

Webasto General Terms and Conditions for Purchase - North America

LAST UPDATED: October 2020

1. General Terms of Relationship

- 1.1 These General Terms and Conditions for Purchase ("**Webasto General Terms and Conditions**") by the Webasto entity identified in the applicable Delivery Contract ("**Webasto**") shall apply to the production, acquisition, delivery, performance and/or purchase of products of any kind, including without limitation, prototypes, parts, spare parts, components, aggregates, substances, materials, rights, services and/or systems, including software contained therein or related thereto as well as associated documentation and the source and object code of such software (together, the "**Delivery Items**"), which have been acquired by Webasto from the supplier identified in the applicable Delivery Contract (the "**Supplier**") for the purpose of producing Webasto products and/or otherwise for the performance of business activities by Webasto. These Webasto General Terms and Conditions can be viewed and downloaded at the Webasto Supplier Portal at <https://startsuppliers.webasto.com> (the "**Supplier Portal**").
- 1.2 The legal relationship between Webasto and the Supplier (Webasto and the Supplier are each referred to as a "**Party**" and together, the "**Parties**") in connection with the purchase of Delivery Items by Webasto shall be exclusively governed by the terms of the Delivery Contracts between Webasto and the Supplier. Webasto's acceptance of the Delivery Items or payments by Webasto to the Supplier without objection shall under no circumstances constitute recognition of any terms and conditions of the Supplier. Webasto objects to any additional or contradicting terms or conditions in any communication (written or verbal), offer, or acceptance of the Supplier, and such terms or conditions shall not become part of the Delivery Contract. Separate, additional objection in individual cases is not required.
- 1.3 No amendment or modification of these Webasto General Terms and Conditions shall be valid or binding upon the Parties unless made in writing and signed by the Parties.
- 1.4 References to "Mexico" in these Webasto General Terms and Conditions only apply to Suppliers located in Mexico and/or manufacturing (in whole or in part) Delivery Items in Mexico.

2. Orders, acceptance, Delivery Contracts, releases, changes

- 2.1 Purchase orders ("**orders**"), Delivery Contracts, releases for the purchase of Delivery Items, as well as changes thereto, shall be made in writing, but can also be effected by fax or via electronic data transmission (e-mail).
- 2.2 An order by Webasto is an offer to the Supplier to enter into a Delivery Contract. Prior to acceptance by the Supplier, Webasto may revoke an order at any time and without any liability to the Supplier. An order does not represent acceptance of an offer by the Supplier unless expressly stated in the order. Any reference to offers or letters of the Suppliers made in an order shall only apply to the item referred to and only to the extent to which the order is not inconsistent with the item referred to. Releases shall be binding, unless the Supplier objects in writing to Webasto within 48 hours upon receipt due to unreasonableness of the quantities or the dates, stating the earliest possible delivery dates.
- 2.3 The order or a release and these Webasto General Terms and Conditions shall be deemed to be accepted by the Supplier in their entirety and without any modification if the Supplier accepts an order or release in writing or by means of electronic data transfer or begins with the delivery of the goods or services set forth in the order or the release. Any accepted order or release or any agreement on the production, acquisition, delivery and/or other provision of Delivery Items otherwise concluded, collectively, shall be a "**Delivery Contract**." The "**Effective Date**" is the date the applicable Delivery Contract is accepted. Each Delivery Contract incorporates these Webasto General Terms and Conditions and the Webasto supplier quality guidelines available on the Supplier Portal ("**QW1**"). A Delivery Contract also incorporates the Webasto Terms and Conditions for Tools (the "**Tooling Terms**") if the Tooling Terms are executed by Webasto and the Supplier or if the Tooling Terms are incorporated into an accepted order or release. Each Delivery Contract shall be accepted by an Authorized Officer of Supplier. To the extent Mexico law applies, the Supplier shall deliver to Webasto either (i) an original of such Delivery Contract duly signed by an Authorized Officer of Supplier, or (ii) electronic confirmation by an Authorized Officer, in either case, delivered to the

address indicated by Webasto in writing, within three (3) business days following the acceptance of the Delivery Contract. For Suppliers located in Mexico, the term “**Authorized Officer**” includes any person acting on behalf of the Supplier with sufficient authority for acts of administration (*actos de administración*) granted in a public instrument before a Notary Public in Mexico, which authority has not been limited, modified or revoked as of the Effective Date and the acceptance and execution of the relevant Delivery Contract. The execution and delivery of the Delivery Contract by an Authorized Officer of the Supplier will confirm the obligation of the Supplier to comply with these Webasto General Terms and Conditions, the QW1 and the Tolling Terms, as applicable.

- 2.4 The production of prototype parts, especially within a development, prior to acceptance of series production or changes in series production, shall each be in accordance with the drawing and the performance and/or requirements specifications, where available, which were approved by Webasto, in the latest index (together “**Specification**”). Any changes and improvements, achieved during a production of initial samples, shall be verified by the Supplier with regard to suitability for the intended purpose and the quality requirements, and the Supplier shall inform Webasto of such change or improvement. Upon Webasto’s request the Specification shall be amended accordingly. The order for the series production shall be based on the amended final Specification.
- 2.5 Quantities, delivery terms, and delivery dates will be exclusively set forth in orders or releases. The Supplier shall ensure the required capacities in order to fulfill the quantities, including estimated quantities, pursuant to orders or releases. Unless provided otherwise in the release, the respective release shall constitute a production approval for a period of four (4) weeks and a material approval for a period of an additional four (4) weeks. Any further estimated quantities contained in orders or releases shall be considered to be non-binding. Any purchase obligation of Webasto shall be limited to the above-mentioned release periods.
- 2.6 Webasto reserves the right to make, or request that the Supplier make, modifications with regard to Delivery Items, the Specification and/or processes to a Delivery Contract at any time. Within five (5) business days of any such request, the Supplier will demonstrate the effects of any such modification on price and delivery date by means of a cost breakdown and appropriate documentation. If such modification requires any deviation in price or delivery date, Webasto and the Supplier shall agree to an appropriate adjustment of the Delivery Contract.
- 2.7 If no specific quantity is set forth on the face of the Delivery Contract, or if the Delivery Contract identifies the quantity as “0,” “REQ,” “AS REL,” “as released,” or similar, the order is an exclusive 100% requirements contract under Michigan law and the Uniform Commercial Code.
- 2.8 The duration of the Delivery Contract is the life of each vehicle program into which the goods or services are ultimately incorporated, including model refreshes as determined by Webasto’s customer, and including any period during which Webasto is obligated to provide service or replacement parts incorporating the goods or services to Webasto’s customer (the “**Term**”). The Term may be lengthened or shortened by Webasto at Webasto’s discretion as a result of Webasto’s customer increasing or decreasing the life of the applicable vehicle program. Nothing in this Clause affects Webasto’s rights to terminate the Delivery Contract as set forth in Clause 22. Upon the expiration or termination of any Delivery Contract, Supplier will cooperate with Webasto and provide all reasonably requested support and information required by Webasto to facilitate Webasto’s sourcing of the goods or services to a replacement supplier.

