



GRAMMER INTERNATIONAL PURCHASE TERMS AND CONDITIONS

These Terms apply exclusively when referenced by GRAMMER's purchase order or other documentation.

1. OFFER AND ACCEPTANCE AND TERMS OF ORDER
 - 1.1 This Terms and Conditions are applied by GRAMMER AG and affiliated companies pursuant to Article 15 of the German Public Companies Act (AktG). GRAMMER shall mean the Grammer entity identified in the Order ("GRAMMER"). Each purchase order, delivery schedule or material release and such revision issued by GRAMMER ("Order") is an offer to the Supplier identified on the Order for the purchase of goods and/or services ("Supplier"), and includes and is governed by the express terms contained in the Order, these purchase terms and conditions, and the terms contained in any addendum or supplement to the Order, any supplier manual provided by GRAMMER to Supplier, and other document incorporated by reference in the Order or in these purchase order terms and conditions ("Terms"). Any expression of acceptance of the Order by Supplier, including Supplier's commencement of (i) work on the goods subject to the Order ("Goods") or shipment of the Goods, whichever occurs first, or (ii) performance of all or any portion of the services subject to the Order ("Services"), shall constitute an acceptance of GRAMMER's offer. Any acceptance of the Order is limited to and conditional upon Supplier's acceptance of the Terms. Any proposal for additional or different terms or any attempt by Supplier to vary any of the Terms, whether in Supplier's quotation form, acknowledgement form, invoice, correspondence or otherwise, shall be deemed material and is hereby objected to and rejected by GRAMMER, but any such proposal or attempted variance shall not operate as a rejection of the Order if Supplier accepts GRAMMER's offer by commencement of work, shipment of the Goods or performance of the Services, or by other means acceptable to GRAMMER, in which case the Order shall be deemed accepted by Supplier without any additional or different terms or variations whatsoever. The Order does not constitute an acceptance of any prior offer or proposal by Supplier, and any reference in the Order to any such prior offer or proposal is solely to incorporate the description or specifications of the Goods and the Services in such offer or proposal, but only to the extent that such description or specifications are not directly in conflict with the description and specifications in the Order. If the Order is found to be an acceptance of any prior offer or proposal by Supplier, such acceptance shall be limited to the Terms. Any additional or different terms in such prior offer or proposal shall be deemed material and are hereby objected to and rejected by GRAMMER. GRAMMER may cancel all or any part of the Order at any time prior to GRAMMER's actual knowledge of acceptance by Supplier.
 - 1.2 The Order contains the entire agreement between GRAMMER and Supplier and, except as otherwise expressly stated in the Order, supersedes all prior agreements, orders, quotations, proposals and other communications relating to the subject matter hereof and there are no other understandings or agreements, verbal or otherwise, in relation hereto that exist between GRAMMER and Supplier.
 - 1.3 Unless specifically stated in a written agreement signed by legal representatives of GRAMMER and Supplier, an Order will not supersede, amend or replace the terms of a prior written agreement entered into between GRAMMER and Supplier. In the event of a conflict, a mutually-signed agreement shall take precedence over a Order, and the Order shall take precedence over these Terms.
2. TIME PERIOD OF ORDER
 - 2.1 Subject to GRAMMER's termination rights, including, without limitation, such rights set out in Articles 21, 22 and 23 ("GRAMMER's Termination Rights"), the Order is binding on GRAMMER and Supplier for the length of the production life (including model refreshes as determined by the applicable OEM customer) of the applicable original equipment manufacturer ("OEM") vehicle program for which GRAMMER intends to incorporate the Goods or Services. Both, GRAMMER and Supplier acknowledge and assumes the risk of the vehicle program production life being cancelled or extended by the OEM. Notwithstanding the foregoing, if an expiration date or time period is specified in the Order, the Order is binding until such expiration date or end of such time period, subject to GRAMMER's Termination Rights, unless otherwise agreed in a separate agreement.
 - 2.2 If the Goods or Services are not directly or indirectly associated with a specific OEM vehicle program production life, then, subject to GRAMMER's Termination Rights, the Order is binding on GRAMMER and Supplier for the time specified in the Order.
 - 2.3 Unless specifically waived in writing by an authorized representative of GRAMMER, Supplier's obligations with respect to service and replacement parts will survive the termination or expiration of the Order as set forth below.
3. CUSTOMER REQUIREMENTS
 - 3.1 Where the Goods or Services under the Order are sold, or incorporated into goods or services that are supplied, by GRAMMER to an OEM whether directly or indirectly through an upper tier supplier, or any other third party customer, Supplier shall (i) take such steps, (ii) provide such disclosure, (iii) comply with such requirements and (iv) do all efforts within Supplier's control to enable GRAMMER to meet GRAMMER's obligations under the terms

- and conditions of any contract or purchase order or other document of the project related OEM (“OEM Terms”) that is applicable between the OEM and GRAMMER in respect of its direct or indirect supply of such Goods or Services to the OEM, including, but not limited to: quality, delivery, packaging and labelling requirements; warranties and warranty periods; intellectual property rights and indemnification; confidentiality; access to facilities and records; and replacement and service parts. GRAMMER may, upon the Supplier’s request, provide Supplier with information regarding the applicable OEM Terms, but, in any event, Supplier shall be responsible for ascertaining the OEM Terms that may affect Supplier’s obligations hereunder.
