

***SUPPLIER:
TERMS AND CONDITIONS OF PURCHASING***

Contents for Frame Supply Contract

PREAMBLE	3
1. FUNDAMENTALS OF CONTRACT.....	3
2. SUBJECT MATTER OF CONTRACT.....	3
3. DEVELOPMENT AND SERIES PREPARATION OF THE PRODUCT	4
4. PLANNING QUANTITY, DELIVERY CAPACITY	4
5. DELIVERY CALLS.....	5
6. IDENTIFICATION, PACKING, SHIPMENT.....	5
7. SECURITY STOCK.....	5
8. PIECE PRICE	6
9. EFFICIENCY OBLIGATIONS	6
10. COMPETITIVENESS	6
11. TECHNICAL CHANGES, DEVIATION OF DIMENSION, PROCESS MODIFICATIONS.....	7
12. WARRANTY.....	7
13. RECALL, SERVICE CAMPAIGN	8
14. PRODUCT LIABILITY.....	8
15. INSURANCE	9
16. QUALITY MANAGEMENT.....	9
17. INTELLECTUAL PROPERTY RIGHTS, THIRD PARTY RIGHTS.....	9
18. SPARE PARTS.....	10
19. FORCE MAJEURE	10
20. TERM OF CONTRACT, TERMINATION, PHASE OUT PERIOD.....	11
21. CONFIDENTIALITY AGREEMENT	12
22. BRANDS, ADVERTISING.....	13
23. RIGHT TO VISIT AND RIGHT TO AUDIT	13
24. COMPLIANCE WITH LAWS	14
25. GOVERNING LAW	14
26. MISCELLANEOUS	14

Preamble .-

LCN is a manufacturer of components and applications for main Tier1 and OEM's of the automotive sector. The Parties are interested in a long-term business relationship and cooperation which shall be uniformly based on this Frame Supply Contract.

Orders of individual products shall be realized by individual and specific supply contracts to be concluded separately or by purchase orders (hereinafter referred to as "Individual Supply Contract(s)"). If a purchase order additionally refers to the applicability of general terms & conditions for purchasing or Production Purchasing Global Terms & Conditions of the customer, this shall be construed as a reference to the provisions of this Frame Supply Contract.

1. Contract Fundamentals.-

- 1.1 Relevant for the nature and extent of all contractual obligations under this frame supply contract and the Individual Supply Contracts concluded on the basis thereof are in the following order:
 - 1.1.1 the present frame supply contract
 - 1.1.2 the Individual Supply Contract, as well as the applicable specifications, drawings, performance features and other technical and qualitative requirements concerning the Product
 - 1.1.3 tooling order along with the contractual conditions agreed in connection therewith
- 1.2 If a work standard will be modified or amended after conclusion of this Frame Supply Contract, LCN will inform to the supplier accordingly. If necessary, the supplier shall specify in writing the individual items to which it objects without undue delay but not later than within 4 weeks after receipt of the notice. Otherwise, the works standards in their updated form will form the basis for all current and subsequent Individual Supply Contracts.
- 1.3 In the event that individual provisions of the contract fundamentals should contradict themselves, the contract fundamental ranking higher in the above-described order shall prevail.
- 1.4 For the present Frame Supply Contract and for all Individual Supply Contracts concluded on the basis thereof, solely the above-mentioned contract fundamentals shall apply. General terms and conditions of the Parties shall not apply even (i) if the Parties already have entered into a business relationship and have explicitly or by conclusive action agreed upon the validity of general terms and conditions or (ii) if in connection with individual deliveries, on invoices or in any other context when performing the contract, the supplier makes reference to general terms and conditions and LCN does not explicitly object to their incorporation.

2. Subject Matter of Contract.-

- 2.1 The subject matter of the contract is the manufacture and delivery of certain products (hereinafter called "Product") which will be described in the respective Individual Supply Contract, all in accordance with the contract fundamentals listed in Section 1.

The supplier engages itself in view of its own expert knowledge to personally verify the technical specifications, drawings, performance features and other technical and quality requirements concerning the Product and to notify reservations or objections immediately in writing to LCN. This shall also apply if such reservations or objections arise during series production.