3. Transfer of production

- 3.1 In the case of production of Delivery Items, the Delivery Contract shall identify all Supplier places of production. Supplier may only transfer the place of production of Delivery Items or parts thereof with the prior written consent of Webasto. Webasto may withhold or condition its consent in its sole discretion.

4. Delivery dates and periods, disruptions and delays

- 4.1 The delivery dates and periods stated in the order and/or in the release shall be binding. Relevant for the observance of the delivery date or delivery period shall be the receipt of the Delivery Items at the Webasto plant or location to be supplied.
- 4.2 Unless otherwise agreed upon in a Delivery Contract, delivery of Delivery Items shall be made (i) if outside the United States, “*delivery duty paid*” (Incoterms 2020 DDP), and (ii) if within the United States, “free carrier” (Incoterms 2020

FCA), and shall include the return of the packaging in circulation to the Supplier at the Supplier's cost.

- 4.3 Under no circumstances shall the Supplier delay delivery or refuse delivery of Delivery Items. The Supplier shall notify Webasto immediately in writing of any circumstances, which could lead to disruptions or delay, including limited or partial deliveries. The Supplier shall communicate the relevant measures and a suitable emergency plan, with which the Supplier could prevent the disruption or deter its effects. Any delay, threat to delay, or refusal of shipment of Delivery Items by the Supplier as a remedy for an alleged breach by Webasto is not permitted and will afford Webasto the immediate right to seek liquidated damages equal to the daily amount of damages incurred by Webasto as a result of the Supplier's actions. The Parties acknowledge that such liquidated damage amount is not a penalty but rather an amount to account for damages incurred by Webasto.
- 4.4 The Supplier shall bear all costs and fees (including, without limitation, the Release Value, penalties, additional freight charges, retrofitting costs, extra shifts, additional expenditure for covering purchases), which Webasto and Webasto's customer incur due to a failure to meet delivery dates for which the Supplier is responsible. In the event of the Supplier's delay regarding a delivery date, as liquidated damages and not as a penalty, Webasto shall be entitled to demand a lump-sum compensation of 0.5% of the order and/or release value, but no more than 5.0% of the order and/or release value, for each beginning week of the delay (collectively, the "**Release Value**"). Webasto's right to claim further damages shall remain unaffected, and Webasto may pursue additional damages in accordance with applicable law.
- 4.5 In the event of an acceptance of a late delivery, Webasto explicitly reserves the right to exercise the rights set forth under Clause 4 above at a later point in time. The unconditional acceptance of a late delivery shall not constitute a waiver of any other damages or compensation claims to which Webasto may be entitled.
- 4.6 To the extent it becomes reasonably apparent that the Supplier will permanently be unable to meet the delivery dates, the Supplier shall be obliged, after a deadline has been set, upon request of Webasto to surrender immediately all tools/devices required for production, which are property of Webasto, as well as by secondary law tools/devices that are the property of third parties (see also Clause 16.1) in order to enable Webasto to produce or have a third party produce the Delivery Items for the duration of such inability. Supplier shall reimburse Webasto for all costs of transfer of production, and (ii) indemnify Webasto for all damages incurred as a result of the breach.
- 4.7 Early deliveries, partial deliveries, or excess quantities require written agreement by Webasto. Absent Webasto's written agreement, Webasto has the right in its sole discretion to refuse acceptance of these deliveries or to return them at the Supplier's expense. Independent of course of conduct or any previous agreement between the Supplier and Webasto, the Supplier shall compensate Webasto for costs and damages incurred as a result of early deliveries, partial deliveries, or deliveries of excess quantities, including additional transport costs incurred by these deliveries.

5. Force Majeure

- 5.1 Force majeure events are events or occurrences beyond the reasonable control of a Party. Force majeure events include, without limitation, epidemics and pandemics, terrorism, acts of terror, war, acts of war, civil unrest, labor unrest, governmental measures and other unpredictable events. A force majeure event may excuse a delay or failure of a Party to perform its obligations to each other only if (i) the delay or failure is caused by an event or occurrence beyond the reasonable control of that Party and without its fault or negligence, and (ii) the Party unable to perform gives notice of the non-performance (including anticipated duration) to the other Party promptly after becoming aware that it has occurred or is reasonably likely to occur, followed by prompt notices of any material changes in the facts relative to its ability to perform and/or the anticipated duration of the non-performance. Upon notice to Webasto by the Supplier of a force majeure event, Webasto shall be entitled to purchase any and all goods elsewhere for the duration of the disturbance.
- 5.2 If the duration of the disturbance is not insignificant, and if the disturbance results in a significant decrease in the need, Webasto shall be entitled, without liability or obligation to the Supplier, to cancel the part of the Delivery Contract which has not yet been fulfilled, without prejudice to any other rights Webasto may have. In the event of any bar to performance for which Webasto is responsible, Webasto shall have no right of cancellation.
- 5.3 The Parties shall take all commercially reasonable measures to remove the disturbance and/or to reduce the effects of the disturbance. If the Supplier fails to comply with its obligations under Clause 5.1 or Clause 5.2, the Supplier

shall compensate Webasto for all damages incurred by Webasto which could have been prevented had the notification been given in due time. In addition, the Parties shall search for alternative ways and means to make the continued performance of duty possible and if necessary to adapt their obligations in good faith to the changed circumstances for the time period of the disturbance. As soon as the disturbance no longer exists the Parties' original obligations to perform shall be fulfilled.

6. Inspection of outgoing goods, packaging, shipping, proof of origin

- 6.1 The Supplier shall inspect the Delivery Items for defects prior to shipment.
- 6.2 All Delivery Items must be properly packed, labeled and shipped by the Supplier in such a manner as to ensure the lowest transportation costs, using customary care and diligence. Unless agreed otherwise, the Delivery Items shall be packed according to the packaging specifications of Webasto (available on the Suppliers Portal) as applicable from time to time. The Supplier shall be liable for any damage due to faulty packaging, i.e. not according to the current packaging specifications of Webasto and/or any other regulations to be observed.
- 6.3 The Supplier shall immediately obtain in full any and all documents and other information required under customs provisions or any other applicable state provisions, including, without limitation, (a) duty drawback documents and (b) all proofs of origin as well as (c) any and all other information relating to the origin of the Delivery Items and the materials contained therein under commercial law or provisions governing preferential trade.
- 6.4 If Webasto determines a carrier or a means of transport, the Supplier shall ship by such carrier and means of transport.