- 3.2 If there is any conflict between the provisions of the OEM Terms and any provisions of the Order, the provisions of the OEM Terms shall prevail to the extent necessary or desirable to resolve such conflict.
- 3.3 If the OEM or an upper tier customer of the GRAMMER (“Customer”) directed, recommended or requested that Supplier be the source from whom GRAMMER is to obtain the Goods and/or the Services: (i) GRAMMER will pay Supplier for the Goods and/or Services only after and to the extent of, and in proportion to, GRAMMER’s actual receipt of payment from the Customer for those goods into which the Goods and/or the Services are incorporated; (ii) any lengthening of the Customer’s payment terms to GRAMMER for those goods into which the Goods and/or Services are incorporated will automatically lengthen the payment terms as between GRAMMER and Supplier by the same amount of time; and (iii) within three (3) business days of any change in price, specifications or other terms negotiated or proposed between Supplier and the Customer, Supplier shall notify GRAMMER in writing and immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on GRAMMER without GRAMMER’s specific written consent.
4. DELIVERY AND PRODUCTION VOLUMES
- 4.1 Time is of the essence of the Order and within the whole supply chain. Supplier shall deliver the Goods in the quantities and on the delivery dates and times specified in the Order or Material Releases (as defined in 4.2. below). Supplier shall immediately notify GRAMMER in writing if Supplier is unable to deliver the Goods in the quantities and on the delivery dates and times specified in the Order. Goods delivered in excess of the quantities or in advance of delivery dates or times specified in the Order shall be at Supplier’s risk and may be returned to Supplier by GRAMMER, and all transportation charges both to and from the original destination shall be paid by Supplier. GRAMMER shall not be required to make payment for any Goods delivered to GRAMMER that are in excess of the quantities specified in the Order or Material Releases. GRAMMER may on notice to Supplier change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Supplier to a modification of the price of the Goods or the Services covered by the Order.
- 4.2 Provided, the Order does not specify the quantities, or specifies the quantities as “blanket order”, “as released”, “as scheduled”, “as directed”, “or in another similar way, then, Supplier shall supply GRAMMER’s requirements for Goods in such quantities as identified by GRAMMER as firm material authorization releases, firm delivery schedules, or similar releases (“Material Release”) that are transmitted to the Supplier during the term of the Order, and Supplier shall supply all such Goods and Services on such dates and times, at the price and on the other terms specified in the Order. A new Material Release shall always replace the prior one.
GRAMMER may require Supplier to participate in an electronic data interchange or similar program, at Suppliers expense, for notification of Material Releases and other information relating to the Order.
- 4.3 Unless otherwise expressly stated in the Order, GRAMMER shall not be required to purchase the Goods or the Services exclusively from Supplier.
- 4.4 Supplier acknowledges the risk associated with lead times of various raw materials and/or components if they are beyond those provided in Material Releases. Supplier further accepts that any estimates or forecasts of production volumes or length of program, whether from GRAMMER or the Customer, are subject to change from time to time, and shall not be binding upon GRAMMER. Unless otherwise expressly stated in the Order or the Material Release, GRAMMER makes no representation, warranty, guarantee or commitment of any kind or nature, whether express or implied to Supplier in respect of GRAMMER’s quantitative requirements for the Goods or the Services or the term of supply of the Goods or the Services. GRAMMER shall only be bound by an acceptance obligation (from the Material Release date) in the context of 4 weeks for finished Goods and 8 weeks for raw material.
5. LABELLING, PACKING AND SHIPMENT
- 5.1 The Goods are to be suitably prepared for shipment and must be labeled, packed and shipped in accordance with the applicable trade standards, national, state, provincial and local laws and regulations pertaining to product content and warning labels, including without limitation the U.S. Toxic Substances Control Act and the European Union directive 2000/53/EC. Additionally, the GRAMMER specifications, as specified in the Order and in the GRAMMER logistic guidelines, which can be viewed at <http://www.grammer.com/en/supplier-support/purchasing.html> shall apply. If recyclable packaging is sent back to the Supplier, GRAMMER shall be entitled to claim reimbursement to the value of the packaging. If the Goods are not shipped in accordance with

- specifications mentioned above, Supplier shall pay or reimburse GRAMMER for any excess costs occasioned thereby.
- 5.2 Unless otherwise expressly stated in the Order, Supplier shall not charge GRAMMER for labelling, packing, boxing or crating.
6. DELAYS IN DELIVERY
- 6.1 If Supplier fails or refuses to proceed with the Order or fails to deliver the Goods within the delivery dates and times specified in the Order or the Material Release, GRAMMER may, without limiting or affecting its other rights or remedies available hereunder or at law, cancel the remaining balance of the Order or Material Release, unless the delay is excused by Force Majeure (as defined in Paragraph 30). In addition, if Supplier fails to meet the delivery dates or times of the Goods, other than by reason of Force Majeure, GRAMMER may, without limiting or affecting its other rights or remedies available hereunder or at law, direct expedited shipment and/or incur premium freight or transportation costs, and Supplier shall pay upon demand all excess costs incurred thereby, including additional handling charges and other related expenses resulting there from. Supplier shall be responsible for all other direct, consequential, and incidental damages incurred by GRAMMER as a result of Supplier's failure to meet the delivery dates or times, other than by reason of Force Majeure, including the cost of any line shutdown and the cost of obtaining goods from an alternate source. GRAMMER's actions in obtaining substitute or replacement products shall not limit the rights and remedies available hereunder or at law.
