

General Conditions of Purchase
of
FLABEG Automotive Mirrors (Shanghai) Co., Ltd.
Version: August 2017

I. General Provisions, Scope and Definitions

Definitions:

1. **"Affiliate"** means with respect to any Person (**"First-Named Person"**), any other Person which, directly or indirectly, Controls, is Controlled by, or is under common Control with such First-Named Person.
2. **"Applicable Law"** is defined in Clause XII.1.
3. **"Control"** or its cognate terms means, in relation to any Person, acquiring (or an agreement to acquire or options over):
 - (a) direct or indirect control over the affairs of that Person; or
 - (b) more than 50 per cent (50%) of the total voting rights conferred by all the issued shares or equity interests in the capital of that Person; or
 - (c) the right to determine the composition of the majority of the members of the main board of directors or any management committee or similar body of that Person; or
 - (d) the right to otherwise direct the management of that Person.
4. **"General Terms and Conditions"** means these General Conditions of Purchase.
5. **"our works"** means our factory, warehouse, plant or other facility.
6. **"Person"** includes an individual, corporation, enterprise, partnership, concern, association, trust or other entity or organization (whether or not having separate legal personality).
7. **"PRC"** or **"China"** means the People's Republic of China.
8. **"supplier"** means the party which supplies goods and services to us.
9. **"We"** or its cognate terms, means FLABEG Automotive Mirrors (Shanghai) Co., Ltd.

Our General Terms and Conditions shall apply exclusively for all deliveries of goods and for provision of services to us by the supplier and each order we make. Other provisions, in particular the supplier's general terms and conditions, shall not apply, irrespective of whether or not such general terms and conditions have been expressly rejected by us. For the avoidance of doubt, our General Terms and Conditions apply to the exclusion of any other general terms and conditions.

Our General Terms and Conditions shall also apply exclusively to all future deliveries and services by the supplier; our General Terms and Conditions will apply in their current version as from time to time in force and as available at www.flabeg.com.

II. Order and Conclusion of Contract

1. Unless our order provides otherwise in writing, we shall be bound by our order for the period of one week from the date stated on such order.
2. Changes or amendments to our order shall only be effective if confirmed in writing by us.
3. Drafts, calculations, project models or other documents provided by the supplier preparatory to the conclusion of a contract shall be free of charge and non-binding.

III. Delivery, Transfer of Risk

1. Unless otherwise agreed in writing, deliveries shall be made DDP (Incoterms 2010) to our works or to another place of delivery specified by us. The risk of loss or damage of the goods shall pass upon delivery of the goods at the place of delivery. Partial deliveries require our prior written consent and the supplier agrees that such partial deliveries may be detrimental to our interests, and any expenses incurred by us due to the supplier's partial deliveries shall be borne by the supplier. Each delivery shall be accompanied by the delivery notes (in duplicate), indicating the order data, the precise description of the item and our item number. Delivery notes shall not include any prices and terms.
2. To the extent reasonable for the supplier, we may demand changes to the goods ordered regarding design, quality, quantity and execution. The impacts of such changes, in particular regarding higher or lower costs and the delivery date, will be reasonably and amicably be settled.

