

General Terms and Conditions of Innomotive Systems Hainichen GmbH („ISH“) for procuring production material and spare parts intended for automobiles as well as operating resources and operating materials from the ISH's contracting parties ("Supplier(s)").

1. Prevailing terms and conditions

1.1 Any delivery, service and offer or quotation of the Supplier shall be made exclusively on the basis of these General Terms and Conditions of Purchase. These General Terms and Conditions of Purchase shall be deemed part of any contract or agreement ISH and Supplier conclude on any delivery or service offered by the Supplier. These General Terms and Conditions of Purchase shall also be applicable to any future delivery, service, offer, quotation or proposal even if not agreed specifically again. These General Terms and Conditions of Purchase shall not apply unless the Supplier is an entrepreneur (Section 14 of the German Civil Code), a corporate body under public law or a special fund under public law.

1.2 Any individual agreement (including any subsidiary agreement, supplement or amendment) made on a single-case basis shall prevail over these General Terms and Conditions of Purchase. The contents of any such agreement shall be subject to a written contract or written confirmation issued by the ISH.

1.3 No general terms and conditions of any Supplier or third party shall be applicable even if the ISH has not objected to their applicability separately on a single-case basis. No reference made by the ISH to any letter including or referring to any terms and conditions of the Supplier or of any third party shall be deemed consent to the applicability of any such terms and conditions.

2. Purchase order

2.1 Every supply agreement (purchase order and acceptance) and delivery call-off as well as any amendment or supplement thereto shall be made in writing. For organizational reasons, any order acknowledgment should nonetheless be declared on the blank form enclosed with the purchase order. If appropriate, any supplement can be made on such blank form as required.

2.2 Purchase orders, specifications, modifications, delivery call-offs and acceptances can also be transmitted by means of electronic data transfer using a secure connection (via fax, "online purchase order" or e-mail). Any declaration made in such cases shall be deemed received when reception can be proven by a transmission protocol.

2.3 The Supplier shall be required, according to the time periods in the logistic guidelines after its receipt, to acknowledge a purchase order in writing or, in particular, perform such purchase order without reservation by shipping the goods (acceptance). The ISH shall be entitled to cancel the purchase order if the Supplier fails to accept the purchase order within the time period in the logistic guideline after its receipt.

2.4 The ISH may require the Supplier within the limits of what can be reasonably expected from the Supplier to make modifications to the delivery item in terms of design and execution. The effects thereof, including but not limited to any additional or reduced costs, as well as the delivery dates shall be settled reasonably by common consent.

2.5 No service deviating from the order and performed by the Supplier without authorization, and no additional service not ordered in writing shall give rise to any claim for (any further) payment to the Supplier. Any claim for recovering possession shall be subject to the statutory provisions. The foregoing shall not apply if the ISH approves of any deviation or additional service in retrospect.

2.6 The ISH shall be entitled to terminate the contract at any time while stating the reasons for such termination if the ISH is unable to use the products ordered in its business operations any longer due to any circumstance arising after the conclusion of such contract. In such event, the Supplier shall not be paid for unless for the partial performance made. If and where the product ordered refers to the delivery of any non-fungible good, the ISH may terminate the contract even without giving any reason under Section 649 of the German Civil Code at any time prior to the completion of the work. Nonetheless, the Supplier shall credit any expenses saved by the Supplier due to contract cancellation and for anything the Supplier either acquires or maliciously omits to acquire by using the Supplier's working capacity otherwise.

3. Payment

3.1 Unless as otherwise agreed, payment shall be made, at the ISH's option, either with a 3% cash discount each on the 25th day of the month following upon delivery and invoice receipt, or 90 days net after delivery and invoice receipt. If early delivery has been accepted, the due date shall depend on the agreed delivery date.

3.2 Payment shall be made by bank transfer or cheque. The receipt of the transfer order by the ISH's bank shall be deemed sufficient for ensuring the timeliness of the payment due from the ISH.

3.3 In the event of defective delivery, the ISH shall be entitled to withhold a proportionate amount of payment until due performance has been rendered.

3.4 The Supplier shall not be entitled to assign any claim resulting from this contractual relationship to any third party. The foregoing shall not apply if and where monetary claims are concerned.