- 6.2 In the event that Supplier discovers any fact which may, or could with the passage of time, result in any delay, Supplier will immediately advise GRAMMER of such fact and use its best endeavours to take all measures and precautions to reduce the effect of such delay. In addition, at any time, at GRAMMER's request, Supplier will furnish to GRAMMER such information as GRAMMER may request concerning matters which could result in delays and assurance or contingency plans with respect to those matters. Supplier shall notify GRAMMER immediately of any actual or potential labour dispute delaying or threatening to delay timely performance of an Order or a Material Release and will include all relevant information.
7. TRANSPORTATION CHARGES, CUSTOMS DUTIES AND TAXES
- 7.1 Unless otherwise expressly agreed in writing, all Goods shall be delivered by Supplier "DDP - GRAMMER's plant" (according to the INCOTERMS in their recent version).
- 7.2 Unless otherwise expressly agreed in writing, prices include customs duties and expenses, tariffs and all federal, provincial, state and local taxes (including all import taxes, excise taxes and sales taxes) applicable to the manufacture, sale or provision of the Goods or the Services.
8. CUSTOMS
- 8.1 For customs purposes Supplier will attach a commercial invoice in English to the shipping documents in duplicate. Any simplification of that procedure is only permitted subject to GRAMMER's prior written consent. In the case of deliveries incurring customs duty, the invoice shall specify as separate items:
- cost of items not included in the price (such as commissions, brokerage, cost of licenses, cost of means of production, GRAMMER's contributions);
 - cost of items included in the price (such as cost of assembly and freight cost);
 - value of repairs carried out, broken down into cost of materials and wages.
- Even if deliveries are made free of charge, an indication of value is still required with the additional note „For Customs Purposes Only“. Either the invoice or the delivery note shall include the reason why the delivery is made free of charge (e.g. sample deliveries).
- Should further official documents be required in the case of imports or exports for the intended use of the Goods delivered, Supplier shall procure such documents for GRAMMER without delay and make them available to GRAMMER at Supplier's cost.
- 8.2 Supplier shall be obliged to provide a declaration of origin for the Goods either by filling in a set of pre-printed forms „Long Term Supplier's Declaration" pursuant EU-Directive 1207/2001, which will be provided by GRAMMER, such forms to be signed by Supplier's authorised representatives and submitted to GRAMMER within fourteen (14) days after Supplier's receipt of the forms (or in the case of the first delivery of Goods, no later than the date of delivery).
- Supplier shall inform GRAMMER immediately in writing of any change of origin of Goods.
- If Supplier supplies Goods, which get a preferential treatment in the import country, Supplier shall provide a declaration of origin suitable to that supply (e.g. Form sheet A, EUR 1). This certificate is required with every such shipment.
- 8.3 Supplier shall provide GRAMMER with all such support as may be necessary to enable GRAMMER to reduce or minimize its liability to customs duties.

- 8.4 For any and all questions and instructions arising out of or required in connection with customs and declaration of origin, Supplier shall contact GRAMMER's respective customs department.
- 8.5 Supplier shall ensure and observe legal policies and conditions. Supplier shall, on GRAMMER's request, provide evidence by certificates or statements (e.g. Security Declaration for Authorised Economic Operators AEO, Compliance statement regarding CTPAT initiative).
- 8.6 Supplier shall inform GRAMMER of any export restrictions applicable in the country of manufacturing and/or dispatching of the Goods and Tooling. Supplier shall inform GRAMMER if the Goods and Tooling are subject to any export/re-export license under U.S. law and regulations. If Supplier is located in the European Union, Supplier shall inform GRAMMER about any obligation to obtain an export license with respect to dual use goods as well as munitions subject to the European export control restrictions and the national codifications of the export control restrictions. Supplier shall advise GRAMMER about the classification number applicable (e.g. ECCN - Export Control Classification Number for US products, "AL-Number" for Goods listed in the German Export Control List, etc.) and any license exceptions available for the Goods and Tooling. Supplier shall provide information directly to GRAMMER AG's department of customs and export control.
9. PAYMENT
- 9.1 Unless expressly agreed otherwise, the prices agreed shall be fixed prices. The validity of such prices shall be automatically extended by a period of 12 months unless a subsequent price agreement or an Order between the Parties sets out new fixed prices. Unless otherwise agreed, payment shall be made within 30 days with a 2% cash discount or 60 days net. Periods shall commence on receipt of Goods and/or Services as stated in the Order and an invoice in proper and verifiable form is available. In the event that deliveries are accepted early, however, the period shall commence on the agreed delivery date at the earliest. Payments will be made in the currency expressly stated in the Order: if no such currency is noted, payment will be made upon GRAMMER's reasonable discretion in Euro or U.S. Dollars. Payment will be made by bank transfer on or before the due date unless otherwise expressly agreed by GRAMMER, and Supplier agrees to accept payment by electronic funds transfer. The Supplier further declares that it is able and willing to participate in a credit note procedure upon GRAMMER's request.
- 9.2 In the event that the Supplier is designated by the GRAMMER customer, and in particular the Supplier has agreed prices, specifications or other terms and conditions directly with the latter, the following shall apply: In the event of a change to the terms and conditions agreed between the Supplier and the respective GRAMMER customer, the Supplier shall notify the latter immediately in writing. Any changes of this nature shall not be binding for GRAMMER until GRAMMER confirms this in writing. Such confirmation can only be refused for good cause.