7. Quality

- 7.1 The Supplier guarantees that its deliveries and services are suitable for the intended use and that their condition is without fault or defect. The Supplier shall provide its services in accordance with applicable law and with state of the art generally accepted practices. All Supplier goods and services shall comply with all agreed specifications, quality, environmental, emissions, safety and testing rules and regulations as well as with the agreed technical data. Any change of the Delivery Items or of materials, tools or production processes shall require the prior written consent of Webasto. The Supplier shall review the specifications and notify Webasto immediately of any modifications that may be recommended or necessary, especially if required to improve quality.
- 7.2 The Supplier will comply with the quality assurance procedures and documentation duties set forth in QW1. Additional requirements for specific parts may be documented in the Delivery Contract. The initial sample inspection procedures, as described in QW1, are supplemented by the requirements documented in the respective first sample orders.
- 7.3 The Supplier shall ensure that the Delivery Items and the processes necessary for their production and/or processing observe the national and international laws and regulations relevant to the respective Delivery Item in the country of manufacture and in the distribution markets for the products into which the Delivery Items are installed and/or for which they are used. The Supplier shall indemnify Webasto from and against any and all claims under private or public law arising from a violation of such provisions. With all shipments, the Supplier shall include all required inspection documents and certificates as agreed and as may be required under applicable law. At the Supplier's cost, the Supplier shall provide the required information in corresponding systems which serve to comply with the provisions listed above (such as the International Material Data system, "IMDS").
- 7.4 In accordance with QW1, the Supplier will record in the Supplier's quality documents when, how and by whom the defect-free production of the Delivery Items and/or deliveries has been ensured, and will prepare corresponding documentation which shall be made available without delay to Webasto upon request. All such documentation shall be kept for fifteen (15) years after the end of the series production by Webasto's customers, for whom the Delivery Items were used, and to be presented to Webasto when requested by Webasto. The Supplier shall require that all permitted assignees and subcontractors are bound by such obligations. The Supplier has the right to shorten the retainment period of the documentation in Webasto's discretion and upon notice to the Supplier.
- 7.5 The Supplier will control the quality of the Delivery Items in regular intervals and ensure their conformity to the quality

requirements of QW1 and the Delivery Contract. The Supplier will immediately inform Webasto in writing of any quality problems of the Delivery Items which may occur. The Parties will inform each other about possibilities of improving quality.

7.6 During the Term, Webasto shall have the right to perform quality audits at all Supplier facilities used in the manufacture or production of Delivery Items in accordance with the terms of Clause 24.3.

7.7 If and to the extent that the Delivery Items or parts thereof are safety-relevant in accordance with domestic and/or foreign laws or regulations, guidelines or other applicable provisions, the Supplier undertakes to document, at Webasto's request, the homologation and the manufacturing process for the Delivery Items, in particular (test methods), by whom (natural/legal persons) and with what result the safety-relevant Delivery Items and/or parts thereof were tested. To the extent that any public authority competent for motor vehicle safety, emissions rules or the like request access to the production process and the inspection documents of Webasto, the Supplier agrees upon request of Webasto to grant such authorities the same rights at the Supplier's premises and to provide every reasonable support in this respect.

8. Competitiveness

8.1 A condition of entering into the Delivery Contracts is that the Supplier remains competitive with regard to pricing and quality of the Delivery Items, and that the Supplier continues to have a secure and reliable supply chain.

8.2 If a comparable product is offered to Webasto at competitive conditions, Webasto will notify the Supplier thereof in writing and will set a reasonable period of time for the Supplier to restore full competitiveness of the Delivery Items. The Supplier will promptly prepare a catalogue of actions and will furnish Webasto with such catalogue, together with a corrected offer. If Webasto accepts the corrected offer, the Supplier shall restore competitiveness of the Delivery Items according to the corrected offer within the reasonable period of time set by Webasto. The obligation of Supplier to maintain competitive is a material contractual obligation. In the event of any violation of such obligation, Webasto may demand adjustment or immediately terminate the Delivery Contract in whole or in part.

9. Prices, invoicing, payment, transfer to third parties

9.1 Pricing shall be as agreed upon in the Delivery Contract(s). The agreed prices do not include applicable sales tax currently in force. Subject to the terms of Clause 8, prices shall be fixed prices and represent the total price for the manufacturing and delivery of Delivery Items including packaging under a Delivery Contract. The Supplier shall not have the right to adjust prices or invoice additional costs of any nature whatsoever without explicit prior written consent of Webasto.

9.2 Unless agreed otherwise in the Delivery Contract, payment shall be made ninety (90) days after receipt of the non-defective Delivery Item or the Delivery Items and the receipt of a proper and verifiable invoice. The invoice shall correspond to current legal specifications, including the VAT identification number or tax number, delivery or service date, number and kind of invoiced Delivery Items. In addition, the Supplier number, delivery note number, order number and date (or Delivery Contract and/or release number) shall appear in the invoice. Webasto may reject any invoice which does not show the complete order number. Receipt of the correspondingly corrected invoice shall be relevant for the beginning of any agreed payment period.

9.3 In the event of acceptance of an early delivery, the agreed delivery date shall remain the relevant date for purposes of payment pursuant to Clause 9.2. Payment shall be made via bank transfer, via check or via credit note procedure pursuant to the applicable Delivery Contract, as well as subject to invoice verification.

10. Notice of defects

10.1 Upon receipt of Delivery Items, Webasto will carry out identity and quantity inspection by means of the delivery note, as well as check the Delivery Items for obvious transport damage and other recognizable outer damage. If Webasto discovers any defects during this process, Webasto will promptly provide notice to the Supplier, upon which time Webasto may elect to withhold payment on all such Defective Delivery Items. Any defects not discovered during this process will be shown to the Supplier by Webasto within a reasonable time, as soon as these have been determined according to the circumstances of the normal course of business. Thus, the Supplier waives the objection of delayed

notice of defects.

- 10.2 Any payment made prior to the detection of defects or the inspection of Delivery Items by Webasto and/or the customer, the acceptance of Delivery Items and/or other releases shall not constitute acknowledgement of the Delivery Items being free from defects and shall not release the Supplier from the warranty and/or his indemnity according to the terms and conditions of the Delivery Contract and/or these Webasto General Terms and Conditions.
- 10.3 Notwithstanding the foregoing, in the United States, Webasto is not required to perform incoming inspections of any Delivery Items, and Supplier waives any right to require Webasto to do so. Payment by Webasto is not acceptance of nonconforming Delivery Items. Any inspection by Webasto or its customer is not acceptance of the Delivery Items or a waiver of strict performance and does not relieve Supplier of any liability or warranty for the Delivery Items.