IV. Delivery Dates, Delay in Delivery

1. Agreed delivery dates shall be binding and exactly observed. Decisive for the observance of the delivery dates is the arrival of the goods at our works or other place of delivery specified by us.
2. Our prior written consent is required for any deliveries made outside the normal business hours (working days 7.00 am - 2.30 pm). We shall be informed by the supplier in writing when outgoing goods leave the supplier's works or the point of dispatch.
3. We will not accept deliveries prior to the agreed delivery date and the supplier agrees that such early deliveries may be detrimental to our interests, and any expenses incurred by us due to the supplier's early deliveries shall be borne by the supplier. We reserve the right to return goods at the supplier's expense and risk. If goods are not returned, we will store them up to the agreed delivery date at the supplier's expense and risk.
4. Regardless of the reason, if the supplier is unable to meet a delivery date, it shall promptly inform us and state the probable duration of the delay. In this case we may set the supplier a reasonable grace period for delivery.
5. In case of a late delivery (**"delivery default"**), we may demand from the supplier liquidated damages equal to 0.2% of the delivery value of the delayed delivery for each working day past the agreed delivery date until the actual day of delivery, but the accumulation of such damages for a delayed delivery shall not exceed a total of 5% of the delivery value for that delivery. We may claim further damages; in this case the contractual penalty will be accounted against such additional damage claim. The liquidated damages as described in this Clause IV.5 shall be without prejudice to our other rights and remedies under Applicable Law. In case of agreed changes to delivery dates, the liquidated damages also apply to the newly agreed delivery dates. The payment of liquidated damages for late delivery shall not release the supplier from its responsibility to complete delivery.
6. In the case of continuing delivery default continuing beyond five (5) working days of the agreed delivery date and/or occurring for three (3) consecutive deliveries, substantial deterioration of the financial situation or insolvency of the supplier or, if there is an insolvency filing or insolvency grounds are met, we may terminate the contract upon notice to you and refuse acceptance of goods and payment.

V. Prices, Invoices, and Payments

1. The prices indicated in the supplier's offer or in our order are fixed prices for the delivery of the goods DDP (Incoterms 2010) to our works or to another place of delivery specified by us. Value-added tax is inclusive in the price.
2. Price increases, irrespective of the reason therefore, will only be acknowledged if these were previously accepted by us in writing by us.
3. Invoices shall be issued in duplicate, quoting our order data. Copies must be identified as such. Invoices may not be attached to any shipments of goods.
4. At our discretion, payments shall be made within 14 days with a 3% discount or net no later than within 60 days after delivery and receipt of the invoice.
5. In case of default for remuneration claims, the interest rate shall be 0.2% of the invoice for each working day past the agreed payment date until the actual day of payment of such claims.
6. We may set off and retain payments to the fullest extent permitted by Applicable Law. The supplier shall not have a right of set off for payments unless such rights of set off have been agreed to by us or, if contested by us, upheld by the relevant arbitral body in its final arbitral decision. The supplier shall not have the right to refuse performance of its obligations to us due to our failure to perform, or our under-performance of, any obligations provided that performance or our obligations are not a precondition to the supplier's performance of its obligations.

VI. Inspection and Claims for Defects

1. The supplier warrants that (i) the goods will conform to specifications for the goods delivered to us pursuant to our order, (ii) that the supplier will deliver good title to the goods and the goods shall be delivered free of liens and encumbrances and (iii) we are free from any third party claim against us in respect of the goods.
2. Notices of obvious defects shall be deemed timely if they are notified by us within one week of delivery. Obvious defects are externally visible defects such as obvious damages in transit as well as obvious deviations of identity and quantity of the goods. Other defects will be notified by us within one week of being discovered.
3. We may assert our claims for defects to the fullest extent permitted under Applicable Law. In case of serial defects (defects of the same type which occur in at least 5% of the goods delivered) we may reject the entire delivery as defective and assert claims for defects in respect of the entire delivery.
4. The statute of limitation period for claims for defects shall be two years.
5. Without prejudice to our claims for damages or other remedies permitted under Applicable Law, we may also request for the supplier to repair or replace the goods ("**subsequent performance**").
6. In the case of subsequent performance by way of replacement delivery, the limitation period shall commence anew from the time of replacement delivery, unless such appears insignificant in light of its volume, duration and costs, or unless we had to assume that the supplier did not consider being obliged to make subsequent performance but rather did so as a gesture of goodwill. The same shall apply in the case of rectification as far as the same defect or the consequences of a failed rectification are concerned.
7. If the supplier or a third party has given a warranty in relation to the goods (including warranty as to condition or durability) our claims under such warranty shall remain unaffected.
8. Should the supplier fail to fulfil its obligation to make subsequent performance within a reasonable period as set by us, we may perform ourselves the required acts to rectify the defect at the supplier's expense, or to have such acts performed by a third party at the supplier's expense. In case of special urgency, due to which it is not possible to inform the supplier of the defect and the pending loss, and to set the supplier an, even brief, period to perform itself the acts required to rectify the defects, we may perform ourselves the acts required to rectify the defects at the supplier's expense, or to have the same performed by a third party at the supplier's expense; we will inform the supplier thereof.
9. The supplier shall bear all expenses necessary for the purpose of subsequent performance, in particular transportation costs, travel costs, labour costs and the cost of materials as well as costs of removal and subsequent reinstallation. The place of subsequent performance shall be the place where the defective goods are currently located in accordance with their usual or agreed function.