10. SET-OFF, RECOUPMENT
- In addition to any right of set-off or recoupment provided by law, all amounts due to Supplier will be considered net of indebtedness of Supplier and its subsidiaries and affiliates to GRAMMER and its subsidiaries and affiliates. GRAMMER shall have the right to set-off against or recoup from any payment or other obligation owed to Supplier, in whole or in part, any amounts due to GRAMMER or its affiliates or subsidiaries from Supplier or its affiliates or subsidiaries. GRAMMER will provide Supplier with a statement describing any offset or recoupment taken by GRAMMER.
11. CHANGES
- 11.1 Goods supplied or Services performed by the Supplier to GRAMMER shall be state-of-the-art, in particular GRAMMER part drawings and CAD data in their respective last valid index version, in compliance with the specifications given by GRAMMER and/or the GRAMMER customer and indicated in the Order. The Supplier shall also be responsible for ensuring that the delivered Goods are suitable for the use intended by GRAMMER and GRAMMER's customer.
- 11.2 GRAMMER reserves the right to make changes, or to cause the Supplier to make changes, to the drawings, specifications, and other provisions of the Order. If any such change results in an increase or a decrease in the cost of, or the time required for, manufacturing or delivering the Goods or performing the Services, an equitable adjustment may be made in the price or delivery schedule, or both, and the Order shall, subject to the agreement of GRAMMER and Supplier, be modified in writing accordingly. No claim under this paragraph 12 shall be asserted by Supplier after fourteen (14) days following the notification of the change by GRAMMER.
- 11.3 Supplier shall not, without GRAMMER's prior written authorization, make any changes to specifications, designs, materials or part numbers (or other types of identification), any major changes in processes or procedures, or any changes in the location of the facilities used by Supplier for the performance of its obligations under the Order.

12. PRICE WARRANTIES AND COMPETITIVENESS
- 12.1 Supplier warrants that the prices for the Goods and the Services are, and shall ensure that such prices remain, not less favorable to GRAMMER than the prices currently extended to any other customer of Supplier for the same or substantially similar goods or services in the same or substantially similar quantities and delivery requirements.
- 12.2 Supplier shall ensure that the Goods and the Services remain competitive, in terms of price, technology and quality, with substantially similar goods and services available to GRAMMER from other suppliers.
- 12.3 Supplier warrants that the prices in the Order shall be complete, and no surcharges, premiums or other additional charges of any type shall be added, without GRAMMER's prior written consent. Supplier expressly assumes the risk of any event or cause (whether or not foreseen) affecting such prices, including any foreign exchange rate changes, increases in raw materials costs, inflation, increases in labour and other manufacturing costs.
- 12.4 Provided the Supplier breaches the obligations stated in subparagraph 12.1 through 12.2, GRAMMER may at any time and at its sole discretion choose to terminate the affected Order with immediate effect.
13. WARRANTIES
- 13.1 Supplier expressly warrants and guarantees to GRAMMER that the Goods and the Services, including any special tools, dies, jigs, fixtures, patterns, machinery and equipment, that are delivered or provided to GRAMMER for the performance of the Order and/or are or become the property of GRAMMER shall: (i) conform to all drawings, specifications, samples and other descriptions furnished, specified or adopted by GRAMMER; (ii) comply with all applicable laws, regulations, rules, codes and standards of the jurisdictions in which the Goods or the Services, and the products containing the Goods and Services, are to be sold, including without limitation the National Traffic an Motor Vehicle Safety Act, United States motor verhicle safety standards and European Union Directive 2000/53/EC; (iii) be merchantable; (iv) be free from any defects in design, to the extent furnished by Supplier or any of its subcontractors, agents or suppliers, even if the design has been approved by GRAMMER; (v) be free from any defects in materials and workmanship; (vi) be fit, sufficient and suitable for the particular purpose for which GRAMMER intends to use the Goods or the Services, including the specified performance in the component, system, subsystem and vehicle location and the environment in which they are or may reasonably be expected to perform; and (vii) be free of all liens, claims and encumbrances whatsoever.
- For the purposes of clause (vi) above, Supplier acknowledges that Supplier knows the particular purpose for which GRAMMER intends to use the Goods or the Services. Supplier further expressly warrants that, unless otherwise expressly stated in the Order, the Goods are manufactured entirely with new materials and none of the Goods is, in whole or any part, governmental or commercial surplus or used, remanufactured, reconditioned or of such age or condition so as to impair its fitness, usefulness or safety. The warranties in this subparagraph 13.1 are referred to as the "Supplier's Warranties".
- 13.2 The Supplier's Warranties are available to, and for the benefit of, GRAMMER, its subsidiaries and affiliates, their respective successors and assigns, the Customer and users of products containing the Goods or the Services. The warranty period shall be that provided by applicable law, except that if GRAMMER is obligated to provide a longer warranty period to the Customer pursuant to the Customer Terms, such longer period shall apply. The Supplier's Warranties shall be in addition to all other warranties available to GRAMMER under applicable law.