4. Defect notification

4.1 The ISH shall immediately notify the Supplier of any defect in delivery in writing as soon as detected by the ISH under the conditions prevailing in the due course of business. The duty to examine shall be restricted to defects which are openly perceptible by examination from the outside during incoming inspections which also include shipping documents as well as during quality inspections made by random sampling (e.g., damage in transit, incorrect or short delivery). No duty to examine shall exist if and where acceptance has been agreed upon. Our obligation to lodge complaints for any deficiency detected at a later time shall remain unaffected.

4.2 The receipt by the Supplier of a written defect notice shall suspend the statute of limitations applicable to warranty claims. In the event of replacement or defect correction, the warranty period shall restart for any part replaced or reworked unless the Supplier's conduct makes the ISH assume that the Supplier did not feel obligated to but rather made any such replacement or defect correction only as a gesture of good will or for any similar reason.

5. Secrecy

5.1 The contracting parties shall agree to treat as trade secret any commercial and technical detail not publicly known which comes to their knowledge due to the business relationship.

5.2 No drawing, model, template, pattern or similar object must be provided nor be made available to any unauthorized third party in any other form. No reproduction of any such object shall be allowed unless within the scope of operational needs and in accordance with the copyright regulations.

5.3 Such obligations shall also be imposed on any sub-supplier.

5.4 The contracting parties shall not be allowed to make any reference to their business relationship unless with prior written consent.

5.5 Upon the ISH's request, the Supplier shall, at the ISH's option, return, destroy or delete every document or other supporting medium if and where embodying any business secret unless the Supplier has an obligation of preserving any such document or supporting medium under law or under an order of any competent court of law or competent public authority or any other institution. ISH and Supplier shall make certain that the secrecy and final destruction of electronic data is guaranteed at any time.

6. Delivery dates and deadlines, delay in delivery

6.1 Every date or deadline agreed shall be binding. The time relevant for compliance with the delivery date or delivery deadline shall be the receipt of the goods at the ISH's location. The Supplier shall make the goods available in good time, taking into account the usual time for loading and shipping.

6.2 The Supplier shall agree to inform the ISH in writing with no delay whenever any circumstance occurs or becomes apparent to the Supplier, indicating that the requested delivery time cannot be met.

6.2a) If provided for in the purchase order, the Supplier shall submit a written report about the status of work every two (2) weeks and shall fill in and submit the Project Schedule form to the ISH. Project meetings shall be recorded in minutes. Preliminary acceptance and operational acceptance shall be held at the dates agreed. The preliminary acceptance report shall be jointly established and shall be the basis for the Supplier's further work in performance of the contract. For production machines,

preliminary acceptance shall be subject to the condition that the minimum number of work pieces manufactured under series conditions is available in perfect quality as indicated in the purchase order. For plant and machinery, operational acceptance shall be subject to the condition that faultless operation under series conditions has been performed for four weeks and that all other services have been complied with in accordance with the contract. The Supplier shall pay the costs of acceptance including in case of but not limited to any repeated acceptance.

6.2b) The Supplier shall provide sufficient own personal for instructing the ISH's operating personnel without any particular compensation.

6.2c) The Supplier shall enable the ISH to ensure the proper maintenance of the delivery item. If maintenance by ISH personnel is not possible or reasonable, the Supplier shall propose or arrange for a maintenance agreement offering reasonable terms and conditions either with the Supplier or with a third party.

6.2d) Packaging must meet the requirements of the goods to be shipped, taking account of the means, route and duration of transport, the country and place of destination, and any storage or subsequent transport. The ISH shall be entitled to prescribe the details of the packaging to be used by the Supplier.

6.3 If the day, on which delivery should be effected by the latest, is determined based on the contract or agreement, the Supplier shall be deemed in default at the end of such day without requiring any reminder by the ISH. If the Supplier fails to provide the goods or services or fails to provide the goods or services within the agreed delivery period or incurs in any default, the ISH's rights shall be as determined by the statutory provisions, including but not limited to rescission of contract and damage compensation.

6.4 In the event of delay in delivery, the ISH shall be entitled to claim compensation for default. Such compensation for default shall amount to 1% of the delivery value for every week of delay started but shall not be more than 10% of such value. Any further statutory claim shall remain reserved. The Supplier shall have the right to provide evidence to the ISH, showing that either no or a substantially lower loss or damage has arisen due to the delay.

6.5 The Supplier shall not be entitled to make any partial delivery unless with the ISH's prior written consent.

6.6 The Supplier shall take out transport insurance at the Supplier's own expense. The Supplier shall provide evidence showing the conclusion of such insurance upon the ISH's request.