- 2.2 The supplier engages itself to exclusively produce for and deliver to LCN any Products manufactured based on documents provided by the supplier; the same shall apply to similar commodities derived thereof. Exceptions require the prior written consent of LCN.

3. *Development and Series Preparation of the Product.-*

- 3.1 To the extent the serial delivery to LCN requires a specific product development or product adaptation and/or serial preparation by the supplier which engages itself to perform all development work for the Product and to implement the necessary preparations for manufacture and supply of the Product until serial production in accordance with the project plan delivered by LCN. The Parties are aware that the non-achievement of even one milestone may result in a postponement of the start of production of the pre- or series for the product of LCN and of the final customer.

- 3.2 After conclusion of the Individual Supply Contract, the supplier is obliged to inform in regular intervals of the progress in the manufacture of the Product. If delays become obvious for which supplier is responsible and which influence the fixed delivery date, an expediting at the expense of supplier may be performed upon LCN's request. Apart from standard feedback process, this also includes onsite inspection of the performance progress up to the permanent presence of an expeditor at supplier.

4. *Planning Quantity and Delivery Capacity.-*

- 4.1 The planning quantities stated in the respective inquiry and/or Individual Supply Contract is purely informative and non-binding to LCN.

- 4.2.1 The Parties acknowledge that the market demand for the products that LCN will manufacture during the term of the contract, dependent upon economic factors, changes in consumer behaviour etc. The Parties agree that this represents a business risk for all participants. Even considering such risks the Parties consider it to be advantageous for both sides to reserve delivery capacities for the Products, thereby opening a long-term opportunity to sell such Products.

Given this background, the supplier engages itself to supply on the terms and conditions of this frame supply contract and of the respective Individual Supply Contract the Product(s) and spare parts in accordance with the delivery calls and to provide the delivery capacities determined in the respective Individual Supply Contract or as otherwise agreed upon.

After written request by LCN, delivery capacities of up to 15% above the agreed capacities must be made available without undue delay, but not later than within 2 weeks.

5. Delivery Call Off.-

- 5.1 LCN shall be entitled to modify the dates and quantities stipulated in the delivery calls in accordance with its actual demand. The most recent delivery call shall be binding.
- 5.2 The supplier is entitled to manufacture the Products and to arrange for material and purchased sub-components in accordance with the following scheduling instructions and based on the respective demand forecasts. If Products have already been manufactured or processed or material or purchased sub-components have already been arranged for, which due to technical product changes or due to the discontinuation of a product cannot otherwise be used by the supplier, LCN shall reimburse the cost in accordance with the following scheduling plan:
- for the 1st month: release for manufacturing the Products (sales price).
 - for the 2nd and 3rd month: release for arrangements for semi-finished goods, but not for manufacturing.
 - from the 4th month and beyond: non-binding planning numbers.

To the extent LCN indemnifies, the supplier in accordance with the foregoing, LCN is entitled to demand surrender of the respective Products and material or purchased sub-components.

6. Identification, Packing, Shipment.-

The supplier shall identify, pack and ship the Product properly (in accordance with packaging data sheet agreed and validated by LCN) and pursuant to the instructions of LCN's logistics department, as well as in accordance with the delivery terms determined in the Individual Supply Contract.

7. Security Stock .-

- 7.1 The supplier shall, in anticipation of an unforeseen surplus demand at LCN or a delivery impediment regardless of reason (e.g., loss of production at supplier), set up and maintain a pre-produced security stock of the Product in the amount of an average monthly delivery quantity. The volume of the security stock shall be calculated based on the delivery quantity according to the respective actual demand forecast for 6 months and shall be adjusted quarterly. Upon LCN's request, supplier shall provide satisfactory evidence that the security stock is set up and maintained in accordance with the contractual provisions. The Products in the security stock must meet at any time the most actual technical specifications and quality requirements; in view of this, the supplier engages itself to replace the security stock continuously on a "first in first out" basis. At Product run-out, supplier shall deplete the security stock prior to the end of the deliveries.
- 7.2 If necessary, the Parties will set forth in a separate agreement special measures for safety strategy (in particular for procurement, identification, storage, PPAP and use of the replacement tools) for a specific Product.
- 7.3 Security Stock must be calculated at least to guarantee the transport lead time to get correct parts to LCN in case of any incident or lack of material. The same criterial has

to be guaranteed also in supplier and sub-suppliers involved in each part (through the Supply Chain).

