

## 1. Conclusion of Contract

1.1 Samvardhana Motherson Innovative Autosystems B.V. & Co KG (hereinafter referred to as SMIA) orders solely on the basis of its general purchasing conditions, agreed specifications and SMIA quality management agreements. General conditions of the supplier shall not form part of the contractual contents even if SMIA does not explicitly contradict them. If SMIA accepts the delivery/service without explicit objections, acceptance by SMIA of the supplier's delivery conditions cannot under any circumstances be derived therefrom. When submitting tenders, the supplier must declare his acceptance of the general purchasing conditions of SMIA. If no such explicit declaration is made, the execution of the order will in every case be regarded as acceptance of SMIA's general purchasing conditions. These general purchasing conditions will also apply to all future contractual relationships with the supplier.

1.2 When the supplier submits a tender based on a request by SMIA, he is obliged to comply precisely with the SMIA request and explicitly draw attention to any deviations therefrom.

1.3 If the supplier does not accept the purchase order in writing within 3 weeks after receipt, SMIA shall be entitled to withdraw. Delivery call-offs will become binding at the latest when the supplier has not objected within 5 workdays of the date of receipt.

1.4 If SMIA can prove by presenting a transmission report that SMIA has sent a declaration via telefax or data transmission, it shall be assumed that the supplier has received this declaration.

1.5 SMIA can demand changes to the deliverables even after the contract is concluded inasmuch as the supplier can reasonably be expected to perform them. The consequences of this contractual amendment for both sides, particularly in terms of cost increases or reductions as well as delivery dates, must be given commensurate consideration.

## 2. Prices, Shipping, Packaging

2.1 Provided that no framework contracts with price adjustment clauses have been concluded, the agreed prices shall be fixed prices and exclude any subsequent claims. These prices shall include costs for packaging and transport to the delivery address or point of use stated by SMIA as well as costs for customs formalities. All costs incurred until the goods are handed over to the freight forwarder, including loading and cartage costs, must be paid by the supplier. Should no prices be quoted in the purchase order, the supplier's current catalogue prices of the supplier will apply including the customary deductions. The agreement on the place of fulfillment will remain unaffected by the type of pricing.

2.2 A dispatch notice must immediately be attached to each shipment. Dispatch notices, waybills, package labels, invoices and all correspondence must display the number and date of the purchase order and, if applicable, drawing numbers or material numbers, product numbers and internal requisition numbers. If possible, VDA transport labels in accordance with VDA Recommendation 4902 must be used. Adherence to the routing order for deliveries for which SMIA must pay all or part of the freight costs is mandatory. Tenders must show the request number.

2.3 SMIA accepts only the ordered quantities or numbers of items. Over- or under-deliveries are permissible only under prior arrangements with SMIA.

2.4 Shipping and the transfer of risk will be subject to the agreed INCOTERMS. The supplier's take-back obligation for packaging is guided by legal requirements. The goods must be packed according to our packaging requirements or, if this information has not been provided to the supplier, in a commercially customary and correct manner.

2.5 No more than the amount of packaging required for this purpose shall be used. Only environmentally compatible packaging materials are permissible. In exceptional cases where SMIA is invoiced separately for the packaging, SMIA is entitled to return carriage-free to the supplier any packaging which is still in good condition in return for a compensatory two-thirds of the invoiced price.

## 3. Rendering of Accounts and Payment

3.1 Invoices must be sent to us immediately after delivery. All invoices must display the number and date of the purchase order as well as order references, the supplier code and material code numbers. On no account shall invoices be attached to the deliveries.

3.2 If necessary for purposes of understanding, invoices must be submitted separately and in due form along with all relevant documents and data. SMIA is entitled to withhold payment until the submission of a valid invoice. The definitive criteria for payments are the actual quantities, weights and any other units pertaining to the delivery as well as the agreed prices.