- 13.3 Supplier shall indemnify and hold GRAMMER and the Customer, and their respective representatives, employees, agents, customers, invitees, subsidiaries, affiliates, successors and assigns, harmless from and against all liabilities, claims, demands, losses, costs, damages and expenses of any nature or kind (including consequential and special damages, personal injury, property damages, lost profits, recall or other Customer field service action costs, production interruption costs, inspection, handling and reworking charges, professional and other legal fees, and other costs associated with GRAMMER's administrative time, labour and materials) arising from or as a result of: (i) any breach of the Supplier's Warranties; and (ii) any other acts, omissions or negligence of Supplier or of any of its subcontractors or suppliers in connection with Supplier's performance of its obligations under the Order. No limitations on GRAMMER's rights or remedies in any of Supplier's documents shall operate to reduce or exclude such indemnification.

14. DEFECTIVE OR NON-CONFORMING GOODS OR SERVICES
- 14.1 If any of the Goods or the Services fail to meet the Supplier's Warranties, Supplier shall, upon notice thereof from GRAMMER at any time, promptly repair, replace or otherwise satisfactorily deal with the same in a manner acceptable to GRAMMER, all at Supplier's expense and without limiting or affecting GRAMMER's other rights or remedies available hereunder or at law.
- The rights and remedies reserved to GRAMMER will be cumulative with and in addition to all other or legal equitable remedies. Supplier will reimburse GRAMMER for any incidental, consequential or other damages – including lost profits – caused or required by Supplier's breach of Supplier's Warranties or by defective or non-conforming Goods, including without limitation costs expenses and losses incurred directly or indirectly by GRAMMER: (i) in inspecting, storing, sorting, reworking, repairing or replacing such Goods; (ii) resulting from production interruptions; (iii) conducting or participating at recall campaigns, customer field service actions or other corrective service actions; or (iv) resulting from personal injury, including death, of property damage caused by such Goods.
- The Supplier's Warranties shall also apply to such repaired, replaced or otherwise satisfactorily dealt with the Goods or the Services.
- 14.2 If Supplier fails to repair, replace or otherwise deal with any defective or non-conforming Goods or Services in a manner acceptable to GRAMMER or GRAMMER's Customer, GRAMMER may, without limiting or affecting GRAMMER's other rights or remedies available hereunder or at law, cancel the Order as to the particular Goods or Services and/or cancel the then remaining balance of the Order.
- 14.3 After notice to Supplier, all defective or non-conforming Goods shall be held at Supplier's risk. GRAMMER may, and at Supplier's direction shall, return such defective or non-conforming Goods to Supplier at Supplier's risk, and Supplier shall promptly pay, upon GRAMMER's demand, all transportation and other applicable charges, both to and from the original destination.
- 14.4 Any payment made by GRAMMER for defective or non-conforming Goods or Services shall be refunded by Supplier, except to the extent that Supplier promptly replaces or corrects the same at Supplier's expense.
15. INSPECTION AND QUALITY CONTROL
- 15.1 GRAMMER shall conduct an inspection of incoming Goods, which is in compliance with the technical specification ISO/TS 16949 "Quality management systems, particular requirements for the application of ISO 9001:2000 for automotive production and relevant service parts organizations". GRAMMER shall notify Supplier in writing of any deficiency of Goods once the deficiency has been discovered by GRAMMER in the ordinary course of its business.
- 15.2 Supplier will conform to the quality control and other standards and inspection systems of GRAMMER and (as applicable) its Customers, including without limitation quality control policies, ISO 9001:2000 or ISO/TS 16949:2002 quality certification and ISO 14001 environmental certification including registration. Supplier will also participate in supplier quality and development programs of GRAMMER and (as applicable) Customers. Supplier agrees to meet the full requirements of industry Production Part Approval Processes (PPAP) as specified by GRAMMER and (as applicable) Customers and agrees to present this information to GRAMMER upon request, at the level requested. Supplier shall ensure that all and any of its sub-contractors are contractually bound to comply with the terms of this Paragraph.
16. TOOLS & EQUIPMENT
- 16.1 Unless otherwise expressly stated in the Order, Supplier shall supply at its own expense all materials, equipment, tools, jigs, dies, fixtures, patterns, drawings, specifications, samples and facilities required to perform the Order (the "Supplier's Property"). Supplier grants GRAMMER an irrevocable option to take possession of and title to the Supplier's Property that is special for the production of the Goods, upon payment to Supplier of its net book value less any amounts that GRAMMER has previously paid to Supplier for the cost of such items; provided, however, that this option shall not apply if the Supplier's Property is used to produce goods that are the standard stock of Supplier or if a substantial quantity of similar goods are being sold by Supplier to others.