11. Warranty Claims

- 11.1 In addition to the warranty terms identified in this Clause 11, the Supplier guarantees that all Delivery Items (a) conform to the specifications, the prototypes and drawings, and other requirements, (b) are free from any defect in design, production and material, (c) are of merchantable, but at least the agreed upon quality and (d) are fit for the particular purpose for which they are purchased. Any Delivery Items, which are found not to meet any of the above mentioned requirements, shall be deemed to be **"Defective Delivery Items."**
- 11.2 If before the start of production (processing or installation) or use Defective Delivery Items are discovered, Webasto shall first give the Supplier the opportunity within a reasonable period of time to screen the goods, to remedy the defect or to make a supplementary (replacement) delivery, unless this is deemed unacceptable by Webasto. If the Supplier is not able to perform such actions to Webasto's satisfaction, Webasto may undertake to rectify the defects itself or have a third party rectify them, all at the sole cost and expense of the Supplier.
- 11.3 If the defect is only discovered after production, Webasto can demand the delivery of defect-free Delivery Items and reimbursement of all costs incurred in connection with the subsequent delivery (e.g. costs for examination, sorting, deinstalling/installing) as well as material. In the event that the Delivery Items are already in Webasto's or a Webasto customer's production or sales process or in use by the end customer, a deadline for supplementary performance shall be deemed dispensable. In the event the Delivery Items have already been installed and delivered to Webasto's customer, and to the extent that Webasto does not receive Delivery Items from its customer for inspection, the Supplier shall receive parts for inspection. The Supplier agrees to accept the determination of Webasto's customer or from contracted third parties (e.g. workshop) as proof that the Delivery Items are defective, also without Defective Delivery Items having been provided for inspection. All costs and expenses incurred as a result shall be reimbursed by the Supplier, even if a replacement of defective parts is not necessary for subsequent performance, especially when defect-free or new software is installed.
- 11.4 Insofar as the Delivery Items to be replaced are not part of the diagnosis of defects or are not made available to the Supplier for technical analysis or reworking, Webasto shall scrap them at the Supplier's expense or instruct the Supplier to scrap them at its own expense. The Supplier has no right to distribute or use the Defective Delivery Items. Webasto reserves the right to verify the fulfilment of the Supplier's obligations according to this Clause 11.4 on the Supplier's premises.
- 11.5 The warranty period for Delivery Items shall be forty-eight (48) months. If clients of Webasto assert a warranty claim within ten (10) days of the expiration of any warranty period, the applicable warranty period shall be extended by six (6) months. The warranty period shall in each case be calculated from the initial registration of the end product (vehicle or machine) or, for Delivery Items for retrofitting purposes, from the assembly of the Webasto product. The maximum warranty period in both cases shall be no longer than sixty (60) months upon delivery of the Delivery Items. The abovementioned respective warranty periods do not apply if the Supplier has concealed the defect of a Delivery Item and if the applicable legal warranty periods for these cases are longer. But if the legal warranty periods are shorter, even in the case of fraudulent intent, the abovementioned warranty periods apply. If legal requirements outside of Germany and/or countries, where products or spare parts by Webasto or by Webasto customers are distributed, provide for a longer limitation period for defect claims, these periods apply instead of the warranty periods stipulated in this Clause 11.5.
- 11.6 All other legal and equitable rights and remedies and other claims for compensation and damages for the Delivery

Items of Defective Delivery Items shall remain unaffected by the rights and remedies afforded Webasto under this Clause 11.

12. Liability

- 12.1 If any third party asserts any claim against Webasto under liability without fault, including product liability claims, the Supplier shall indemnify Webasto from such claims and the ensuing compensation and damages (including legal costs), insofar as the Delivery Item's defect was caused by the Supplier.
- 12.2 If Webasto and/or third parties, including the manufacturers of the vehicles (or any other end products) into which the Delivery Items or products, components, software or systems containing the Delivery Items have been assembled, execute measures to prevent damages, e.g. a recall, any other field or garage action or a customer service campaign (hereinafter collectively referred to as "**Recall**"), either upon their own decision or upon the decision of any public authority, the Supplier shall be liable to Webasto for any and all damages in connection with such Recall (including legal costs), to the extent that such Recall results from, in whole or in part, the delivery of Defective Delivery Items or from any other breach of the Delivery Contract by the Supplier.
- 12.3 The Supplier shall support Webasto upon request in appropriately clearing up and preventing third party claims. Webasto will inform the Supplier in case of such liability cases about the details as well as give the Supplier opportunity to investigate the incident, unless the informing or including the Supplier is not possible or unacceptable to Webasto due to special urgency.
- 12.4 All other legal and equitable rights and remedies and other claims for compensation and damages related to third-party claims and Recalls shall remain unaffected by the rights and remedies afforded Webasto under this Clause 12.

13. Insurance

The Supplier undertakes to purchase and maintain appropriate insurance coverage with regard to its obligations. The Supplier undertakes to procure and maintain operating liability insurance and – insofar the Supplier produces the Delivery Items – with extended product liability with coverage for deinstallation and installation costs and a vehicle recall cost insurance with an appropriate sum insured of at least 5 million euros and for Delivery Items with high risk, including electronic parts, of at least 10 million euros per damage event. Proof of such insurance shall be provided to Webasto before the Delivery Contract is finalized both in reference to the scope of coverage and amount insured in the form of a written confirmation by the insurance provider. The Supplier shall annually submit proof of the existence of this coverage without being requested in the form of written confirmation by the insurance provider.

14. Third party rights, proprietary rights, rights of use

- 14.1 The Supplier shall ensure that the Delivery Items, the production processes as well as the use of the Delivery Items does not infringe any domestic or foreign patents, utility models, copyrights, design patent as well as trademark right or other intellectual property rights (together "**Proprietary Rights**") of any third party. The Supplier shall be liable for all compensation and damages incurred from the infringement of these third-party rights (including attorneys' fees and legal action costs). Moreover, the Supplier shall indemnify Webasto from and against all legal disputes, claims or demands of third parties arising out of the actual or alleged infringement of Proprietary Rights by the use or the sale of the Delivery Items.
- 14.2 The Parties shall inform each other within five (5) business days when infringement risks and alleged infringement cases become known and shall support each other free of charge in any way appropriate in avoiding possible claims, e.g. in the analysis and evaluation of documentation.
- 14.3 Where the use of the Delivery Items by Webasto requires Proprietary Rights and/or copyrights of the Supplier, the Supplier shall grant Webasto free of charge the world-wide, sublicensable, irrevocable right to use, repair or copy Delivery Items which have been delivered under a Delivery Contract, either directly or through third parties.
- 14.4 If standard user software is the object of a Delivery Contract, the right of use pursuant to Clause 14.3 above shall apply and be freely transferable. The Supplier shall be obliged to provide Webasto with the required software.

Remuneration for multiple use shall be explicitly excluded. The Supplier warrants that the sold software is free from any virus or similar defect.