VII. Product Liability, Indemnity, Liability Insurance Coverage

1. In the event that claims are asserted against us by third parties for infringement of product liability laws and regulations for such defects in our products that stem from the supplier's goods, the supplier shall indemnify us and hold us harmless against any such claims to the extent that the damage arises out of or is in connection with the goods supplied by the supplier.
2. Within the scope of the supplier's liability as set out in Clause VII.1, the supplier shall likewise be obliged to reimburse us for any expenses which we incur in connection with any reasonably required recall activities or other product safety measures conducted by us; and the same shall apply if one of our customers is conducting a recall. We will inform the supplier - to the extent possible and reasonable - about the nature and scope of the recall activities or product safety measures to be conducted and give the supplier an opportunity to comment. Any other statutory claims shall remain unaffected.
3. The supplier shall maintain product liability insurance coverage of Euro 2.5 million per incidence of personal injury or damage to property - blanket coverage - and present proof thereof; further claims by us shall remain unaffected.

VIII. Industrial Property Rights, Licences

1. The supplier warrants that in connection with its goods delivered no third parties' rights have been or will be infringed, and shall indemnify and hold us harmless against any claims by third parties. The supplier's indemnity includes any expenses we incur and any damages we suffer due to or in connection with any claims by third parties, including all litigation costs, reasonable attorney's fees, settlement payments and any damages awarded in any final judgment arising from such claims.
2. The exclusive rights of exploitation and the industrial property rights for any illustrations, drawings, product descriptions and data sheets are hereby transferred to us to the extent they have been generated

or made on our behalf. We shall have the exclusive right to the exploitation and use of such results. The supplier may not use such objects outside the scope of the order without our written consent. The supplier may keep them until we request for them. The supplier shall mark such objects in a way that our right of ownership is indicated also to third parties.

IX. Reservation of Title, Provision, Tools

1. We will accept reservation of title to the delivered goods if requested by the supplier, provided that such reservation of title shall expire upon payment of the price for the individual goods delivered, and further provided that we shall be authorised by the supplier to resell, process and rework the delivered goods in the ordinary course of business.
2. We reserve title in all items we provide the supplier with. Any work in processing or reworking of such items by the supplier shall be performed only for us. If the items to which we reserved title are processed together with other items which are not our property, we shall acquire co-title in the new thing in the proportion of the value of our items to the other items processed at the time of such processing.
3. If the items we provided are inseparably commingled with other items which are not our property, we shall acquire joint title in the new thing in the proportion of the value of the items to which we reserved title to the other commingled items at the time of commingling. If the commingling takes place in such a way that the item that does not belong to us is considered to be the principal component in the new thing, it is hereby agreed that the supplier transfers to us joint title in the new thing in the proportion of the value of our items to the other commingled items; the supplier shall keep the sole title or co-title in custody for us.
4. We reserve title in any tools made on our behalf or provided by us. The supplier shall use such tools exclusively for the manufacture of the goods ordered by us and shall mark such tools as our property. The tools shall be returned upon termination of the contract for whatever reason.
5. The supplier shall maintain at its costs insurance coverage for our tools and any other items that we may provide to the supplier against fire, water damage, and theft at replacement value. It shall carry out in due time and at its own costs, any necessary maintenance and inspections. Any incidents shall be promptly notified to us. If the supplier fails to do so, damage claims made by us remain unaffected.