7. Force majeure and inevitable incidents

Force majeure, industrial action, unrest, government action or any other unforeseeable, inevitable and serious event shall relieve the contracting parties from their duties to perform for the duration and to the extent of the effects brought about by any such disturbance. The foregoing shall also apply if any such event occurs at any time at which the contracting party affected is in delay. The contracting parties shall be obligated, within a reasonable scope, to immediately provide any required information to one another, and to adapt their duties and obligations in good faith to the conditions changed by any such event.

8. Quality and documentation

8.1 For its deliveries, the Supplier shall observe the accepted rules of engineering, safety regulations, agreed technical data as well as ISH's quality assurance agreement for suppliers each including their appendices. Any modification of the delivery item shall be subject to the ISH's prior consent. For first article inspections and unless as and where provided otherwise in ISH's quality assurance agreement for suppliers and the appendices thereto, reference for initial sampling shall be made to the VDA document "Band 2: Sicherung der Qualität von Lieferungen Produktionsprozess- und Produktfreigabe PPF" (Volume 2 Quality Assurance for Supplies Production process and product approval PPA), (as amended from time to time). Notwithstanding the foregoing the Supplier shall verify the quality of the delivery items on a continuous basis. The contracting parties shall inform each other about any opportunity for improving quality.

8.2 The Supplier shall maintain a quality management system as per DIN ISO 9001 at least. With regard to production material, the setup of this quality management system shall be in accordance

with the ISO/TS16949 or IATF16949 standard. If the Supplier's certificate should expire or should be withdrawn, the Supplier shall agree to immediately notify the ISH of such expiry or withdrawal.

8.3 Unless the type and scope of tests and inspections, the test and inspection equipment and the methods are firmly agreed between Supplier and ISH, the Supplier shall agree, within the scope of its knowledge, experience and possibilities, and upon the ISH's request, to discuss tests and inspections with the ISH and determine the state of testing and inspections required from time to time. The ISH shall, furthermore, inform the Supplier about the relevant safety regulations upon request.

8.4 Considering ISH's quality assurance agreement for suppliers and the appendices thereto, the Supplier shall document, including in but not limited to specific records, when, how and by whom the delivery items have been tested and inspected and what results have been obtained by the quality tests required. Test and inspection documents shall be kept for a period of 15 years after the end of serial production and the ISH must be submitted if required. As far as statutory provisions allow, the Supplier shall impose the same scope of obligations on any upstream supplier. Unless as and where provided otherwise in ISH's quality assurance agreement for suppliers and the appendices thereto, reference for instructions shall be made to the VDA document "Band 1: Dokumentation und Archivierung - Leitfaden zur Dokumentation und Archivierung von Qualitätsforderungen" (Volume 1 Documentation and Archiving - Code of practice for the documentation and archiving of quality requirements and quality records) (as amended from time to time). Such documentation required shall apply to every delivery item unless excepted therefrom under any agreement.

8.5 Where any public authority competent for motor-vehicle safety, exhaust emission regulations, etc. requires insight into the production sequence and test documents of the ISH to verify any specific requirement, the Supplier shall agree, upon the ISH's request, to grant the same rights and provide any reasonable assistance to such public authority in the Supplier's own facilities.

8.6 The Supplier shall provide its deliveries and services in accordance with applicable legislation including but not limited to, where applicable, Directive 2011/65/EU (RoHS) and Regulation (EC) no. 1907/2006 (REACH regulation) each as amended from time to time.

9. Warranty and liability

9.1 The Supplier shall warrant that the delivery item is free from any redhibitory defect or defect in title and complies with the warranty as to quality and durability, if any. Any product description which, including but not limited to any designation or reference made in a purchase order, is the subject matter of the corresponding contract or agreement or is included therein in the same manner as these General Terms and Conditions of Purchase, shall, in any case, be deemed an agreement as to quality. It shall make no difference in this regard whether such product description has been originated by the ISH or by the Supplier.

9.2 Any expenditure required for cure and subsequent performance shall be borne by the Supplier, including but not limited to any costs of transport, travel, labour and material. If absence of defects cannot be achieved, the ISH shall be entitled to claim that the defect be corrected even by redesign. The ISH shall also be entitled to accept a delivery item in spite of any defect and make a prorated reduction in the price of delivery.