8. Piece Price.-

- 8.1 For evaluation and plausibility check of the Product pricing, LCN reserves the right to review the underlying calculation. Therefore, a price amendment by the supplier due to recalculation is excluded. Value added tax, if applicable by law, shall be added to the Product price.
- 8.2 The price includes all services by the supplier, including but not limited to the production and delivery of the Products, performance of all warranty work as well as all cost for product development, installation of series production, initial sampling testing. It also includes all cost for tools procurement and refurbishment, to the extent that these are not to be paid separately based on a tooling order.
- 8.3 The agreed upon piece price is independent of cost increases, including but not limited to cost increases for sub-components, raw material, energy and labour, unless LCN approves to a price increase in writing. It is also independent of the quantity of the Products ordered by the delivery calls.
- 8.4 Production parts for the production part approval will be supplied at the agreed series price.
- 8.5 Unless otherwise determined in the Individual Supply Contract, payments for individual deliveries are due after receipt of the respective shipment and an orderly and verifiable invoice by LCN as follows:
 - 60 days net – Invoice date.

9. Efficiency Obligations.-

- 9.1 The Parties aim to achieve during the term of this contract the widest possible potentials for cost optimisation for the Products; for this purpose, the supplier will take all possible cost saving measures, while maintaining all quality standards for the Product. The supplier commits itself to at least the piece price reductions detailed in the respective Individual Supply Contract.
- 9.2 In addition, the supplier shall participate in measures for cost decrease and productivity programs initiated or proposed by LCN or its customers.

10. Competitiveness .-

With respect to the manufacture and sale of the Products, the supplier shall at any times during the term of the contract use its best efforts to maintain levels of technology, quality, service and price which are at least as competitive as that of other manufacturers of equivalent Products that LCN will manufacture with the products supplied by supplier. Also, the supplier shall closely cooperate with LCN in this respect and the Parties will examine the market situation in regular intervals. LCN

shall indicate to the supplier any deficiencies in its competitiveness and shall give it the opportunity to remedy these within a reasonable period.

11. Technical Changes, Deviation of Dimension, Process Modifications.-

- 11.1 LCN shall be entitled to make modifications in the drawings or specifications relevant for a Product. If LCN advises a modification for a Product to the supplier, the latter shall examine the requested change and inform LCN immediately but not later than within 10 business days in writing on the effects of the modification on the production process, the time schedule and delivery dates as well as the Product price by presenting verifiable documentation. The Parties shall jointly analyse the results of the verification by the supplier and subsequently agree upon the effects of the modification. A price increase may only be made after LCN's explicit approval in writing.
- 11.2 The supplier ensures that the then currently valid technical documents are available to all persons responsible for the performance of the contract and that all technical documents rendered invalid due to modifications shall be removed.
- 11.3 The supplier shall not deviate from the latest valid status of component drawings or from the production processes without prior written approval of LCN.

12. Warranty.-

- 12.1 Acknowledging the intended purpose of the Product, the supplier warrants-notwithstanding any Product features and the supplier may have guaranteed that the Products will conform to the specifications, drawings, performance features and the other up-to-date technical and qualitative requirements concerning the Product, to the contract fundamentals set forth in Section 1, and that they are of good workmanship in quality and material and suitable for the intended purpose.
- 12.2 LCN will check the delivered Products only with respect to
- quantity
 - identity
 - transport damages

without undertaking a check of individual items. As soon as LCN detect defective Products in the ordinary course of business, LCN shall inform to the supplier thereof without undue delay in writing, but not later than within five working days after discovery of the defect. Considering supplier's process-controlled quality assurance, the supplier waives in so far any further statutory requirements regarding inspection of goods receivable.