X. Confidentiality

1. The supplier shall keep confidential all documents, information and data, including samples, drawings and calculations which we, orally or in writing, mark or designate as or presume to be 'confidential' and which are made available to it or of which it gains knowledge on the basis of the co-operation ("**Confidential Information**"). Confidential Information includes, in particular, any knowledge about our and our Affiliates' processes and business methods in technological, commercial and other respects, knowledge of data and other information relating to our and our Affiliates' financial situation and human resources management as well as any information on details of project handling. The supplier shall, at the minimum, treat the Confidential Information in the same way as its own confidential information.
2. Any disclosure of Confidential Information to third parties requires our prior written consent. Disclosure of Confidential Information to the supplier's employees and agents is permitted only to the extent required for the performance of the obligations incumbent on the supplier towards us. The supplier shall also impose the confidentiality undertaking it has entered into on all Persons entrusted with Confidential Information or performance under the contract with us.
3. The foregoing obligations shall not apply to information (i) which had been known to the supplier before it received the same from us, (ii) which the supplier developed itself, independently, without recourse to or use of our information, (iii) which the supplier lawfully obtained from third parties who, to the knowledge of the supplier, were not subject to any confidentiality undertaking vis-à-vis ourselves and such third parties, in turn, did not acquire the information through infringement of any protective provisions in our favour, (iv) which became known to the supplier without violation of these provisions or any other regulations on the protection of our business secrets or are or were publicly known, or (v) which the supplier must disclose based on statutory, official or judicial order or Applicable Law. In the case of (v), the supplier shall inform us prior to the disclosure, and shall restrict as far as possible the scope of such disclosure.
4. Confidential Information shall remain our property and may be neither copied nor reproduced without our prior written consent unless this is imperative for the performance of the obligations incumbent on the supplier under the contract with us.
5. The supplier warrants and represents that none of the information that it or its Affiliates have provided to us, our Affiliates, or their employees, directors, officers, agents, representatives, advisors or contracting parties (collectively, "**Indemnified Parties**") is deemed a state secret in the PRC. The supplier shall undertake not to provide, and cause its Affiliates not to provide, any information that is deemed (at the time of

providing such information) a state secret to any of the Indemnified Parties, unless the proper approval from the relevant PRC authorities is obtained to provide such state secrets. In the event that the supplier or its Affiliate provides state secrets to any of the Indemnified Parties without the approval from the relevant PRC authorities, the supplier shall immediately notify us and the relevant PRC authorities of such default, indemnify all Indemnified Parties of any harm or losses suffered as a result of such default, and shall take all corrective actions required by us and the relevant PRC authorities.

