



General Terms and Conditions of Purchase of

Lear Corporation GmbH and

Lear Corporation Engineering GmbH **March 1, 2023**

Translation for convenience only.

1. General

- 1.1 These General Terms and Conditions of Purchase apply to all of our present and future inquiries and orders as well as to all present and future supply and other agreements in connection with orders concluded with the Supplier. The application of any standard business conditions of the Supplier is hereby objected to, also in the event that they are conveyed to us by a letter of confirmation or by other means, or if we accept the delivery or performance of the Supplier without again objecting to the conditions of the Supplier.
 - 1.2 Any oral ancillary agreements, variations in these Conditions as well as additions or the exclusion of these Conditions are only valid if made in writing. This also applies to contracting out of this requirement of written form.
 - 1.3 The Incoterms as valid at the date of conclusion of the respective contract apply to the extent that these General Terms and Conditions of Purchase do not contain any conflicting provisions.
 - 1.4 If any provisions of these General Terms and Conditions of Purchase and concluded agreements are or become invalid, the remainder of the contract shall remain unaffected. The parties are obligated to replace any invalid provision with a valid provision which comes as close as possible to the commercial intent of the invalid provision.
- #### 2. Orders, Conclusion of Contracts, Calls on Supply, Amendments
- 2.1 Our inquiries are not binding. Orders, the conclusion of contracts and calls on supply as well as amendments and supplements are only valid if they are made in writing. Calls on supply can also be placed by electronic means in accordance with the standards applicable in the automobile industry (e.g. VDA).
 - 2.2 If the offer of the Supplier varies from our inquiry, or if the Supplier's acceptance varies from our offer, the Supplier must expressly point this out. The submission of offers by the Supplier is free of charge and not binding upon us. No remuneration will be granted in the absence of an express written agreement for visits, the production of plans, drawings and the like.
 - 2.3 To the extent that orders and contracts concluded do not specify the quantity to be delivered, a purchase agreement comes into existence for the quantity stated in the call on supply. Notifications concerning the anticipated requirements or the quantity expected to be called upon do not form any obligation to accept delivery. There is no obligation to accept excessive quantities which are larger due to the packaging.
 - 2.4 Due to reasons of production technology and the requirements of our customers, we can request amendments to orders, concluded contracts and calls on supply which are reasonable for the Supplier. The effects

of these on delivery dates will be reasonably taken into consideration.

- 2.5 This order is based on the quality directives in accordance with ISO 9001 et seq., QS 9000 and DIN/ISO 16949 and IS 9000/2000.

3. Delivery

- 3.1 Agreed dates and deadlines are binding. The receipt of the goods by us is determinative for whether delivery dates or delivery deadlines have been met, regardless of the Incoterm agreed upon. The Supplier must provide the product on time, taking into consideration the usual time for loading and shipment.
 - 3.2 Upon exceeding the agreed delivery time, the Supplier is in default - even without a reminder notice from us - unless the delivery is not made due to a circumstance for which the Supplier is not responsible.
 - 3.3 The acceptance of late deliveries or performance without reservation does not constitute a waiver of any rights we may have due to exceeding of the delivery or performance deadline.
 - 3.4 If the Supplier foresees difficulties with production or raw material supplies, or if other circumstances arise which are likely to hinder the Supplier in making deliveries in the agreed quality on time, the Supplier must immediately inform the supply department at the Lear factory receiving deliveries of the situation.
 - 3.5 The Supplier can only invoke the failure by us to supply documents which are required for the delivery if the Supplier has not received the documents despite a written reminder setting a deadline.
 - 3.6 The amounts determined by us during the inspection of goods upon arrival are determinative for payments based on numbers of items, weight and mass unless other amounts are proven.
 - 3.7 If excess supplies of a product are delivered, we are entitled to reject the excess quantities and send them back at the cost of the Supplier.
 - 3.8 In the case of ordered production materials or spare parts for automobiles, the Supplier must maintain a four-week supply of manufactured products and an 8-week supply of raw materials based on notifications about the anticipated requirements. If an alteration to products/requirements made at short notice renders this reserved material no longer usable, we will compensate the Supplier for the cost price of the unused raw materials and the production price of the unused finished products. All agreements concerning lot sizes and reduced quantities do not apply during the commencement and wind-down phases. During the wind-down phase, the Supplier in particular will make sure with the supply department at the Lear factory receiving deliveries that excess supply is created.
- #### 4. Rescission or Termination Due to a Drop in Demand and Lack of Performance by the Supplier
- 4.1 Force majeure, labor disputes, disruptions to operations without fault, riots, administrative measures or other unavoidable events entitle us to rescind or terminate the contract in full or in part to the extent that they cause a considerable reduction in our requirements. The statutory provisions concerning the exclusion of the obligation of performance as well as any of our statutory rights to refuse performance remain unaffected.
 - 4.2 If the Supplier ceases its payments or if an application is made for court-imposed or out-of-court insolvency proceedings over its assets, we are entitled to rescind or terminate the contract. Our statutory rights in the event

of the endangerment of the ability of an obliged party to perform remain unaffected.

