auditable invoices within the agreed term of payment. Invoices shall be posted on the day of dispatch at the earliest. Receipt of invoices shall effect the commencement of payment periods.

In case of defective delivery SIMON shall be entitled, to withhold the payment proportionally until proper fulfilment of the performances owed. If and in so far payments for defective deliveries have already been made, SIMON shall be entitled, to withhold other payments due from the business relationship up to the amount of these payments already made.

Payments shall not constitute a waiver of claims or recognition of counterclaims of any

type by SIMON.

Without previous written consent of SIMON, which may not unreasonably be denied, the supplier shall not be entitled, to assign his claims against SIMON or have them collected by third parties. In the event of extended reservation of title, the permission shall be considered to be granted. In case the supplier assigns his claims against SIMON without the consent of SIMON to third parties, SIMON may effect payment to the supplier or the third party with releasing effect.

8. Quality management system:

During the business relationship with SIMON the supplier shall maintain a certified, effective quality management system (QMS) according to ISO/TS 16949:2009 or similar, at least DIN EN ISO 9001. The set of rules applicable to the quality management system shall be an integral part of the contract with protective effect on SIMON. The supplier shall immediately report the expiry, restriction or withdrawal of the certificate. The supplier shall entitle SIMON, to request auditing and measures of annual re-qualification.

SIMON shall be entitled to request the conclusion of a quality assurance agreement.

Any product or productions process modification carried out at the supplier shall require an agreement. It shall be documented in a parts history signed by SIMON and the supplier or a similar document by securing the maturity level. The parts history (according to DA 2) is the decisive document for the most recent agreement status in relation to the condition of the product and the production process.

On request of SIMON the supplier shall be obliged to disclose all documents to be prepared within the scope of product realization (ISO/TS 7) and to hand them over to SIMON. In the event compelling reasons as regards the safeguarding of legitimate company secrets are in contradiction to handing over the documents, SIMON may request handing over of the documents to SIMON and their evaluation for SIMON through a third party bound to professional secrecy.

9. Traceability

The supplier shall guarantee traceability for the products delivered by him including all products and services procured in relation with them. Identification of the products shall be agreed upon with SIMON in the individual case. It shall guarantee the traceability along the further value-added-chain. On request of SIMON the supplier shall make the documentation prepared by the supplier available. The right to withhold performance shall be excluded.

10. Liability for material defects (warranty):

Any deviation from the condition agreed upon for a delivery item, missing, faulty or incomplete additionally applicable commercial or technical documents included, shall be considered as a material defect. SIMON shall be entitled to claim material defects. Claims arising from another violation of duty, in particular the violation of duties resulting from any set of rules, or from independent consulting, shall remain unaffected.

SIMON shall be entitled to claim material defects. If the supplier is not able to fulfil any supplementary performance requested by SIMON or if he fails to attend his duties following an appropriate deadline set by SIMON, SIMON shall be entitled to undertake the supplementary performance themselves or have them undertaken by third parties; in particular to buy the contractual products from another supplier. In the event of fulfilment by SIMON themselves or by third parties, the supplier shall be obliged to provide assistance at his own expense as another form of supplementary performance according to § 439 article 3 Civil Code in so far as reasonable. Reasonability shall be construed according to § 439 article 1 Civil Code. The supplier shall therefore not be entitled to further objections according to § 439 article 3 Civil Code.

This shall also apply, if SIMON, due to a material defect caused by the supplier, is committed to supplementary performance towards third parties.

If claims are made on SIMON, due to a material defect by third parties, the supplier shall reimburse SIMON all costs resulting from this including the costs for transport, examination, appraisal, installation and dismantling and foreseeable or usual costs claimed against SIMON from the delivery chain in consequence of SIMON's liability for material defects including the costs for recall of goods or after-sales services resulting from material defects. The supplier shall be at liberty to raise an objection for contributory fault of SIMON and an objection for low causal costs.