3.3 Payment will be made in the commercially customary manner. If there are no contrary written agreements, SMIA will pay the purchase price on the 25<sup>th</sup> of the month following the delivery date, calculated from the day of delivery and receipt of invoice with a 3% early payment discount. Deliveries or services performed prior to the agreed deadline will only be deemed to be completed on the agreed deadline.

3.4 Inasmuch as certificates for material controls have been agreed, they shall form an essential part of the delivery and must be sent to SMIA along with the delivery. SMIA must be in receipt of them no later than five days after receiving the invoice. The term of payment will not start before the agreed certificate has been received.

3.5 The settlement of an invoice shall not be considered as a waiver of notice for defects regarding invoiced goods. In the event of a defective delivery, SMIA is entitled to withhold a proportional share of the payment until the defect has been duly rectified.

3.6 If prepayments have been made, the supplier must provide commensurate security in the form of a bond in accordance with the SMIA sample.

## 4. Delivery Dates, Delayed Delivery, Force Majeure

4.1 The agreed delivery dates are binding. Without the need for a reminder, the supplier will be in default with the delivery when the fixed delivery date has lapsed. In the case of debts to be discharged to the creditor, the definitive criterion for compliance with a delivery deadline or delivery period is the receipt of the goods at the receiving site or point of use named by SMIA. In cases where acceptance is required, the supplier will be in default without the need for a prior reminder if he has not performed the service by the agreed deadline in such a way that acceptance cannot be refused.

(Article 640 paragraph 1 clause 2 of the German Civil Code).

4.2 If the supplier realises that an agreed deadline cannot be met for whatever reason, he must immediately inform SMIA in writing, stating the grounds for and estimated duration of the delay.

4.3 If the supplier is in default by exceeding the delivery deadline, SMIA will be entitled to claim a contractual penalty amounting to 0.5% of the order value per working day, but no more than 10% of the order value. The reservation of the entitlement to the contractual penalty can be upheld until the invoice is settled. The contractual penalty must be offset against any claim for damage arising from the delay. The contractual penalty is only the minimum value of the damage compensation.

4.4 The supplier can only invoke the absence of necessary documents to be provided by SMIA if the supplier has requested the documents in writing and has not received them within a reasonable period.

4.5 Force majeure shall release the contractual parties from their obligations for the duration of the disturbance and within the scope of its impact on their obligations. The contractual parties are obligated to provide the necessary information as soon as reasonably possible, and to adapt their obligations to the changed conditions in good faith. In the case of force majeure, industrial action, lockout or other significant interruptions of operations or sales, SMIA is entitled with due regard to the supplier's interests to withdraw fully or partly from the contract without any compensation, or to reasonably postpone its acceptance of the delivery or service.

4.6 In the event of an earlier delivery than agreed, SMIA reserves the right to return the deliverables at the supplier's expense. If the goods are not returned after premature delivery, they will be stored at SMIA until the agreed delivery date at the supplier's risk and expense. In the event of a premature delivery, SMIA reserves the right to withhold payment until the agreed deadline.

4.7 SMIA will accept partial deliveries only if they have been explicitly agreed to. In the case of agreed partial deliveries, the remaining quantities must be listed.

## 5. Liability

Under statutory regulations, the supplier is liable for any form of breach of contract as far as no contrary arrangements have been made in these business conditions.

## 6. Guarantee

6.1 The agreed specifications are part of the purchase order and can only be changed by mutual agreement. Any description of the scope of delivery or any drawing deemed to be binding is regarded as a specification.

6.2 The supplier shall undertake to employ ecologically compatible products and procedures in his deliveries/performance and, as far as economically and technically possible, to ensure that deliveries or ancillary services by third parties conform to such practices. The supplier is liable for the environmental compatibility of the delivered products and packaging materials as well as for secondary damages arising from failure to meet his statutory waste management obligations. On SMIA's request, the supplier will issue a certificate of composition for the delivered goods.