9.3 If the Supplier fails to meet its obligation of curing and supplementary performance at the ISH's option by either correcting a defect (rectification) or by delivering an item free of defects (replacement) within a reasonable time limit set by the ISH, the ISH may remedy any such defect itself and demand compensation for any expenditure required or a corresponding advance payment from the Supplier. No notice to set a time limit shall be required if curing and subsequent performance by the Supplier has failed or cannot be reasonably accepted by the ISH (e.g., due to particular urgency, hazard for operational safety or imminent occurrence of any unreasonably high loss or damage); the Seller shall be notified thereof without delay and, if possible, in advance. In other respects, the ISH shall be entitled to either reduce the purchase price or rescind the contract in accordance with statutory provisions if there is any defect as to quality or title. The ISH shall also have a claim to the compensation of any damage, loss or expenditure in accordance with statutory provisions.

9.4 The ISH may remedy any minor defect or have any minor defect remedied immediately at the Seller's expense. The ISH shall transmit a report indicating the kind and extent of any such defect and the repair work performed.

9.5 Any further Supplier liability and obligation to pay damages shall be governed by the statutory provisions.

9.6 Unless as otherwise determined herein below, any mutual claim of the contracting parties shall become statute-barred as defined in the statutory provisions.

a) The period of prescription applicable to any claim under the contract shall be three (3) years after the passage of risk. If any acceptance has been agreed, the limitation period shall commence upon acceptance.

b) Such three-year period of limitation shall, mutatis mutandis, also apply to any claim resulting from a defect in title unless conflicting with any mandatory statutory limitation rule.

c) If and where also accruing to the ISH due to any defect, any non-contractual claim for damage or loss compensation shall be subject to the regular statutory limitation (Sections 195, 199 of the German Civil Code) unless the application of the periods of limitation as defined in item 9.5 hereof would lead to a longer period of limitation in the case in hand.

9.7 No acceptance or approval of any sample or specimen presented shall be deemed a waiver of any ISH warranty claim.

9.8 In derogation of Section 442, Subsection 1, Sentence 2 of the German Civil Code, the ISH shall also be entitled to unrestricted claims based on defects if any claim has remained undetected due to gross negligence at the time of contract conclusion.

9.9 The ISH's commercial duty to examine and object to defects shall be subject to the provisions set forth in item 4 of these General Terms and Conditions of Purchase.

10. Duty to Inform

The Supplier shall agree to inform the ISH without being requested to do so and immediately after the conclusion of the contract about any hazardous material in the contract's subject matter delivered, e.g., by submitting a safety data sheet.

11. Product liability and recall

11.1 In the event that any claim is lodged against the ISH on the basis of product liability, the Supplier shall agree to indemnify the ISH from any such claim if and where such loss or damage has been caused by any defect in the contract's subject matter delivered by the Supplier while such indemnity shall not apply in any case of strict liability unless the Supplier is at fault. If and where the cause of any damage or loss is in its area of responsibility, the Supplier shall bear the burden of proof in such respect. In any such case, the Supplier shall bear all costs and expenses, including the cost of bringing any legal action or recall action, while statutory provisions shall apply in other respects.

11.2 The Supplier shall agree to maintain a product liability insurance at its own expense while also taking out a recall costs insurance providing for a sufficient amount of coverage of, in any case, not less than EUR 2.5 million. The Supplier shall send a copy of such third-party liability policy to the ISH upon request at any time.

12. Industrial property rights

12.1 The Supplier shall be liable for any claim arising from the use of delivery items as provided for in the contract due to the infringement of any industrial property right or industrial property right application, including but not limited to any patent, industrial design, design patent, corporate name, copyright or other industrial property right of any third party (Industrial Property Right(s)).

12.2 The Supplier shall indemnify the ISH and the ISH's commercial buyers from any claim asserted against them as arising from the use of any such Industrial Property Right including any costs incurred due to and in relation with any such claim asserted.

12.3 The contracting parties shall agree to immediately inform each other about any risk of infringement or alleged case of infringement which comes to their knowledge, and provide an opportunity for each other to counteract any such claim by mutual consent.

12.4 Upon the ISH's request, the Supplier shall communicate the use of any third-party Industrial Property Right or application for any third-party Industrial Property Right, whether published or not and whether own or licensed, in the delivery item.