In relation to automotive parts claims for material defects become time-barred after 24 months from first-time registration of the vehicle or installation of spare parts into the vehicle, at the latest, however, 30 months from delivery to SIMON, unless longer periods are provided by law. For other products the same periods shall apply, however, in relation to the delivery date on the part of SIMON. If SIMON communicates to the supplier longer warranty periods agreed with the customer of SIMON or stipulated by legal provisions, these shall apply, if the supplier does not contradict in writing within eight working days from receipt of the notification. By receipt of the request made by SIMON to the supplier, specifying a period set for supplementary performance, for a statement as regards the reported material defect or by a request to open an 8D-report, the limitation period shall be suspended without prejudice to the validity of legal provisions.

11. Product liability:

If for reasons of fault-based manufacturer liability or no-fault based product liability of third parties claims are made on SIMON by third parties, the supplier shall indemnify SIMON from all claims and reimburse all causal costs, in so far as defects or costs result from deliveries and services of the supplier. SIMON shall inform the supplier about the claims made on him. The supplier shall provide SIMON with all information and documents, which SIMON considers necessary for determination of the damage cause, minimization of damage, remedial action or legal prosecution. The supplier shall support SIMON in the defence of such claims. In this respect SIMON and the supplier shall come to an agreement and exchange information. The supplier shall not be entitled to refuse performance. The supplier shall be at liberty to raise an objection for contributory fault of SIMON and an objection for low causal costs. Settlements that could be made at the expense of the supplier or at the expense of SIMON shall only be implemented after mutual consultation between SIMON and the supplier.

The supplier shall be obliged to prove that he has taken out an extended product liability insurance, which is still valid and also covers recall costs, costs for installation and dismounting and run-up costs at an appropriate amount to be agreed upon in the individual damage case.

12. Property rights:

By placing an order with the supplier, no property rights owned by SIMON, use or utilization of or from information obtained or documents of whatever type, shall be transferred to the supplier. If the supplier is entitled to property rights in the deliveries or performances of the supplier, including software, SIMON shall irrevocably and for an unlimited time, not limited to and worldwide, be entitled to the use and utilization of property rights as regards their use and their further use by the customers of SIMON. The product price shall compensate remuneration for this.

The supplier shall assure that no third-party property rights are infringed by his deliveries and performances. If third-party property rights are infringed, the supplier shall be responsible that his agreement with the property right owner guarantees the unrestricted use and utilization by SIMON free of charge. Otherwise the supplier shall have to make changes in his deliveries and performances in agreement with SIMON in such a way that an infringement of third-party property rights is excluded.

If SIMON is made responsible for the infringement of property rights due to the use of deliveries or performances of the supplier by third parties, the supplier shall release SIMON from all such claims and subsequent cost or replace SIMON costs demonstra-

bly incurred. This shall not apply if SIMON is solely responsible for the infringement of property rights. Apart from that the supplier shall be at liberty to raise an objection for contributory fault on the part of SIMON and an objection for low causal costs.

13. Tools, production means provided:

Production means of all kind, e.g. samples, drawings, models, tools, specifications, software, etc., which the supplier obtains from SIMON, shall remain the property of SIMON. They shall clearly and indestructibly be identified as such. Production means, which are acquired or manufactured by the supplier and are paid by SIMON or are amortized via the unit price shall with their acquisition or production be the property of SIMON. Handing over of production means (transfer of title) to SIMON shall be replaced by hiring of production means and the related obligation for safekeeping.

These production means may exclusively be used for purposes of contractual fulfilment towards SIMON. SIMON shall at any time be entitled, to demand handing over of the production means. Repair and maintenance costs as well as operating costs including wear parts shall be borne by the supplier, unless otherwise agreed.

The supplier shall be obliged to immediately indicate any third-party access to the production means of SIMON irrespective of whatever legal reason and to grant every support averting third-party access.

The supplier shall insure these matters at their replacement value under his public liability and fire insurance including elementary damages. He shall instruct the insurer to provide insurance payments exclusively to SIMON.

14. Environment and hazardous substances

The supplier shall prove and maintain a certified environmental management system according to ISO 14001.

The supplier shall be obliged to declare all substances and their ingredients according to the International Material Data System (IMDS) and take up PPAP-documents. The use of prohibited substances shall be forbidden. Permanent observance of all worldwide related provisions shall be ensured by the supplier, e.g. via the "Global Automotive Declarable Substances List GADSL", www.gadsl.org.