- 16.2 Notwithstanding any other provision, SUPPLIER expressly acknowledges and agrees that: (i) all materials, parts, components, assemblies, tools, jigs, dies, fixtures, patterns, drawings, specifications and samples, including any replacements thereof and any special tooling produced by SUPPLIER for the performance of its obligations under the project ("Tooling"), that are furnished to SUPPLIER or specifically paid for, in whole or in part, by GRAMMER; and (ii) all of the Goods that have been paid for, in whole or in part, by GRAMMER, whether or not GRAMMER has exercised its rights of inspection in respect thereof (all items in clauses (i) and (ii) above, collectively the "GRAMMER Property"), shall be held by SUPPLIER on a bailment basis and remain the property of, with both title and the right of possession in, GRAMMER and without limitation to any rights and remedies available hereunder or at law. The GRAMMER Property, while in SUPPLIER's custody or control and while in the custody or control of SUPPLIERS, contractors or agents, shall be held at SUPPLIER's risk, shall be kept insured by SUPPLIER at SUPPLIER's expense against loss or damage in an amount equal to the replacement cost thereof, and shall be subject to removal at GRAMMER's written request. SUPPLIER shall promptly notify GRAMMER of the location of the

- GRAMMER Property, if any are located at any place other than SUPPLIER's facility. Unless otherwise expressly stated, SUPPLIER shall maintain accounting and property control records for the GRAMMER Property in accordance with sound industrial practices. SUPPLIER undertakes, at SUPPLIER's expense, to maintain the GRAMMER Property in good condition and to repair within the life time and/or until the agreed output quantity has been reached, and shall replace any of the GRAMMER Property if, as and when necessary or reasonably required. GRAMMER does not provide any warranties with respect to the GRAMMER Property. Upon completion or termination of the project, SUPPLIER shall retain on a bailment basis for GRAMMER, as aforesaid, the GRAMMER Property still then in the physical possession of SUPPLIER, at SUPPLIER's expense, until disposition directions are received from GRAMMER. Upon receipt of GRAMMER's demand or disposition directions, SUPPLIER shall, at GRAMMER's expense, prepare the GRAMMER Property for shipment and shall deliver it to such locations as may be specified by GRAMMER. GRAMMER Property shall be in no less than the same condition as originally received by SUPPLIER, reasonable wear and tear excepted. If GRAMMER so requests, SUPPLIER shall grant GRAMMER access to SUPPLIER's premises during normal working hours for the purpose of inspecting or removing the GRAMMER Property.
- 16.3 SUPPLIER shall use the GRAMMER Property solely for the purpose of performing its obligations under the project. GRAMMER Property, while in Supplier's custody or control and while in the custody or control of Supplier's sub-suppliers, contractors or agents, shall be marked and adequately identified as the GRAMMER Property, and to the extent possible, will be isolated from Supplier's property.
- 16.4 All materials, Goods and services to be manufactured, produced or provided in conjunction with the Order must be in strict accordance with the specifications set forth in the Order or as otherwise specified by GRAMMER to Supplier.
- 16.5 At the GRAMMER's request, the Parties shall enter into a separate bailment agreement regarding GRAMMER's Property.
- 16.6 This shall apply accordingly for tooling owned and/or provided by the Customer/OEM of GRAMMER.
17. INTELLECTUAL PROPERTY
- 17.1 Supplier shall indemnify, defend and hold GRAMMER, and GRAMMER's affiliated companies harmless from and against all liabilities, costs, damages, claims and expenses (including court costs and legal expenses and any settlement of such claim or action) incurred by GRAMMER in respect of any claim or action brought by any third party against GRAMMER that the Goods or their use by GRAMMER or GRAMMER's customer infringe the intellectual property rights of such third party. Notwithstanding the foregoing, Supplier shall not be liable to the extent that the infringement results from the manufacture of the Goods in accordance with instructions received from GRAMMER and Supplier taking the level of care that is customary in the industry could not have known that following these instructions would result in an infringement of a third party's intellectual property right.
- 17.2 The Parties will inform each other forthwith of all such third party infringements or allegations of third party infringements of which they become aware. At GRAMMER's option, GRAMMER may select its own legal representation in the defence of any such claims or actions. Supplier will assist GRAMMER in its investigation, defence or handling of any such claim, including by providing any documents needed by GRAMMER to defend the action. If GRAMMER determines that it may be desirable for Supplier to intervene in any action, Supplier agrees to consult with GRAMMER and to consider any reasonable request that Supplier intervene in the action. However, the decision to intervene in an action remains Supplier's sole decision.
- If GRAMMER selects its own legal representation, Supplier's indemnification obligation under the subparagraph 17.1 extends to the reasonable costs and fees associated with such representation. If GRAMMER does not select its own legal representation, GRAMMER will give Supplier sole conduct of the defence of any such claims or actions.
- 17.3 Supplier shall specify any and all intellectual property rights known or becoming known to him, which are used in the design or manufacture of, or which otherwise affect or relate to the Goods or the Services.
- 17.4 In the event of a claim of infringement of any third party rights that is communicated to Supplier, Supplier shall take the needed steps to insure for GRAMMER a non-infringing source of supply, which may involve securing the needed licenses (if any), redesign of the product (subject to any agreed requirements and qualification obligations), or other steps Supplier deems necessary to ensure that a non-infringing product is delivered to GRAMMER.
18. CONFIDENTIALITY AND NON-DISCLOSURE
- 18.1 Supplier acknowledges and agrees that it will be obligated to maintain the secrecy and confidentiality of all information disclosed by GRAMMER to Supplier during the course of work under any Order ("Confidential Information"), including, but not limited to, any information regarding GRAMMER or its business or its Customer, the existence and terms of any Order, and any drawings, specifications, or other documents prepared by either party in connection with any Order. Supplier agrees that it will not disclose Confidential Information to or use Confidential Information with or for the benefit of itself or any third party without prior written authorization

- from GRAMMER. Supplier also agrees to adopt measures to protect the secrecy and confidentiality of Confidential Information that are reasonable under the circumstances. Confidential Information shall not include any information that (i) was in the possession of Supplier before receipt from GRAMMER; (ii) is or becomes available to the public through no fault of Supplier; or (iii) is received by Supplier in good faith from a third party having no duty of confidentiality to GRAMMER. The burden of proofing for such aforementioned exception shall be borne by the Supplier.