- 12.3 The warranty period commences upon the delivery of the vehicle into which the Product has been installed or in which it has been processed to the final customer. The warranty period for the Products is 60 months; if a longer period is applicable by law, this period shall apply. To the extent LCN's customer demands the application of longer warranty periods; the Parties shall negotiate the corresponding application for their contractual relationship.

- 12.4 In the event of a defect of a Product LCN may, without limitation to any other claims LCN is entitled to, demand supplementary performance, at its own choice, by rectifying the defect or by delivery of a Product free from defects. If the supplier does not start corrective actions immediately after LCN's request for supplementary performance, LCN is in urgent cases, especially to avoid danger or major damages (e.g. due to disruption or disturbance of the production process), entitled to self-remedy the defect or to delegate it to a third party, without consultation and at the expense of the supplier.
- 12.5 In addition to its obligation to subsequent performance, the supplier shall indemnify and hold harmless LCN for all expenses and damages incurred because of the defective Product, particularly the cost incurred in the removal and return of the defective Products, including but not limited to:
- cost for identifying defects and testing charges
 - cost for sorting out of defective parts
 - cost for disassembly and reassembly of products assembled in customer plant
 - failure and disassembly expenses for parts returned from the field
 - cost for machine- and/or line stoppage
 - cost debited to LCN by its customers.

13. Recall, Service Campaign.-

- 13.1 If, because of field experience, test results or otherwise, one of the Parties becomes aware of circumstances which may constitute a problem on the Product manufactured by LCN, such Party shall inform the other immediately of this fact.

The Parties shall then immediately perform an investigation to analyse the cause of the concern and assess the impact on the safety of the final user and, if necessary, take prompt measures up to a precautionary replacement (also in the field). For the execution of such investigation both Parties will make available all necessary quality, test and other data.

- 13.2 In case of recalls or service campaigns by LCN, LCN's customers or third parties due to defects or failures (also in the sense of Section 14) of the Product, the supplier shall indemnify and hold harmless LCN within two months after receipt of an invoice the costs and expenses attributable to the recalls or service campaigns, including but not limited to assembly and disassembly costs, costs for identification of the defects or failures, costs of repairs and materials as well as overhead costs for additional handling efforts. This includes all costs which are charged to LCN by its customers.
- 13.3 The supplier engages itself to establish and maintain a traceability system and a system for identification of Product defects which in case of such defects or failure permits their determination and traceability in terms of time and quantity.

14. Product Liability.-

- 14.1 If LCN's customers or third parties raise a claim against LCN on the basis of the principles of product or producer's liability, the supplier shall indemnify, defend and hold LCN harmless from and against such claims and the costs and damages emerging in connection therewith at LCN.

- 14.2 With respect to the defence of any actual, potential or threatened claims, each Party shall fully cooperate with the other Party possible which includes the provision of personnel and other means such as technicians, test benches etc.

15. Insurance.-

- 15.1 The supplier shall obtain at its sole expense recall insurance with a minimum coverage in the amount of € 10 million per year (TBC).
- 15.2 In addition, the supplier has a product liability insurance with worldwide validity and a minimum annual coverage in the amount of € 10 million (TBC) for personal injury and property damages which shall be claimable twice per year.
- 15.3 The supplier may not reduce the insurance coverage without LCN's prior written approval.
- 15.4 The insurance coverage shall include all costs and expenditures for litigation, including but not limited to costs and expenditures of the legal counsel and indemnity payments arising from settlements or judgments. The insurance coverage contracted by the supplier or by LCN for the supplier shall be primary coverage to LCN regardless of any other coverage LCN receives or is entitled to.

16. Quality Management.-

LCN bears the sole responsibility for the Product quality. For this purpose, LCN engages itself to introduce and apply "zero defects" as a quality standard for tools, production procedures and production processes to meet the quality requirements for the Product pursuant to the contract fundamentals. Objective of the "zero defects strategy" is constant improvement of all activities with reference to Product, timing and cost. PPAP and APQP must be carried out according to the applicable LCN standards.

17. Intellectual Property Rights, Third Party Rights.-

- 17.1 The supplier hereby grants to LCN an irrevocable, unlimited, non-exclusive right of use for the technical know-how and any industrial property rights used in the Product including without limitation copyrights, which are owned by the supplier or which the supplier is entitled to use. This right entitles LCN to use the Product, to sell, manufacture and have it manufactured and includes the right to sublicense it to affiliated companies.