- 14.5 If a Delivery Contract contains development work remunerated by Webasto, either by means of a unique payment or through the price of the parts, any and all development results, including know how, trial and development reports, incentives, ideas, designs, layouts, drawings, suggestions, patterns, models, software including source code, data, CAD including history etc. (together, the **“Work Results”**), which the Supplier attains or uses, shall become property of Webasto. In this respect, the Supplier shall ensure that he is able to acquire and transfer to Webasto the rights to intellectual property development results, in particular inventions. Insofar as development results, in particular inventions, are capable of being protected by intellectual property rights, the Supplier shall notify Webasto without delay. Webasto shall be entitled to register industrial property rights in its own name and for its own account. Webasto may demand that the Supplier takes over the protectable results within four (4) weeks of notification. The Supplier is then obliged to transfer his rights to Webasto without delay. If Webasto decides not to file an application or if Webasto is no longer integrated in a property right that has already been applied for, the Supplier may pursue the application at its own expense. In this case, however, Webasto shall retain an unrestricted, irrevocable, world-wide, non-exclusive right of use free of charge.
- 14.6 Insofar as the Work Results are protected by the Supplier’s copyrights, the Supplier hereby grants Webasto free of charge the irrevocable, non-exclusive, world-wide license, to use, modify and edit these results in all types of use. Insofar as Proprietary Rights or patentable results arise from the services provided within the scope of the Supplier’s Delivery Contract, Clause 14.5, first and second sentence apply accordingly. In the case of existing Proprietary Rights, copy rights and/or protectable rights, which are already in existence at the time of the conclusion of the Delivery Contract, and which are contained in the Work Results, Webasto receives an irrevocable, non-exclusive right of use that is unlimited in terms of time and space and sublicensable, which includes free use for the purposes of production and further development both by Webasto and also for Webasto by third parties.
- 14.7 Supplier, on behalf of itself and its affiliates, and their successors in interest or permitted assigns, covenants not to, during the Term, assert (i) any claims for infringement of any intellectual property rights of any kind against Webasto or any affiliate of Webasto; (ii) any claims for infringement of any intellectual property rights of any kind against Webasto’s direct or indirect customers, resellers, distributors or other suppliers of Webasto.

15. **Product labeling**

The Supplier shall label the Delivery Items as specified by Webasto or as agreed. Any Delivery Items bearing a trademark or identifying mark proprietary to Webasto or provided with corresponding equipment, or packed in Webasto original packaging may be delivered by the Supplier solely to Webasto or to a third party designated by Webasto. Any further right to use the trademark and/or identifying mark shall not be granted to the Supplier. If Delivery Items marked with a Webasto trademark and/or identifying mark are rejected as entirely or partially defective, the Supplier shall disable them at the Supplier’s cost. In the event of a violation of any of the above obligations, Webasto shall be entitled to cancel the order without notice, to demand surrender of that which the Supplier gained from the violation and compensation of the damage incurred to Webasto.

16. **Provided Property**

- 16.1 All tools, models, templates, matrices, prototypes, measuring instruments, devices, forms and related software, specifications, drawings, confidential details and construction data, e.g. CAD, as well as other related documentation, equipment, material or other production material, which were provided to the Supplier by Webasto or Webasto’s customer, partially or completely paid or to be amortized by Webasto or by Webasto’s customer as well as any and all replacements, additions, attachments, accessories and maintenance shall be and remain or become property of Webasto or its customer (together **“Provided Property”**), unless agreed otherwise in writing, and shall be let to the Supplier only on a gratuitous bailment (*comodato*) pursuant to article 2497, 2499, 2500, 2502, 2511, 2512 and other applicable articles of the Federal Civil Code (*Código Civil Federal*) of Mexico and correlative articles of the Civil Codes of the different States comprising Mexico.
- 16.2 The Supplier may transfer possession and permit use of the Provided Property to third parties only with prior written consent by Webasto. The Supplier may use the Provided Property solely for the production of Delivery Items under a Delivery Contract with Webasto and may not use it for any other purpose or permit others to use it. The Delivery

Contract shall identify the location(s) of all Provided Property.

- 16.3 Provided Property is to be clearly marked as the property of Webasto or its customers and kept safe and separate from the property of the Supplier and/or third parties. The Supplier shall at the Supplier's own cost maintain the Provided Property in good condition and replace it if necessary. The Supplier assumes the risk for Provided Property as long as it is in his custody or under his control. The Supplier shall at the Supplier's cost insure the Provided Property to an amount equal to the replacement costs in the event of loss which would have to be paid to Webasto or its customer. The Supplier hereby assigns all claims for payment against the insurer to Webasto, and Webasto accepts this assignment. The Supplier shall handle the Provided Property carefully and without risk, and shall indemnify Webasto with respect to all claims, liability, costs and damages arising out of the installation, use, storage or repair of the Provided Property, or in connection therewith. Webasto or its customer shall be entitled to enter the premises of the Supplier during normal business hours and to check the Provided Property and the related records.
- 16.4 Pursuant to articles 2511 and 2512 of the Federal Civil Code (*Código Civil Federal*) of Mexico and correlative articles of the Civil Codes of the different States comprising Mexico, Webasto shall have the unconditional right to request the delivery and remove the Provided Property from the Supplier's business premises or request its surrender at any time and without any reason and without any payment. Upon such request by Webasto, the Supplier shall immediately surrender the Provided Property and prepare it for shipping or deliver it to Webasto or its customer. Webasto shall reimburse the Supplier for reasonable delivery costs. The Supplier shall have no right of retention with respect to Provided Property, neither from outstanding payment demands nor for any other reason.
- 16.5 Supplier affirmatively waives any lien, whether based in statute or common law, that Supplier might otherwise have on any Delivery Items or Provided Property for any work done on the Delivery Items or Provided Property or for any other reason. Supplier assigns to Webasto any claims Supplier has against any third party relating to any Provided Property. If the Provided Property is in the possession of any third party, including any subcontractors or service provider such as a repair shop, Supplier's obligation to cooperate with Webasto's removal of the Provided Property or to surrender the Provided Property under this Clause includes an obligation to secure the Provided Property's release by the third party. Supplier's obligation to secure the Provided Property's release includes the immediate payment of any claims made by the third party and the immediate payment of any amounts necessary to remove any lien asserted by the third party for any reason. In other words, Supplier agrees to immediately take all steps necessary to place the Provided Property in Webasto's possession, including the payment of any amount.

17. **Delivery of spare parts**

For Delivery Items which will be incorporated into products for vehicles and/or a different customer product, the Supplier shall ensure satisfaction of Webasto's spare parts requirements during series production and fifteen (15) years after the end of the series delivery. Webasto shall inform the Supplier, upon request, of the end date of serial delivery. During the existence of the Delivery Contract, the price shall be the respective valid production price as set forth in the Delivery Contract, and during at least the first four years of the 15-year period, the price shall be the price as valid at the end of the serial production plus additional costs for packaging and processing which are to be agreed. If requested by Webasto, the Supplier shall provide servicing literature and other materials at no extra cost in order to support the spare parts sales activities of Webasto.

18. **Secrecy**

The Parties undertake to treat as trade secret and confidential any and all non-obvious commercial and technical details, information and/or data, in no matter what form, of which they obtain knowledge by reason of the business relationships, including, without limitation, models, templates, matrices, samples, measuring instruments, devices, molds and software, e.g. CAD, source code, financial data, projections, customer information, specifications, drawings, engineering data and analyses, confidential details and construction data and similar objects (together "**Confidential Information**"). Confidential Information shall only be disclosed to parties on a need to know basis for purposes of performing services under a Delivery Contract. or otherwise made available to unauthorized third parties. The receiving Party may not disclose Confidential Information for any purpose other than as contemplated under a Delivery Contract. The reproduction of any such Confidential Information shall only be permitted within the scope of operational requirements and within the scope of copyright law. Each Party is obligated to ensure that authorized third parties, subcontractors, advisors, and employees shall be bound accordingly. The Supplier may only use the business relationship for advertising purposes with prior written consent of Webasto.