- 18.2 The obligations of Supplier with respect to Confidential Information shall remain in effect during the time that any Confidential Information is considered by GRAMMER to be secret or confidential or otherwise qualify for protection under the Uniform Trade Secrets Act. At the request of GRAMMER, Supplier will return to GRAMMER all materials (in any form) that include, incorporate, or otherwise Confidential Information of GRAMMER.
- 18.3 Unless otherwise agreed in writing, all information provided by Supplier to GRAMMER in connection with an Order shall be disclosed on a non-confidential basis, and GRAMMER shall have no duty to maintain the secrecy or confidentiality of such information.
19. COMPLIANCE WITH LAWS
- 19.1 Supplier and any Goods or Services supplied by Supplier, shall comply with all applicable laws, including rules, regulations, orders, conventions, ordinances and standards, including without limitation (i) in relation to the manufacture, labelling, transport, import, export, licensing, approval of certification of the Goods or Services, and (ii) laws relating to environmental matters, hiring, wages, hours and conditions of employment, international prohibitions on child labour, subcontractor selection, discrimination, occupational health or safety and motor vehicle safety.
- 19.2 All materials used by Supplier in the Goods or Services or their manufacture will satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations that apply to the country of manufacture, sale or destination.
- 19.3 Supplier, its employees, and contractors shall comply to the Guidelines of the Bundesverbandes für Materialwirtschaft, Einkauf und Logistik e.V. („BME Code of Conduct“) or similar guidelines. The Supplier shall commit to oblige its suppliers accordingly. The BME Code of Conduct is available at: <http://www.grammer.com/en/supplier-support/purchasing.html>
- 19.4 Supplier shall indemnify and hold GRAMMER harmless from and against any liability claims, demands or expenses (including, without limitation, attorneys' or other professional fees) arising out of or in connection with Supplier's non-compliance with the provisions of this paragraph 2
20. INSURANCE
- 20.1 Supplier shall procure and maintain at its sole expense insurances with reputable and financially responsible insurance companies, which adequately cover Supplier's liability against GRAMMER and third parties. GRAMMER is entitled to require certain insurance coverages and amounts to be taken out by Supplier. Supplier shall provide to GRAMMER certificates of such insurances and renewals thereof signed by the issuing company or agent or other information respecting such insurance at any time promptly upon GRAMMER's request.
- 20.2 GRAMMER's examination of, or failure to request or demand any evidence of insurance hereunder, shall not constitute a waiver of any requirement of this Paragraph 20 and the existence of any insurance shall not limit Supplier's obligation under any provision hereof.
- 20.3 For the purposes of 20.1, when Supplier is located in the United Mexican States, the Supplier will not be obliged to purchase an employer's liability insurance policy and employee compensation. Notwithstanding this, the Supplier shall be obliged to register all of Supplier's employees with the Mexican Social Security Institute, and to comply with all obligations related to it.
21. TERMINATION FOR CONVENIENCE UPON NOTICE
- 21.1 In addition to any other rights of GRAMMER to cancel or terminate the Order, GRAMMER may, at its option and in its sole discretion, terminate all or any part of the Order at any time and for any reason, and notwithstanding the existence of any event of Force Majeure under Paragraph 30, by giving at least 14 days written notice to Supplier. Upon receipt of notice of termination, and unless otherwise directed by GRAMMER, Supplier will: (i) promptly terminate all work under the Order on the effective date of termination; (ii) transfer title and deliver to GRAMMER the finished Goods, the work in process, and the parts and materials that Supplier reasonably produced or acquired according to quantities ordered by GRAMMER and that Supplier cannot use in producing goods for itself or for others; (iii) verify and settle any claims by subcontractors for actual costs incurred directly as a result of the termination and ensure the recovery of materials in subcontractors' possession; (iv) take actions reasonably necessary to protect property in Supplier's possession in which GRAMMER has an interest until disposal instruction from GRAMMER has been received; and (v) upon GRAMMER's request, cooperate with GRAMMER in Transition Support (as defined under Paragraph 24).

- 21.2 Upon termination by GRAMMER under this Section, GRAMMER will be obligated to pay only the following: (i) the price for all finished Goods or Services in the quantities ordered by GRAMMER that conform to the Order for which Supplier has not been paid; (ii) Supplier's reasonable actual cost of merchantable and useable work-in-process and the parts and materials transferred to GRAMMER under part 21.1 (ii) above; (iii) Supplier's reasonable actual costs of settling claims regarding its obligations to its subcontractors required under the Order, to the extent directly caused by the termination, but limited to the amount of the firm quantities of finished Goods and raw materials/components specified in Material Releases issued by GRAMMER and then currently outstanding; (iv) Supplier's reasonable actual cost of carrying out its obligation under Paragraph 21.1, if applicable, amounts due in connection with Transition Support (as defined under Paragraph 24).
- 21.3 Notwithstanding any other provision, GRAMMER will have no obligation for and will not be required to pay Supplier, directly or on account of claims by Supplier's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, tooling, facilities and equipment rearrangement costs or rental, unamortized capital or depreciation costs, finished goods, work-in-process or raw materials that Supplier fabricates or procures in amounts exceeding those authorized in the Material Releases, or general administrative burden charges from termination of the Order, except as otherwise expressly agreed in a separate Order issued by GRAMMER. GRAMMER's obligation upon termination under this Section will not exceed the obligation GRAMMER would have had to Supplier in the absence of termination.