LCN has the same right of use with respect to items of work in connection with the Product which are protected by copyright of the supplier (e.g. drawings, schemes, test data etc.); LCN is particularly entitled to process, modify or pass them to third parties.

- 17.2 The supplier warrants that the Product shall not be affected by third party rights anywhere in the world, including but not limited to claims from third parties with respect to the Product itself, the materials used, or processes applied. Third party

rights in this respect are without limitation property rights, patents, trademarks, copyrights, utility models and designs as well as corresponding applications for any of the foregoing. The warranty period set forth in Section 12 applies.

If third party claims as described above are raised against LCN or actions instituted against LCN on this basis, LCN will inform the supplier accordingly. The supplier is obliged to indemnify and hold LCN harmless against all asserted claims and costs in connection with these claims.

If utilization of the Product is not possible in any other way without violation of third-party rights, the supplier is obliged to procure licences of the entitled third parties for LCN.

The supplier shall be entitled, at its own expense, to take all measures which are necessary or useful in this context including but not limited to the negotiation of a settlement with the third party raising the claim or to join LCN in the actions initiated against it as a co-defendant. LCN shall appropriately assist the supplier upon request under the condition that the supplier shall reimburse the cost incurred by LCN in this respect.

18. Spare Parts.-

- 18.1 During serial production containing the Product and for subsequent 15 calendar years the supplier undertakes to supply spare parts for the Product and the Product itself as a spare part. This provision applies accordingly when delivery of the Product has been finally discontinued pursuant to a notice given by LCN.
- 18.2 The price for spare part will be the price part agreed for the first two years. Later on, the price will be reviewed according to the remaining volume if apply and confirmed by writing confirmation.
- 18.3 For delivery of spare parts, the quality requirements and specifications of this frame supply contract and the respective Individual Supply Contract apply without restriction. The spare parts must be manufactured using original tools.

19. Force Majeure.-

- 19.1 A delay or failure to perform any of the obligations hereunder shall be excused to the extent that it is caused by an event or occurrence beyond the influence and control of the non-performing Party and is not caused by its negligence. This includes by way of example but not by way of limitation: Acts of God, measures or orders by regulatory authorities (whether valid or invalid), fires, flood, windstorms, explosions, riots, natural disasters, war, sabotage. The Parties agree that labour disputes (including lockouts and strikes) and the inability to procure materials, components or services are not deemed to be an event of Force Majeure.
- 19.2 The Party affected may refer to Force Majeure only if it notifies the other Party without undue delay in writing of the circumstances which might lead to an event of Force Majeure as soon as such circumstances have become recognizable by it.

The Party affected by an event of Force Majeure shall use its best efforts to overcome or alleviate the event. Regardless of the foregoing, LCN shall be entitled to purchase the Product from third parties and to curtail the delivery demand forecasts as well as the binding delivery calls without obligation to compensate LCN on whatever legal basis. Moreover, LCN has the right to produce the Product itself or have it produced by a third party and to demand from the supplier for this purpose the surrender of all tools, documents, materials etc. necessary for the manufacture of the Product.

- 19.3 If an event of Force Majeure is longer than 30 continuing days or 60 days in total in any period of 180 consecutive days, LCN shall be entitled to terminate the respective Individual Supply Contract entirely. In such case neither Party has the right to demand indemnification of possible damages from the other Party. The liability for products already delivered remains unaffected.

20. Term of Contract, Termination, Phase Out Period.-

- 20.1 This Frame Supply Contract shall come into effect at the date of signature by both Parties and shall remain effective for an indefinite period, but in any event at least until the date of expiration or termination of the last Individual Supply Contract.

- 20.2 The respective Individual Supply Contract shall be concluded for the duration stipulated therein; if duration is not expressly determined; the Individual Supply Contract shall apply for a period of 12 months. Subsequently, the respective Individual Supply Contract shall automatically be extended for 12 months, unless it is terminated by either Party giving a six months written notice to the end of its term.