6.3 SMIA will immediately inform the supplier in writing of any defects in his delivery/performance as soon as they are detected in the course of orderly business operations, but no later than 10 workdays after receipt of the delivery.

6.4 SMIA is obligated to check incoming goods for transport damages within 10 workdays after delivery,.

6.5 The work contract also entitles SMIA in principle to choose the type of supplementary (rectification) performance, unless the contractual partner has an entitlement to refuse the supplementary performance or SMIA has chosen an unreasonable right of supplementary performance over the [partner] company.

6.6 After the expiry of a reasonable period for the subsequent performance has expired without the rectification of a defective product or completed work, SMIA can rectify the product or work itself and claim compensation for the necessary expenditures, unless the supplier has rightfully refused the subsequent performance. The legal right of self-rectification under a work contract (Article 637 of the German Civil Code) will apply correspondingly to the purchase contract. Regardless of this statutory provision, SMIA is entitled in urgent cases, particularly if an acute risk of considerable damages must be averted, to correct the defect itself at the supplier's cost without determining a grace period for subsequent performance.

6.7 The guarantee period amounts to 24 (in words: twenty-four) months in the absence of explicit contrary agreements. This period shall start with the handover of the deliverables to SMIA or a third party named by SMIA at the delivery address or point of use prescribed by SMIA. In as far as approval dates have been agreed, the period for warranty and guarantee

performance will start with the successful approval. If the approval is delayed through no fault of the supplier, the guarantee period will start no later than 12 (in words: twelve) months after the deliverables are provided for acceptance.

6.8 If a defect occurs during the first 12 months (warranty period), it shall be assumed that the defect was already present at the time of risk transfer, unless the assumption is inconsistent with the type of goods or the defect.

6.9 The warranty or guarantee period for delivery parts which could not remain in operation during the investigation and/or rectification of the defect is extended to include the time during which the operation was interrupted.

6.10 The warranty or guarantee performance period for repaired or resupplied parts will be resumed from that point onwards, beyond the legal restraint.

6.11 Claims already existing at the beginning of the guarantee period or occurring during that period will expire in accordance with the statute of limitations. The limitation period starts when the claim originates.

6.12 In the event of defective titles, the supplier will keep SMIA indemnified against potential claims of third parties. The limitation period for defects of title amounts to three years. This limitation period will start at the end of the year in which the claim arose and SMIA gained knowledge of the circumstances underlying the claim and the identity of the debtor, or should have gained knowledge without gross negligence, regardless of its knowledge or grossly negligent ignorance within ten years after the claim originated.

6.13 In cases where SMIA had to take back the delivered goods or delivered work and had to accept a reduction of the purchase price or remuneration or to pay its customer compensation for damages or a reimbursement of expenses due to the defectiveness of the delivered goods or delivered work, the rectification period for a defect claimed against SMIA by a customer that is otherwise required by the rights against the contractual partner under Article 437 of the German civil code will not be necessary. In such cases, the aforementioned guarantee period starts with the risk transfer from SMIA to its customer. The limitation of the above-mentioned claims takes effect no earlier than two months after the time when SMIA meets the claims of its customer. This suspension of expiry ends no later than five years after the point in time when the contractual partner has delivered the item or the work to SMIA.

6.14 If SMIA is held responsible for violating official safety requirements or domestic or foreign product liability regulations or laws due to a product deficiency that can be traced goods delivered by the supplier, SMIA will be entitled to claim damages against the supplier to the extent that the damages arose from the supplier's product. This damage also includes the cost of any necessary recall. In as far as a part delivered by the supplier proves defective, the defect will be assumed to have arisen entirely within the supplier's scope of responsibilities.

6.15 The supplier must apply an appropriate type and scope of state-of-the-art quality assurance and prove its use to SMIA upon request.

6.16 The supplier will take out a reasonable level of insurance against all product liability risks, including the recall risk, and submit the insurance policy to SMIA for inspection upon request.