19. Best Efforts

The Supplier shall take all necessary actions to use its best efforts to perform its obligations under all Delivery Contracts.

20. Tools of the Supplier

20.1 The Supplier grants Webasto the irrevocable option to acquire possession of and title to any tools which are necessary for, and specific to, the production of the Delivery Items ("**Necessary Tools**"), against payment of the present value of the Necessary Tools, after deduction of any amounts already paid to the Supplier by Webasto or amortized via the purchase price of the Delivery Items. Such option shall not exist where the Supplier needs the Necessary Tools in order to manufacture the Supplier's other standard products. All Necessary Tools paid by Webasto and in possession of the Supplier shall be subject to the provisions contained in Section 16.

20.2 The Supplier shall provide Webasto with any technical information required by Webasto in order to install, assemble or otherwise use the Necessary Tools. Technical Information shall include design drawings, component drawings and installation drawings, and other technical documentation, test logs and results, data, software or any other information relating to Delivery Items and tools. Subject to the Supplier's patent and Proprietary Rights, technical information may be used and published by Webasto without any limitation. Design or production information, which is subject to any intellectual property right of the Supplier, may be used by Webasto only for Webasto's own purposes.

21. Offset clause

Webasto, and any Webasto affiliate, shall be entitled to offset any claim, whether due or not due, present or future, which Webasto or any such Webasto affiliate, may have against the Supplier, or to offset against any such claim that the Supplier may have against Webasto and/or a Webasto affiliate. Supplier has no right of offset.

22. Termination of the Delivery Contract

22.1 Webasto shall have the right to terminate Delivery Contracts or any part thereof at any time and without giving any reason by means of a written notice to the Supplier. No such termination shall affect Webasto's rights and remedies under these Webasto General Terms and Conditions. If Webasto's customer terminates its order with Webasto for any reason, Webasto may terminate, with immediate effect, all or any part of a Delivery Contract by giving written notice to Supplier.

22.2 In the event of a breach of any contractual obligation by the other Party which, despite a written warning, is not discontinued within a reasonable period of time, the respective other Party shall be entitled to terminate the Delivery Contract in whole or in part.

22.3 For claims made by Webasto, breaches by the Supplier include, without limitation: (a) missed deadlines by the Supplier, (b) the Supplier violates Webasto's quality specifications, (c) a petition in bankruptcy is filed (by the Supplier or by a third party, provided that the petition is not filed in abuse of rights) against the Supplier's assets or a bankruptcy proceeding is commenced, even if it is dismissed for lack of assets, (d) reasons for the opening of insolvency proceedings or a similar procedure on the assets of the Supplier exist or compulsory collection procedure have been instituted against the Supplier's total assets or a substantial part of his assets, (e) a material change in the ownership structure or the shareholders participation in the Supplier's company occurs, due to which Webasto cannot reasonably be expected to continue the Delivery Contract, (f) Webasto's customer has terminated the Delivery Contract for the products in which the Delivery Items are incorporated and (g) the Supplier's financial situation deteriorates significantly and thus jeopardizes the stability of the supply or if the Supplier stops making payments. The Supplier shall undertake - except for the case mentioned in Clause 22.3 f - to notify Webasto immediately in writing of the occurrence of one of the events mentioned here.

22.4 If the Delivery Contract is terminated, the Supplier shall, upon Webasto's initial request, turn over to Webasto without delay and at the Supplier's own expense Provided Property as well as all Confidential Information, including copies of it, or destroy these at Webasto's request and confirm this in writing to Webasto. Moreover, if the Delivery Contract is terminated, Webasto also shall have the right to pass on to third parties all information from the terminated business relationship, which the third parties urgently need to produce Webasto's delivery volumes or items named in the

Delivery Contract, insofar as the corresponding information is not protected by industrial property rights. Agreed provisions on the handling of deliverables remain unaffected and are still valid after the termination of the Delivery Contract.

22.5 Post-termination obligations and claims for the United States:

22.5.1 Once it receives notice of termination, Supplier, unless otherwise directed in writing by Webasto, must (1) immediately terminate all work under the Delivery Contract; (2) transfer title and deliver to Webasto the usable and merchantable finished goods, work in process, and raw materials and components that Supplier produced or acquired in accordance with firm release amounts under the Delivery Contract and that Supplier cannot use in producing goods for itself or for others; (3) settle all claims by subcontractors approved by Webasto on the face of a Delivery Contract or in a signed writing, if any, for reasonable actual costs that are rendered unrecoverable by such termination; (4) take actions reasonably necessary to protect all property in Supplier's possession in which Webasto has an interest; and (5) at Webasto's request, cooperate with Webasto in resourcing the goods covered by the Delivery Contract to an alternative supplier designated by Webasto.

22.5.2 If Webasto terminates under Clause 22.1 or for change in control, Webasto's liability is limited to paying to Supplier the following amounts without duplication: eight (8) weeks of raw materials and four (4) weeks of finished goods which the Supplier has produced or ordered in accordance with a binding release. Both Parties shall mitigate losses and minimize the costs of this, e.g. by using the materials for other purposes.

22.5.3 If the termination is for cause or Supplier insolvency, Supplier is not entitled to any further payments by Webasto.

22.5.4 Webasto is not liable for and is not required to make payments to Supplier, directly or on account of claims by Supplier's subcontractors, for any consequential damages, incidental damages, or punitive damages, including alleged losses or costs, including loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, ancillary exit charges (including costs of riggers, warehousing, premium manufacturing costs, loading of trucks, or other standard business procedures related to transitioning production to an alternative supplier), obsolescence costs, or general and administrative burden charges resulting from termination of the Delivery Contract or otherwise.

22.5.5 Within thirty (30) days after the effective date of Webasto's termination for convenience or for change in control, Supplier must furnish to Webasto its final claim for amounts due, as limited pursuant to these Webasto General Terms and Conditions. Webasto may audit Supplier's records before or after payment to verify amounts requested in Supplier's termination claim.

22.6 The provisions of Clauses 10 to 14, 17, 18, and 21 to 24 shall remain valid after the expiration or termination of the Delivery Contract.

22.7 Supplier may only terminate a Delivery Contract upon a breach of the Delivery Contract by Webasto. Supplier shall provide notice Webasto of any alleged breach, upon which Webasto shall have thirty (30) days to cure any such breach.