- 20.3 LCN may terminate any or all Individual Supply Contracts without notice or with a cancellation period to be defined by LCN, if:

- a third party acquires or controls 25% or more of the voting stock of the supplier or in the event of any other change of control at the supplier;
- LCN is not able to maintain its competitiveness regarding technology, quality, service and price (see Section 10);
- any major supply contracts between LCN and its customer(s) in which the Product is being used are terminated for any legal ground whatsoever; or
- The supplier due to an event of Force Majeure is unable to fulfil its obligations beyond a period as set forth in Section 18.

Neither of the Parties shall be entitled to claim damages or losses, independent of the legal nature of such claim, caused by a termination for the foregoing reasons.

- 20.4 In addition, LCN may terminate for cause and without notice any or all Individual Supply Contracts for the following reasons:

- repeated delivery of defective Products by the supplier despite notification by LCN;
- judicial attachment, dispossession or similar proceedings in relation to a significant portion of supplier's assets necessary for the performance of an Individual Supply Contract; or
- in the event of occurrence of a reason for insolvency (but without limitation illiquidity or over-indebtedness at the supplier, or in the event a petition in insolvency or composition proceedings in respect of supplier is filed, or – as far

as the insolvency laws applicable to the supplier so allow – in the event of an opening of the insolvency or composition proceedings or their dismissal due to the lack of mass or estate.

- 20.5 In the event of termination of an Individual Supply Contract, except only in case of an effective extraordinary termination for cause by the supplier, LCN shall be entitled to opt for a phase out period of up to 6 to 10 months after such termination has become effective depending on the kind of product and technology. This option must be asserted by written declaration to the supplier within three months after receipt of the termination notice.

During the phase out period, the supplier is obliged to supply the Products and spare parts in accordance with the relevant contractual terms and conditions and pursuant to the delivery calls. At the latest at the start of the phase out period, LCN shall declare the length of the phase out period unless the Parties agree otherwise.

- 20.6 After termination of an Individual Supply Contract, the supplier shall be obliged upon LCN's demand to immediately remit to LCN all tools which are the property of LCN. The same applies to all technical documents, data and other objects which have been remitted to the supplier by LCN.
- 20.7 The termination or the expiry of an Individual Supply Contract does not affect the provisions which by their nature shall remain effective; these are but without limitation the provisions set forth in Sections 12, 13, 14, 15, 17, 18, 21 and 24.

21. Confidentiality Agreement.-

- 21.1 To the extent the Parties have not project-specifically entered into an agreement concerning the protection of confidential information or after its expiry, the subsequent provisions of this Section 21 shall apply:

“Confidential Information” in terms of this frame supply agreement shall mean any economical, commercial, technical or other information of confidential nature, particularly all specifications, descriptions, sketches, drawings, designs, patterns, samples, data, inventions, formulae, processes, plans, programs, models and any other knowledge, experiences and know-how not belonging to the state of the art, which is disclosed or made available by one of the Parties (the “Discloser”) to the other Party (the “Recipient”), independent of the type of recording, storage or transmission and regardless of whether these have been explicitly or tacitly identified as being secret or confidential. Any information which was expressly named or marked as being confidential shall in any case be deemed to be Confidential Information in the sense of this Frame Supply Contract.

- 21.2 The Parties undertake to treat as confidential the Confidential Information communicated and knowledge of internal conditions and proceedings gained in connection with a pre-contractual relationship and the contract performance, as well as the content of this frame supply contract, an Individual Supply Contract. Excluded from this obligation is knowledge and information:

- is in the public domain or belongs to the state of the art at the time of disclosure to the Recipient,
- is already known by the Recipient at the time of disclosure,

- thereafter enters the public domain or becomes state of the art by no fault of the other Party,
- will be disclosed or made available by a bona fide third party freely able to disclose such information,
- will be circulated, disclosed or made available to a third party after the prior written consent of the Discloser.

The Party which refers to one of the foregoing exceptions bears the burden of proof that such exception applies.

- 21.3 By the disclosure of Confidential Information by LCN, the supplier does not obtain of its own any rights of use, rights to process or to replicate. In this respect, LCN reserves all rights, particularly all rights for the application of industrial property.