6. This confidentiality obligation shall survive the termination of the cooperation with the supplier.

XI. Compliance, Security Information, Audit Right

1. The supplier shall comply with all applicable statutory provisions, regulatory requirements, judicial decisions and government orders. The supplier shall in a timely manner obtain all required approvals, permits and licenses, particularly those which are required for the sale and delivery of the goods.
2. The supplier guarantees that the goods comply with all statutory provisions, regulatory requirements, judicial decisions and government orders applicable to them.
3. The supplier further guarantees to comply with all applicable anti-corruption laws, including (as applicable) the UK Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act (FCPA).
4. The supplier shall observe and comply with the ten principles of UN's Global Compact Initiative as available at www.unglobalcompact.org. The supplier shall also observe and comply with the general security regulations of Flabeg Automotive Mirrors (Shanghai) Co., Ltd. when delivering to, or working at our works or another place of delivery specified by us
5. The supplier shall notify us in case it intends to appoint subcontractors with regard to Flabeg's business. The supplier shall select such subcontractors with specific care. The supplier shall use its best efforts to ensure that such subcontractors comply with all applicable statutory provisions, regulatory requirements, judicial decisions and government orders.
6. The supplier shall keep complete records in relation to the performance of the contract and shall retain such records in accordance with applicable laws but at least for a period of six years.
7. At our request the supplier shall inform us of its valid ISO certificates and shall provide us with copies thereof.
8. In the event of an infringement of the foregoing obligations of this Clause XI, the supplier shall hold us harmless against any claims by third parties. We may rescind the contract and withhold acceptance of goods and payment in the event of a reasonable suspicion that the supplier, not only insignificantly, has infringed or is likely to infringe the foregoing obligations of this Clause XI, or if not all of the required approvals, permits or licenses have been obtained, and this is not attributable to our fault or responsibility.
9. The supplier shall permit us and our third party representatives with confidentiality obligations during normal business hours to enter the supplier's premises and examine its books and records to the extent necessary to verify compliance by the supplier with the foregoing obligations of this Clause XI. We may exercise the foregoing audit right (i) promptly as soon as we reasonably suspect that the supplier has infringed or is likely to infringe the foregoing obligations of this Clause XI, or (ii) otherwise, by giving six weeks' prior notice of such exercise of the audit right. Business and trade secrets are excluded from audit; paragraphs containing business and trade secrets may therefore be redacted before documents are made available.

XII. Place of Jurisdiction, Governing Law and Dispute Resolution

1. Our General Terms and Conditions shall be governed by the laws of the People's Republic of China ("**Applicable Law**"). The application of the provisions on Contracts for the International Sales of Goods (CISG - Vienna UN Convention) shall be expressly excluded.
2. Notwithstanding the agreement of the supplier and us (the "**parties**") to submit disputes to arbitration, both of us acknowledge that in respect of any breach of the provisions hereof relating to confidentiality and/or intellectual property rights, a party whose rights have been infringed shall be entitled to apply to the courts in any relevant jurisdiction for an injunction or other similar forms of relief and remedies to the extent permitted by relevant laws in the jurisdiction in question.
3. Any dispute arising in connection with this General Terms and Conditions shall be settled first through friendly consultations between the parties. If within thirty (30) days following the date on which such notice to request consultation is given, the dispute cannot be settled through consultations, either party may submit the dispute to arbitration in accordance with this Article. The parties agree that arbitration shall be conducted in Shanghai before the China International Economic and Trade Arbitration Commission ("**CIETAC**"), Shanghai Commission in accordance with CIETAC Arbitration Rules then in force ("**Arbitration Rules**"), and as amended by this Article.

4. The arbitration tribunal shall be made up of one arbitrator to be selected by the Chairman of CIETAC. The sole arbitrator shall not be a PRC or German national, and shall be proficient in the English language and experienced in cross border disputes.
5. The arbitration proceedings shall be conducted in the English language.
6. The arbitration award shall be final and binding on the parties, and the Parties agree to be bound thereby and to act accordingly. Judgment upon any arbitral award may be entered in any court having jurisdiction over the party or parties against which the award has been rendered, or application may be made to any such court for judicial acceptance of the award and an order of enforcement, as the case may be. Each party expressly waives all rights to object thereto, including any defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state.
7. All costs of arbitration (including but not limited to arbitration fees, costs of arbitrators and legal fees and disbursements) shall be borne by the losing party, unless otherwise determined by the arbitration tribunal.
8. When any dispute occurs and is the subject of friendly consultations or arbitration, the parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under these General Terms and Conditions, except in respect of those matters under dispute.

XIII. Final Provisions

1. Without our prior written consent, the supplier shall not, in part or in whole, assign its rights and obligations. We may assign our rights and obligations to our Affiliates and the supplier hereby agrees to such assignment.
2. If any of the provisions of these General Terms and Conditions is held to be invalid or unenforceable by Applicable Law, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in these General Terms and Conditions but without invalidating the remaining provisions. Should any of the provisions of our General Conditions of Purchase be invalid, the validity of the remaining provisions remains unaffected thereby.
3. These General Terms and Conditions are written in Chinese and English languages. In the event of any discrepancy between the Chinese and the English version, the English version prevails.