13. Manufacturing equipment, use of manufacturing equipment and confidential information of ISH

13.1 In any model, die, template, sample, tool or other manufacturing equipment (Manufacturing Equipment) paid by the ISH, whether fully or in part, the ISH shall acquire sole ownership or co-ownership in the proportion of the ISH's financial contribution. Delivery shall be substituted by a safekeeping arrangement, allowing possession by the Supplier until further notice. The Supplier shall bear the cost of maintenance and renewal as well as any risk of destruction or deterioration. For as long as they are in the Supplier's possession, every document and Manufacturing Equipment shall be insured against damage or loss by the Supplier without any costs for the ISH.

13.2 No Manufacturing Equipment and no confidential information provided to the Supplier by the ISH, paid by the ISH in full, or in the cost of which the ISH takes a significant share shall be used unless for performing the corresponding contract with the ISH. Any use of such Manufacturing Equipment for the Supplier's own purposes including for but not limited to delivery to any third party as well as the destruction, disposal, pledging, hypothecation or transfer or any other disposition of such Manufacturing Equipment shall be subject to the ISH's prior written consent.

14. Performance of work

Any person carrying out any work in performance of the contract on the ISH's factory premises shall observe the provisions set forth in the corresponding factory regulations. Liability for any accident any such person suffers on the factory premises shall be excluded unless where caused by any wilful or grossly negligent breach of duty committed by any legal representative or performing agent of the ISH.

15. Transfer of risk/documents

15.1 Delivery shall be free domicile unless as otherwise agreed in writing.

15.2 The Supplier shall agree to exactly indicate the ISH's order number and the day of the order on every shipping document and bill of delivery. If and where made and admitted by the ISH, any partial delivery or delivery of a remaining instalment shall be indicated in particular. If the Supplier fails to provide information or notes, delays in processing will become inevitable but shall not be under the ISH's liability.

16. General provisions

16.1 If a contracting party suspends payments or if a petition is filed for instituting insolvency proceedings against its assets or if extrajudicial composition proceedings are applied for, the other contracting party shall be entitled to rescind the contract for the part not performed.

16.2 If any provision of these terms and conditions and of any further agreement should either be or become ineffective, such inefficiency shall not affect the validity of the contract or agreement in any other respects. The contracting parties shall agree to replace any such ineffective provision by a provision coming as close as possible to its essential effect.

16.3 The laws of the Federal Republic of Germany shall apply on an exclusive basis unless, if any, as otherwise agreed. The applicability of the United Nations Convention of 11 April 1980 on Contracts for the International Sale of Goods (UN Sales Convention) shall be excluded. The German conflict of laws provisions (IPR) shall also be excluded.

16.4 The place of performance and the exclusive place of jurisdiction for any dispute arising out of the contractual relationship is the regional court Chemnitz.

17. Purchasing conditions for the environment and energy

The supplier undertakes to comply with the respective legal regulations for dealing with employees, environmental protection and occupational safety and to work towards reducing adverse effects on people and the environment in their activities. In particular, the energy efficiency of the products, equipment and services offered is, in addition to economic aspects, a key factor in our procurement.

In order to adequately observe environmental protection and in particular energy efficiency aspects, the requirements are:

- the energy label ("EU label", Directive 2010/30 / EU of the European Parliament and of the Council on the indication of the consumption of energy and other resources by energy-related products by means of uniform labels and product information),
- the Blue Angel environmental label,- the European Ecolabel (Regulation (EC) No 66/2010 of the European Parliament and of the Council on the EU Ecolabel),
- the Energy Star (Regulation (EC) No 106/2008 of the European Parliament and of the Council on a Community energy efficiency labeling program for office equipment and Regulation (EC) No 174/2013 of the European Parliament and of the Council amending Regulation (EC) No 106/2008 establishing a Community energy efficiency labeling program for office equipment)

or

- comparable energy and environmental labels

and implementing measures under the ErP Directive (Directive 2009/125 / EC of the European Parliament and of the Council establishing a framework for the setting of ecodesign requirements for energy-related products, as amended by Directive 2012/27 / EU of the European Parliament and of the Council).

For purchases of corresponding products, attention must be paid to a CE marking. Furthermore, only work equipment may be purchased which has been tested or, because of its manufacture, does not need to be tested for a limited period of time.

We reserve the right to request a financial compensation of 1500€, if anybody does not follow our instructions for health and safety measures and environmental demands as well.

All laws, regulations, directives are to be used in the current valid version!