After termination of the respective Individual Supply Contract, or when the supplier no longer needs the Confidential Information for further fulfilment of its contractual obligations, upon LCN's demand the Confidential Information handed over by LCN must be returned to LCN, all copies must be destroyed and all Confidential Information stored must be deleted.

- 21.4 The confidentiality obligation is not limited in time. It does not end by termination of the Individual Supply Contract.

The Parties undertake to impose the confidentiality obligation upon all persons entrusted by them with the performance of an Individual Supply Contract, and to ensure that it is fulfilled even after termination of the contractual relationship between such person and the Party.

22. Brands, Advertising.-

- 22.1 It is prohibited to the supplier to use any brands of LCN or LCN's customers, in particular trademarks, company names and logos.
- 22.2 The supplier undertakes not to make any allusions or reference to the utilization of the Product by LCN in advertising or in any other publications. The same applies for allusions to LCN's customers.
- 22.3 Any deviation from the afore mentioned provisions requires prior explicit written approval by LCN.

23. Right to Visit and Right to Audit.-

- 23.1 The supplier shall grant to LCN, and third parties designated by LCN, its customers, after previous notification access to the business premises of the supplier during normal business hours to inspect and evaluate performance and progress in connection with any Individual Supply Contract. Upon request, the supplier grants access to production and test documents and other documents in connection with the production of a Product, regardless of how and on what data carriers they are recorded or stored.

23.2 The same applies for the purpose of verifying the validity of claims in connection with any Individual Supply Contractor a contract between LCN and its customer. For this purpose, the supplier makes available all records, fundamentals for decisions, calculations, notes etc. in an orderly form and easily comprehensible for third parties and in chronological order.

23.3 Unless otherwise agreed in writing, the above documents shall be retained by the supplier for a minimum period of 15 years.

24. Compliance With Laws.-

24.1 For the duration and in the performance of an Individual Supply Contract, the supplier ensures to comply with the applicable laws, decrees and other statutory provisions and commercial customs applicable to the business sector of supplier, including without limitation with respect to development, manufacture, sale, transport, export and certification of its Products as well as provisions with respect to technical and environmental safety relating to manufacture and processing of technical products, the generally accepted Rules of the Art and all other specifications reflecting the State of the Art at the time of the individual supply. Upon request, the supplier shall confirm the compliance with the afore mentioned laws etc. in writing. The supplier shall reimburse LCN for all damages and costs which result of the non-compliance of the aforementioned regulations by supplier and shall indemnify LCN from any third-party claims raised against LCN in connection therewith.

24.2 The supplier is prepared to comply with the requirements of the International Material Data System (IMDS) or similar systems required by LCN or its customers.

25. Governing Law.-

25.1 This Frame Supply Contract and the respective Individual Supply Contracts shall be governed by the laws of Spain without giving effect to its conflict of law principles. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

25.2 Legal venue for all disputes arising out of the respective contractual relationship shall be the Courts of Guadalajara, Spain. However, LCN shall be free to choose alternatively a legal venue at supplier's place of general jurisdiction.

26. Miscellaneous.-

26.1 The present Frame Supply Contract and the respective Individual Supply Contract and the rights and obligations resulting thereof may be assigned wholly or partially by LCN to a company determined by or affiliated with LCN.

26.2 The supplier shall only be entitled to set-off, if its counterclaims are established as final and absolute or accepted by LCN. The supplier is only entitled to assert a right of retention if and to the extent its counterclaim is based on the same contractual relationship.

- 26.3 If the text of this frame supply contract, of the respective Individual Supply Contracts or of appendices thereto is translated for any purpose and inconsistencies shall occur, the Spanish text shall exclusively govern its interpretation.
- 26.4 Modifications and/or amendments to the Frame Supply Contract or any Individual Supply Contracts must be made in writing. Verbal collateral covenants have not been made.
- 26.5 If any provision of this Frame Supply Contract or the respective Individual Supply Contracts is or becomes void, the remaining contract remains unaffected. The Parties agree to replace the void provision immediately by a valid provision which corresponds as close as possible to the economic effect of the void provision. The same applies if a provision is unenforceable or the contract contains a gap.