15. Force majeure:

Cases of force majeure are in particular natural disasters, fire, riots, terror, governmental actions, labour disputes including strikes and lockouts or embargos. Disturbances affecting the supplier in the delivery of raw materials or the acquisition of purchase ma-

materials of whatever kind shall only relieve the supplier, if they are based on cases of non-foreseeable force majeure. For the duration of the event the affected contracting party shall be relieved from its obligation to perform, in so far as the performance is affected by the event of force majeure. Without prejudice to the foregoing the supplier shall be obliged to take all measures for maintaining delivery to SIMON and to guarantee the provision of cover deliveries at his own expense. SIMON shall remain entitled, to take all measures for averting the consequences of force majeure according to his own discretion.

The supplier shall prove to SIMON the existence and effectiveness of emergency plans according to ISO/TS 6.3.2 for cases of force majeure and other events affecting the ability to deliver to SIMON.

§ 206 Civil Code (delay in case of force majeure) shall not be applicable.

16. Termination of contract:

In so far as nothing to the contrary is regulated in other agreements, SIMON shall be entitled, to terminate existing delivery agreements in the whole or partially without notice:

- a.) in case of imminent or filed insolvency of the supplier,
- b.) in case of insufficient cooperation of the supplier at the determination of specifications for the delivery item,
- c.) in case of expiry, restriction or withdrawal of the certification of the supplier's QMS,
- d.) in case of multiple inadequate performance of agreed deliveries or performances or other essential contractual infringements despite of written warning.
- e.) In case of order withdrawal by the customer of SIMON. In this case SIMON shall reimburse the supplier the costs for materials, which the supplier procured in fulfilment of the contract with the consent of SIMON and which he cannot use otherwise. SIMON shall be entitled, to bear the material cost at the supplier's cost value.
- f.) In case of an essential change in the corporate rights or in proprietors of the supplier's company (change-of-control), in particular in case of sale of assets or business shares in a competitor of SIMON or if the change of partners would be unreasonable for SIMON.

Apart from that the right of SIMON and the supplier of termination for an important reason shall not be affected.

17. Court of jurisdiction – contractual language:

Exclusive court of jurisdiction shall be the place of the local court competent at the place of registered office of SIMON. The contractual language shall be German. Place of fulfilment also for subsequent fulfilment shall be the place of delivery indicated by SIMON or the associated company.

18. Choice of law:

The legal relationship between SIMON and the supplier shall exclusively be governed by German material and procedural law. The UN-sales law (United Nations Convention on Contracts for the International Sale of Goods - CISG) shall be applicable to cross-border business transactions.

If claims are made on SIMON and/or the supplier by third parties according to foreign law at a foreign place of jurisdiction, they shall be entitled without prejudice to these GPT and the place of jurisdiction, to take all measures for their respective safeguarding of legal interests in accordance with the law applicable at this foreign place of jurisdiction. For compensation and recourse claims following such legal disputes the place of jurisdiction determined in the first paragraph under exclusive application of German law shall be maintained.

19. Confidentiality:

All information exchanged, no matter whatever kind and independent of the kind of its transmission, documentation or storage shall be deemed as confidential. The recipient may only use or utilize them for the implementation of agreed business transactions and the fulfilment of contractual agreements, unless otherwise expressly agreed in writing. SIMON and the supplier shall only distribute information to such a degree, as necessary for fulfilment of the contract (need-to-know). They shall commit their employees and any third party appointed by them for the fulfilment of contract to confidentiality in writing, independent of the legal basis of this assignment, also exceeding the existence of the respective legal relationship.

Non-reporting of IT-security-related incidents shall be considered as infringement of confidentiality.

20. In general:

The contractual language shall be German. If in cross-border business transaction another language is used by mutual agreement, the English version of the UN-sales law

(United Nations Convention on Contracts for the International Sale of Goods - CISG) shall be binding. In cross-border business relationships the English version of the United Nations Convention on Contracts for the International Sale of Goods – CISG shall prevail.

Modifications, amendments, termination and cancellation of contracts shall require the written form. The written form requirement for that shall not be replaced by an electronic form.

If a provision of these GPT be or become ineffective, the other provisions shall remain unaffected. In case one provision becomes ineffective, SIMON and the supplier shall cooperate in agreeing on an effective provision, which legally and economically comes closest to the original provision, unless SIMON changes these GPT in an admissible form according to § 315 Civil Code.