## 7. Warranty

7.1 The supplier warrants and ensures that all deliverables/operations comply with the latest state of technology, the relevant legal regulations and directives issued by authorities, trade associations and professional associations. Should case-to-case deviations from these regulations become necessary, the supplier must obtain written approval. The supplier's guarantee obligation will not be restricted by such approval. Should the supplier have reservations about procedure required by SMIA, he shall immediately notify SMIA accordingly in writing.

7.2 The supplier warrants and ensures that all deliveries are free of third-party intellectual property rights and especially that patents, licences or other property rights of third parties within Germany will not be infringed by the delivery and use of the goods. In as far as the supplier knows that his/her products will also be sold in certain countries, the above-mentioned warranties and assurances shall also apply for these countries.

## 8. Provided Applicable Material

8.1 Production aids such as drawings, models, samples, patterns, tools, equipment and similar items made available to the supplier by SMIA remain the property of SMIA.

8.2 The production aids provided to the supplier for use may not be copied in part or in full, sold or passed to third parties without explicit written consent.

They may also not be used in order to manufacture for or deliver to third parties.

8.3 The supplier is obligated to insure the production aids supplied to him/her, as well as those of which the costs were shared by SMIA, against damage and loss. Proof of the insurance must be supplied to SMIA upon request. The supplier simultaneously transfers all claims for indemnity from this insurance to SMIA, which thereby accepts the transfer. The supplier is obligated to perform necessary maintenance and inspections on tools belonging to SMIA and to perform all maintenance work and repairs on these items at their own cost in good time. The supplier must inform SMIA immediately about any malfunctions; if he culpably fails to do so, claims for indemnity will remain unaffected.

## 9. Confidentiality

9.1 The supplier undertakes to treat the contractual conclusion and all not openly evident commercial and technical information he may obtain through the business relationship as a business secret, unless he already knew this information or it is in the public domain. The supplier may only use SMIA as a reference towards third parties with written approval.

9.2 Sub-suppliers have to be placed under the same obligations.

9.3 The supplier must do his utmost to avoid an unauthorised disclosure of confidential information.

## 10. Property Rights

10.1 Upon the first written request, the supplier shall release SMIA and its customers from third-party claims concerning any violation of property rights and will bear all related costs incurred by SMIA.

10.2 At the supplier's expense and taking into consideration the diligence required of a correct businessman, SMIA is entitled to effect the authorised person's approval of the use of the relevant deliverables and performances.

10.3 SMIA is legally entitled to the property rights for inventions resulting from development contracts if SMIA pays the development costs.

## 11. Foreign Business Transactions

Provided that the supplier's subsidiary is located outside Germany, the following additionally applies.

11.1 The relationship between the supplier and SMIA is subject only to German law, excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

11.2 The contract language is German. To the extent that the contractual partners use another language, the German wording has priority.

## 12. Final provisions

12.1. Should individual parts of these general purchasing conditions be legally ineffective, this does not prejudice the effectiveness of the remaining provisions.

12.2 The supplier is not entitled to pass on the purchase order or significant parts of the purchase order to third parties without SMIA's prior written approval.

12.3. The supplier is not entitled to assign his claims to SMIA without SMIA's prior approval in writing, which may not be unreasonably withheld.

12.4. SMIA will treat the supplier's personal data according to the German Federal Data Protection Act.

12.5 Should the supplier become insolvent, or his financial circumstances deteriorate considerably, or bankruptcy or similar proceedings are opened, SMIA is entitled to withdraw from the contract irrespective of other rights.

12.6 In the absence of any explicitly contrary arrangement, the place of fulfilment for the delivery obligation is the delivery address or point of use determined by SMIA; for all other obligations, the location Michelau applies.

12.7 In cases where the supplier is a merchant with a commercial register listing, a legal entity under public law or a special fund under public law, suits over disputes arising from the contractual relationship must be filed in the court which is competent for the SMIA headquarters.

SMIA is also entitled to instigate proceedings against the supplier at any other legitimate location.

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