5. Notice of Shipment and Invoice

The details stated in our orders and calls on supply apply. Invoices are to be sent in duplicate to the respective printed invoice address; they cannot be included with the deliveries.

6. Prices/Passing of Risk

If no specific agreement has been made, the prices are to be understood as free the Lear factory, including all transport and packaging costs plus VAT. Deliveries from the countries of the European Union will be delivered "duties unpaid" free the Lear factory, and deliveries from other countries will be delivered "duties paid free the Lear factory if the Lear location to be supplied is within the European Union. Deliveries to Lear locations outside the European Union shall be delivered "duties paid. The forwarding notice Recipient is a customer who has issued a SLVS-waiver" (*SLVS-Verzichtskunde*) will be added to the shipping notice.

7. Payment Conditions

Unless otherwise agreed, payment of invoices shall be made within 60 days net. The payment period shall commence when we have received both the invoice and the product or when performance was rendered. Payment will be made subject to a review of the invoice. The manner of payment is at our discretion; the provision of a bill of exchange requires a separate agreement.

8. Defects in Substance and Legal Defects

8.1 The Supplier warrants that all outgoing products are subject to inspection. These reports/working material certificates can, if necessary, be requested by us at any time. Our inspection of goods upon arrival is limited to examining the identity, quantity and obvious defects, such as transport damage.

8.2 The Supplier is liable for ensuring that no patents or other rights of third parties in Germany or abroad are violated by the deliveries of the Supplier or the use and utilization of the deliveries and performance of the Supplier.

8.3 The notification of defects which are recognizable through a proper inspection of the goods following delivery must be made within one week following delivery; other defects are to be notified by us within one month following their discovery.

8.4 If the Supplier allows a reasonable deadline set for it to lapse without having delivered subsequent correction of defects or defect-free goods, we can, at the cost of the Supplier, remove the defect ourselves or have it removed by a third party. The statutory provisions about not having to set a deadline as well as all statutory rights due to defects, including rights of recourse, remain unaffected.

8.5 The limitations period for claims arising from defects, including rights of recourse, is three years, unless the law establishes longer periods. The statutory provisions concerning the suspension of the limitation period for rights of recourse remain unaffected.

8.6 If, as a result of a defective delivery, an inspection beyond the scope of a normal inspection of goods upon their arrival becomes necessary, the Supplier will bear the costs for this.

8.7 Rights relating to defects for defects known at the time of acceptance are also not excluded, even if a corresponding reservation is not stated upon acceptance.

8.8 In the case of first sample deliveries, a confirmation that the products are non-flammable pursuant to US FM VSS 302 must be provided to our quality assurance division by the Supplier. The entry of the product data in the IMDS system is a part of the first sample review.

9. Damage to Products

9.1 The Supplier will indemnify us against all claims asserted against us by third parties, regardless of the legal basis, claiming that our products are defective, to the extent that the reason for these defects was within the sphere of organization and influence of the Supplier. In cases of liability based on culpable conduct, however, this does not apply if the Supplier proves that it did not act in a culpable manner with respect to the product defect.

9.2 In this context the Supplier is also obligated to reimburse us for any expenses in accordance with Sections 683, 670 of the German Civil Code [*Bürgerliches Gesetzbuch*, "BGB"] which arise from or in connection with a recall action which we conduct. As far as is possible and reasonable, we will inform the Supplier of the content and scope of any recall action to be carried out, and will give the Supplier the opportunity to comment.

9.3 The Supplier undertakes to maintain reasonable product liability insurance and to prove this to us when requested. Otherwise, the statutory provisions apply.

10. Contractual Penalty

If a contractual penalty is agreed, we can demand payment of the penalty incurred, even if we do not reserve the right to do so upon acceptance of performance; however, the contractual penalty must be claimed no later than at the time of the final payment.

11. Right of the Supplier to Offset Claims and Withhold Performance, Exclusion of Assignment

11.1 The Supplier only has a right to offset claims against undisputed counterclaims or counterclaims finally determined by the court or which are ready to be determined. The Supplier only has a right to withhold performance with respect to those undisputed counterclaims, counterclaims finally determined by the court or which are ready to be determined, which arise out of the same contractual relationship with us.

11.2 The assignment of claims of the Supplier against us to third parties is excluded; Section 354a of the German Commercial Code [*Handelsgesetzbuch*, "HGB"] remains unaffected.

12. Carrying Out the Work

Persons who carry out work on the factory premises of Lear in performance of this Contract must observe the respective workplace rules; the provisions for entering and leaving of factory facilities are to be complied with. Liability for accidents which happen to these persons on the factory premises are excluded to the extent that such accidents are not caused by our intentional misconduct or gross negligence.