23. Compliance, social responsibility, sustainability

23.1 The Supplier shall provide its services to Webasto in accordance with applicable laws and regulations. The Supplier shall not commit any actions or refrain from actions that lead to criminal offense, especially due to fraud or infidelity, insolvency offenses, offenses against competition, including import and export control, benefit granting, accepting of benefits, bribery, corruption or other corruptibility or similar offenses by persons employed by the Supplier or other third parties. In the case of an infringement, Webasto shall have the right to rescind or terminate the Delivery Contract without notice and the right to terminate any negotiations concerning it.

23.2 For Webasto, it is also of great importance that entrepreneurial activities take into account the social responsibility of the employees as well as the rest of society. This applies both to Webasto and to its suppliers. Thus, the Supplier undertakes to comply with the following Standards:

- (a) **Freedom of association, wages and benefits, working hours:** The basic right of all employees, to form trade unions and employee representations and to join them shall be recognized. Where this right is limited by local laws, alternative, compliant possibilities for employee representation should be encouraged and/or not hindered. Equality of opportunity and equality of treatment, irrespective of ethnic origin, color, sex, religion, nationality, sexual orientation, social origin or political attitude, insofar as it is based on democratic principles and tolerance against other considerations, shall be guaranteed. Employees shall be selected, recruited and promoted on the basis of their qualifications and abilities. Compensation and social benefits are to be guaranteed according to the basic principles of minimum wages, overtime and social benefits prescribed by law. Working hours must comply with applicable laws, industry standards or relevant ILO conventions. Overtime should only be provided voluntarily, and at least one free day must be given to the employees after six (6) consecutive working days. In addition, Webasto disclaims any knowledge of the use of compulsory labor, including bonded labor, or forced labor by prisoners.
- (b) **Prevention of child labor:** The Supplier guarantees for his company that the production or processing of the Delivery Items to be delivered is or has been carried out without exploitative child labor within the meaning of ILO Convention No. 182, as well as without violations of obligations resulting from the implementation of this Convention or from other applicable national or international rules to combat exploitative child labor. Furthermore, the Supplier ensures that his company and its suppliers have taken active and effective measures to exclude exploitative child labor within the meaning of ILO Convention No. 182 in the manufacture or processing of the delivered goods. The Supplier shall obligate its subcontractors accordingly, and the subcontractors shall undertake to oblige their subcontractors accordingly and carry out control measures in this regard. Webasto shall review the content of this assurance and the Supplier shall provide proof of its actions upon request from Webasto.
- (c) **Free choice of employment:** The Supplier shall not employ anyone against his will or force him to work. Employees must be free to terminate the employment relationship with due notice. Employees must not be required to provide their identity card, passport or work permit as a precondition for employment.
- (d) **Health and safety:** As an employer, the Supplier guarantees the safety and health of the workplace within the framework of national regulations and supports a continuous development for the improvement of the working environment.
- (e) **General environmental responsibility, environmentally friendly production and products:** Webasto is committed to environmental protection that addresses the root causes, assesses the impact of production processes and products on the environment in advance, and incorporates them into business decisions. At the same time, production processes and products are holistically designed to conserve resources as much as possible and to be as environmentally compatible as possible. The Supplier shall use, as far as environmental protection is concerned, the precautionary principle, take initiatives to promote more environmental responsibility and promote the development and diffusion of environmentally friendly technologies. The Supplier shall guarantee a high degree of environmental protection in all production phases. This includes a proactive approach to avoid or minimize the impact of accidents that can have a negative impact on the environment. The application and further development of water and energy saving technologies – characterized by the use of strategies for reducing emissions, reuse and reprocessing – is particularly important.
- (f) **Other product-related environmental standards:** All products manufactured along the supply chain must meet the environmental protection standards of their respective market segments. This includes all materials and substances used in production. Chemicals and other substances that are hazardous when released into the environment must be identified. A hazard management system shall be set up for them to be handled, transported, stored, recycled or reused and disposed of safely by suitable procedures. The Suppliers of production materials are obligated to introduce a certified environmental management system according to ISO 14001, EMAS or similar standards, at the latest two years after the conclusion of the Delivery Contract, to uphold it during the entire duration of the business relationship with Webasto and to submit a corresponding certificate. A renewed certificate shall be presented to Webasto in time before the current one expires.

Furthermore, the supplier undertakes: for Delivery Items a) in the form of moving parts (i. e. at least one (1) part moves (e.g. pneumatic cylinders, electric motor), which do not represent a machine or plant, a manufacturer's declaration according to the respective legal basis must be provided, b) in the form of machines and plants for production (e.g. turning machine, assembly plant, automatic packaging machine, test bench) a CE declaration of conformity according to the respective legal basis must be provided, c) which represent a hazardous substance, to provide a safety data sheet in accordance with the respective legal basis, d) in the form of materials made of ceramic fibers and/or glass fibers, or which contain them, to provide a safety data sheet in accordance with the respective legal basis. In addition, the Supplier undertakes to observe the relevant standards, laws and other regulations applicable to the goods in the country of purchase and manufacturer, such as VDE regulations for electrical parts, the European end-of-life vehicle directive and the European dangerous goods ordinance. The supplier shall indemnify Webasto against all public and private claims arising from a violation of these regulations. The supplier must provide or supply all necessary test certificates and evidence as agreed.

Furthermore, Webasto expects its suppliers, within the framework of their due diligence, to avoid any minerals originating from conflicted smelting. Minerals are classified as conflicted when direct or indirect support is given to non-governmental armed groups through their extraction, transportation, trade, handling / processing or export. Information on the melts or refineries used by the Supplier or subcontractor for minerals, e.g. tin, tantalum, tungsten and gold, must be transmitted to Webasto at Webasto's request. Webasto also urges its suppliers to meet their due diligence along the supply chain. This includes the implementation of measures to ensure that the minerals used by the Supplier, in particular tantalum, tin, tungsten and gold, do not contribute to the direct or indirect promotion or support of armed conflicts.

- (g) **Promotion of standards in the supply chain:** The Supplier shall pass on the contents of the sustainability standards listed in Clause 23.2 a) to e) to his suppliers, obligate them accordingly and check compliance with the sustainability standards in the supply chain.

23.3 Webasto reserves the right to audit the operations of the Supplier to confirm the Supplier's performance of its obligations in accordance with the terms set forth in Clause 23.2, at the Supplier's location only with prior notice and in the presence of representatives of the Supplier, at regular business hours and in accordance with applicable law, in particular data protection. Prior to conducting an audit, the Parties conclude an appropriate non-disclosure agreement that complies with the Webasto standard and mutually approve an appropriate content and scope of the audit as well as its timing. Webasto shall ensure that any Webasto experts involved in carrying out the audit will also conclude an appropriate non-disclosure agreement with Webasto. In the context of the audit, no insight into personnel records, employee contracts, billing documents or salary documents, social insurance documents or comparable documents of this type will be taken, insofar as the entity to be audited at the Supplier (company, plant, etc.) assures in writing that, to the best of their knowledge, no circumstances are known in which local laws are being violated. If the Supplier agrees to an appropriate insight, it shall always be taken anonymously, taking into account the respective applicable data protection laws. The details of the inspection shall be agreed by the Parties beforehand. Any audit that may be carried out will, apart from that, be limited to the examination of systems and processes for the prevention, detection and suppression of possible violations, unless the Parties agree otherwise in individual cases. At the time of the audit, photographs and / or copies are not produced at any time, unless the Supplier grants his prior consent. In the case of obvious and serious breaches, however, the Supplier will not refuse his consent without substantial cause.

