

General Terms and Conditions of Purchase

I. Scope of Application

The following General Terms and Conditions of Purchase shall apply to all goods or services purchased or acquired from the Supplier by or on behalf of HP FOAM GmbH&Co.KG. General Terms and Conditions of Business of the Supplier, deviating from or supplementary to these General Terms and Conditions of Purchase, shall not be binding on HP FOAM, even where not expressly refuted by HP FOAM or where the Supplier makes its General Terms and Conditions of Business the exclusive basis for delivery.

II. Offers, Documentation

- (1) The Supplier is obliged to accept HP FOAM's order within a period of two weeks.
- (2) HP FOAM reserves property and intellectual property rights to all pictures, drawings, calculations and other documentation. These must not be made available to third parties without HP FOAM's prior written consent. They must be exclusively used for manufacture on the basis of the order and must be returned to HP FOAM after finalisation of the order.

III. Prices, Payment

- (1) The order price is fixed to the exclusion of any additional claims or price increases. Unless otherwise agreed, the price shall be considered free at place of performance and inclusive of packing. Return of packaging necessitates a special agreement.
- (2) Invoices must indicate the order number.
- (3) Unless otherwise agreed, payments shall be made subject to three percent discount within 14 days of delivery and receipt of proper invoice, subject to two percent discount within 30 days of receipt or without discount within 90 days thereof.

IV. Delivery

- (1) The agreed delivery date shall be binding.
- (2) The Supplier shall be obliged to inform HP FOAM immediately in writing when and as soon as it becomes evident that the Supplier is unable to meet the delivery date.
- (3) Where the Supplier is late in delivery, HP FOAM may avail itself of all statutory claims. HP FOAM may, in particular, claim damages instead of performance after a reasonable period of respite.

V. Product Quality, Instructions

- (1) The Supplier unconditionally guarantees proper delivery and supply of the goods. It guarantees in particular quality and quantity of the goods delivered as specified in the purchase order.
- (2) The Supplier shall ensure that the goods and services conform to all environmental protection and safety regulations applicable, as well as to all statutory regulations prevailing in the Federal Republic of Germany. The Supplier shall advise HP FOAM of any specific treatment and waste disposal requirements for each shipment, unless these standards are generally known.
- (3) The Supplier shall immediately notify HP FOAM in writing of any changes or modifications in the engineering design or composition of the materials used, where these depart from similar goods previously provided by the Supplier to HP FOAM. Any such changes or modifications shall require the written consent of HP FOAM.

VI. Defects

- (1) HP FOAM shall be obliged to inspect the quality and quantity of the goods and notify the Customer of any defects within 21 working days after delivery or after knowledge of defects, in the event of hidden defects.
- (2) HP FOAM may avail itself of all statutory claims in case of defects; HP FOAM is entitled, at its choice, to ask for repair or the supply of an object free from defects. The right to damages, in particular claims to damages instead of performance, are reserved.
- (3) HP FOAM shall be entitled to repair defects in the event of imminent dangers or need of speedy correction at supplier's cost.
- (4) The prescription period shall be 36 months after passing of risk.

VII. Product Liability, Indemnification, Insurance

- (1) Where the Supplier is responsible for defects it shall be obliged to indemnify HP FOAM from damage claims of third parties upon first demand. The Supplier shall also be obliged to reimburse HP FOAM for any expenses incurred in recalls.
- (2) The Supplier shall take out a product liability insurance with a cover of 10 million Euros and prove the same upon demand.

VIII. Third Party Intellectual Property Rights

- (1) The Supplier warrants that the goods are free from all defects in title and do not infringe third party rights.
- (2) Where third parties claim infringement of intellectual property rights, the Supplier is obliged to indemnify HP FOAM from such claims and all costs resulting therefrom on first demand. HP FOAM is not entitled to enter into any agreement or settlement without supplier's prior written consent.
- (3) The prescription period shall be ten years as of conclusion of the contract.

IX. Tooling

HP FOAM reserves all property titles to tooling provided; the Supplier shall be obliged to use such tooling exclusively for the production of goods ordered by HP FOAM. The Supplier shall be obliged to insure HP FOAM's tooling at its own cost against fire, water and theft. The Supplier shall assign all claims out of such insurance to HP FOAM. The Supplier shall be obliged to service and repair the tooling in due course at his own cost.

X. Applicable Law, Place of Performance, Jurisdiction, Amendments, Partial Invalidity

- (1) The contractual relationship between HP FOAM and its Suppliers shall be governed exclusively by the laws of the Federal Republic of Germany, to the exclusion of the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- (2) Place of performance is Chemnitz. The Chemnitz courts shall have exclusive jurisdiction for all disputes arising out of the business relationship. HP FOAM has, however, at all times the right to instigate legal proceedings at supplier's place of business.
- (3) Alterations and amendments and side agreements to the contract must be made in writing. This shall also apply to any waiver of this requirement as to written form.
- (4) Where one or several conditions of these terms or an agreement with supplier are or become wholly or partially invalid, the validity of the remaining clauses is not impaired. In such a case, the parties are obliged to replace the invalid provision by a valid provision that most closely meets the economic purpose of the invalid provision.

Thalheim, January 2019