13. Provision of Materials

Materials, containers and special packaging provided by us remain our property. Such items can only be used as designated. The processing of our materials and the assembly of parts is done for us. It is agreed that we will be joint owners of the products manufactured using our

materials and parts in the ratio of the value of the material provided to the value of the overall product, which in this context is stored for us by the Supplier.

14. Tools and Moulds

The Supplier transfers to us title to tools and moulds which it owns and which are used for the production of goods ordered by us, upon fulfilment of the conditions precedent that (a) insolvency proceedings of the Supplier are commenced following final legal judgment, (b) the opening of court insolvency proceedings is finally rejected due to a lack of assets, or (c) there is compulsory enforcement against the assets of the Supplier if such enforcement is not avoided without undue delay.

15. Confidentiality

Documents of any kind which we provide to the Supplier, such as samples, drawings, models, data and similar items as well as all other information made available by us cannot be made accessible to third parties except to the extent necessary for the performance of the contract unless the information is obviously intended for the general public. Products which are manufactured pursuant to documents drafted by us such as drawings, models and similar items or pursuant to our confidential information or with our tools or copied tools can neither be used by the Supplier itself nor offered or supplied to third parties. This also applies correspondingly to our printing orders.

16. Production Guarantee

In the event that production materials or replacement parts for automobiles are ordered, Supplier guarantees for them the ability to produce the product for fifteen years after the end of the model year (securing customer service).

17. Supplier's Declaration

The Supplier undertakes to provide to departments in Lear Corporation a cost-free, valid long term supplier's declaration ("SD") in accordance with the respective, valid legal regulation. These declarations must be confirmed using the INF.4 information sheet upon request of Lear Corporation. The Supplier undertakes to issue the SD exclusively on the basis of the requirements and formats provided by Lear Corporation.

The processing will be by way of a suppliers' portal provided by Lear Corporation, the use of which is free of charge for the Supplier. The Supplier undertakes assume the liability for each of the issued declarations prepared using the electronic data processing procedure (without a physical signature). The items which are not entitled to preferential treatment are to designated accordingly in the annex to the declaration.

18. Liability

We are liable without limit in accordance with the statutory provisions for damages caused by intentional misconduct or gross negligence of our statutory representatives or managerial employees, as well as for personal injury. In the event of intentional misconduct or gross negligence on the part of our agents used in the performance of the contract [*Erfüllungsgehilfen*] as well as in the event of minor negligence resulting in the breach of primary contractual duties which are indispensable for achieving the contractual purpose and which, therefore, the Supplier must be able to rely on being strictly complied with, we are liable in accordance with the statutory provisions, limited to such damages as were foreseeable for us in terms of type and scope at the time of entering the contract. In all other cases, claims of the Supplier for direct or indirect

damages irrespective of the legal basis, including any damages claims for breach of pre-contractual duties as well as under tort are excluded.

19. Supply Chain Due Diligence

19.1 Supplier confirms that it has received and is aware of our human rights and environmental-related expectations set out in its Human Rights Policy as well as in Lear Corporation's "Global Requirements Manual and Code of Conduct for Suppliers" (the "Expectations"). We can update the Expectations at any time based on the outcome of its annual or ad hoc risk analysis (which would be reflected in our updated Human Rights Policy).

19.2 Supplier assures to comply with the Expectations in its own business operations and will appropriately address them along its own supply chain, for instance by means of suitable contractual assurances towards its own suppliers or subcontractors.

19.3 We have the right to verify whether the Supplier is complying with the Expectations, for instance through on-site inspections or audits. We will aim to limit any potential interruptions to Supplier's business and is open to alternative monitoring measures such as third-party certifications or self-assessments.

19.4 If we become aware of non-compliance with the Expectations, we and the Supplier shall together develop an action plan to remedy such non-compliance (the "Action Plan"). The Action Plan shall include a deadline by which the Supplier has to implement the Action Plan.

19.5 If the Supplier fails to implement the Action Plan, we have the right to temporarily suspend the contract with the Supplier until the Action Plan has been implemented.

19.6 In the event that the Supplier has materially violated any of the rights subject to the Expectations, and provided that the violation cannot otherwise be remedied, we have the right to immediately terminate the contract with Supplier.

20. Place of Performance, Jurisdiction, Applicable Law

20.1 Place of performance for the delivery of the goods is the place designated by us. Unless otherwise expressly stated, place of performance for our payment is the place of our branch which entered into the respective contract.

20.2 If the Supplier is a businessman [*Kaufmann*], a public law entity or a separate estate under public law, the exclusive place of jurisdiction for all disputes directly or indirectly arising under the contractual relationship is Frankfurt am Main; however, we are entitled to call upon any other competent court pursuant to the statutory provisions in place of the aforementioned court.

20.3 The law of the Federal Republic of Germany applies, excluding the provisions of the UN Convention on Contracts for the International Sale of Goods.