24. General Provisions

- 24.1 The Supplier acknowledges that it has read these Webasto General Terms and Conditions and that it has had an opportunity to discuss them with Webasto.
- 24.2 Place of performance shall be the plant or Webasto location where the products are to be delivered according to the Delivery Contract.
- 24.3 Supplier warrants to Webasto as of the Effective Date, as of the date of each Delivery Contract, that:
 - (1) The Supplier is an entity duly organized, validly existing, and in good standing in its jurisdiction of organization/incorporation;

- (2) The Supplier has full corporate power and authority to own, lease and operate its business as presently conducted;
- (3) The Supplier has full authority and capacity to execute and enter into the Delivery Contract, these Webasto General Terms and Conditions and the Tooling Terms (collectively, the "**Webasto Terms and Conditions**") and to perform its obligations hereunder and thereunder;
- (4) The execution and performance by the Supplier of the Webasto Terms and Conditions, the performance by the Supplier of its obligations hereunder and thereunder have been duly and validly authorized by all necessary corporate action;
- (5) The Webasto Terms and Conditions have been duly and validly accepted by Supplier and constitute legal, valid and binding obligations of the Supplier, enforceable against the Supplier in accordance with their terms subject to applicable *concurso mercantil*, bankruptcy, insolvency and other similar laws affecting enforceability of creditor's rights generally;
- (6) The Authorized Officer(s) of Supplier has(have) the necessary power and authority to execute all Delivery Contracts on its behalf, which powers and authorities have not been modified, limited or revoked in any manner;
- (7) The Supplier is not insolvent and is paying all debts as they become due;
- (8) The Supplier is in compliance with all loan covenants and other obligations, not to exceed quantities in firm production releases; and
- (9) All financial information provided by Supplier to Webasto concerning Supplier is true and accurate.

Upon notice to the Supplier, during the Term, Webasto reserves the right to audit the operations and facilities of the Supplier to confirm the Supplier's performance of its obligations under any Delivery Contract. Supplier will provide copies of its audited quarterly or annual financial statements to Webasto, Supplier will permit Webasto and its representatives to review Supplier's books and records concerning compliance with each order and Supplier's overall financial condition, and Supplier will provide Webasto with full and complete access to all books and records for that purpose. If Supplier experiences any delivery or operational problems, Webasto may, but is not required to, designate a representative to be present in Supplier's facility to observe Supplier's operations. If Webasto provides to Supplier any accommodations (including financial or providing designated representatives as set forth above) that are necessary for Supplier to fulfill its obligations under any order, Supplier will reimburse Webasto for all costs, including attorney's and other professional fees, incurred by Webasto in connection with the accommodation, and will grant a right of access to Webasto to use Supplier's premises, machinery, equipment, and other property necessary for the production of Delivery Items (and a lien to secure the access right) under an access-and-security agreement. Additionally, Supplier must provide prompt written notice to Webasto of any impending or threatened insolvency of the Supplier.

- 24.4 Should any provision of these Webasto General Terms and Conditions or the further agreements made be or become invalid, the validity of these Webasto General Terms and Conditions or the further agreements made shall remain unaffected. The Parties are obligated to replace the ineffective provision with a regulation which matches as closely as possible in its economic success. The same applies in the case of a contractual gap.
- 24.5 Whenever under these Webasto General Terms and Conditions the consent or approval of any Party is required or permitted, such consent shall be evidenced by a prior written consent signed by such Party. No Party will be deemed to have waived any of its rights under these Webasto General Terms and Conditions unless the waiver is in writing and signed by such Party. No delay or omission of a Party in exercising or enforcing a right or remedy under these Webasto General Terms and Conditions shall operate as a waiver thereof.
- 24.6 These Webasto General Terms and Conditions are binding on the Parties' respective transferees, successors and permitted assigns. Webasto may assign these Webasto General Terms and Conditions and any Delivery Contract to an affiliate without the consent of Supplier. Supplier may not assign or subcontract any of its duties or responsibilities under

a Delivery Contract without the prior written consent of Webasto, which Webasto may withhold or condition in its sole discretion. Unless otherwise stated expressly in the written consent, any assignment or subcontracting by Supplier, with or without Webasto's written consent, will not relieve Supplier of its duties or obligations under the Delivery Contract or its responsibility for non-performance or default by its assignee or subcontractor.

- 24.7 All notices and other communications required or permitted hereunder will be in writing and shall be sent to the addresses set forth in the applicable Delivery Contract, or such other address as the intended recipient has previously designated by written notice. All notices given hereunder shall be in English. The notice shall be sent by a prepaid international courier service with delivery confirmation or by e-mail. A notice shall be deemed to be given on the date of the corresponding delivery confirmation; an e-mail shall be deemed to be received upon completion of transmission, as verified by a printout showing satisfactory transmission, except that should an e-mail be sent on a non-business day, receipt shall be deemed to occur on the next business day.
- 24.8 The validity, construction and enforcement of the Delivery Contracts and these Webasto General Terms and Conditions shall be governed by the substantive law of the State of Michigan, United States of America, without reference to its principles of conflicts of law. Notwithstanding the foregoing, in the event that an action hereunder is brought by any of the Parties in Mexico in accordance with sentence (ii) of Clause 24.9 below, the validity, construction and enforcement of the Delivery Contracts and these Webasto General Terms and Conditions shall be governed by the applicable federal and state laws in Mexico, without reference to principles of conflicts of law. The provisions of the United Nations Conventions on Contracts for the International Sale of Goods (CISG) and the conflict of law provisions of private international law are explicitly excluded and do not govern these Webasto General Terms and Conditions.
- 24.9 Disputes arising out of or in connection with the Delivery Contracts and these Webasto General Terms and Conditions shall be finally settled, at the election of the Party having a claim hereunder, by (i) the competent courts of the State of Michigan, United States of America; or (ii) the competent federal courts in the United Mexican States, sitting in Mexico City. Each of the Parties hereby irrevocably waives any rights it may have to any other jurisdiction.
- 24.10 These Webasto General Terms and Conditions are prepared in English and Spanish languages; provided that the English language shall prevail in the event that an action hereunder is brought by any of the Parties in accordance with sentence (ii) of Clause 24.9 hereto, and the Spanish language shall prevail in the event that an action hereunder is brought by any of the Parties in accordance with sentence (ii) of Clause 24.9 hereto.
- 24.11 The term "business days" for purposes of these Webasto General Terms and Conditions means a day other than Saturday, Sunday, or a public holiday in Detroit, Michigan and in Mexico.