- 21.4 Supplier will furnish to GRAMMER, within one month after the date of termination, its proven termination claim, which will consist exclusively of the items of GRAMMER's obligation to Supplier that are expressly permitted by this Paragraph 21. GRAMMER will have no obligation for payment to Supplier under this Paragraph 21 if GRAMMER terminates the Order or portion thereof because of a default or breach by Supplier, and any termination shall be without prejudice to any claims which GRAMMER may have against Supplier. In the event of a termination of the Order by GRAMMER as a result of GRAMMER ceasing to be a supplier to the Customer for the vehicle program in respect of which GRAMMER issued the Order, GRAMMER shall only be obligated to compensate Supplier for any costs under this Paragraph 21 if, when and to the extent that the Customer reimburses GRAMMER for such costs.
- 21.5 GRAMMER's rights to terminate the Order as established in any applicable provision of these Terms may be exercised by GRAMMER, without the need for judicial involvement or declaration.
22. TERMINATION UPON SUPPLIER'S DEFAULT OR CHANGE OF CONTROL
- 22.1 GRAMMER may terminate the Order, in whole or in part, for default occasioned by Supplier's: (i) breach of any terms of the Order; (ii) failure to perform in accordance with the requirements of the Order; or (iii) failure to make progress so as to endanger timely and proper delivery of the Goods or completion of the Services and, in each such case, Supplier does not correct such breach or failure within twenty (20) days (or such shorter period of time as GRAMMER may determine, if commercially reasonable under the circumstances) after receipt of written notice from GRAMMER specifying such breach or failure. Supplier shall be liable for all costs, damages and expenses caused by or resulting from its default under the Order.
- 22.2 GRAMMER may terminate the Order, in whole or in part, in the event of a change of control of Supplier. For the purposes of the Order, a "change of control" includes: (i) any sale, lease or exchange of a substantial portion of Supplier's assets used in connection with Supplier's performance of its obligations under the Order; (ii) any sale or exchange of a sufficient number of shares of Supplier, or of any affiliate that controls Supplier, to effect a change in management of Supplier; or (iii) the execution of a voting or other agreement of control in respect of Supplier, or of any affiliate that controls Supplier. Supplier shall notify GRAMMER in writing within ten (10) days of any change of control of Supplier, and GRAMMER may terminate the Order by giving written notice to Supplier at any time up to sixty (60) days after GRAMMER's receipt of Supplier's notice of change of control.
- 22.3 Any termination under this Paragraph 22 shall be without liability to GRAMMER, except for the Goods delivered or the Services performed by Supplier and accepted by GRAMMER.
23. TERMINATION UPON INSOLVENCY
- Either party may terminate the Order, without liability to the other party: (i) in the event of the insolvency, bankruptcy, reorganization, arrangement, receivership or liquidation by or against the other party; (ii) in the event that the other party makes an assignment for the benefit of its creditors or ceases to carry on business in the ordinary course; or (iii) if a receiver is appointed in respect of the other party or all or part of its property (collectively, an "Insolvency Event"). In the event of such termination, the other party shall be liable for all costs, damages and expenses suffered by the party that terminates the Order. Any such termination shall not affect the entitlement of GRAMMER with respect to the GRAMMER Property.

24. TRANSITION OF SUPPLY
- 24.1 In connection with GRAMMER's termination or non-renewal of the Order, or GRAMMER's other decision to source the Goods and/or the Services from any alternate supplier(s), Supplier will cooperate with GRAMMER in the transition of supply of the Goods and/or the Services, including the following: (i) Supplier will continue production and delivery of all Goods and/or Services as ordered by GRAMMER, at the prices and other terms stated in the Order, without premium or other condition, during the entire period reasonably needed by GRAMMER to complete the transition to the alternate supplier(s), such that Supplier's action or inaction causes no interruption in GRAMMER's ability to obtain the Goods and/or Services as needed; (ii) at no cost to GRAMMER, Supplier will promptly provide all requested information and documentation regarding and access to Supplier's manufacturing process, including on-site inspections, bill-of-material data, tooling and process detail and samples of the Goods and/or Services and components; and (iii) subject to Supplier's reasonable capacity constraints, Supplier shall provide special overtime production, storage and/or management of extra inventory of the Goods, extraordinary packaging and transportation and other special services (collectively, "Transition Support") as expressly requested by GRAMMER in writing.
- 24.2 If the transition of supply occurs for reasons other than GRAMMER's termination of the Order as stated in this Terms, GRAMMER shall, at the end of the transition period, pay the reasonable, actual cost of Transition Support as requested by GRAMMER and incurred by Supplier, provided that GRAMMER has approved Supplier's estimate of such costs prior to Supplier incurring such amounts.
25. SERVICE AND REPLACEMENT PARTS
- 25.1 Supplier shall at the request of GRAMMER provide GRAMMER or GRAMMER affiliates with sufficient quantities of Goods for use as spare parts for a period of fifteen (15) years after termination of Supplier's supply of the Goods for GRAMMER's series production or for such other period of time as GRAMMER shall require in writing. Supplier shall ensure that its sub-contractors comply with this subparagraph 25.1.
- 25.2 During the term of GRAMMER's series production, the price of the Goods used as spare parts shall be equal to the series price agreed in the order. However, during the extended term as set out in subparagraph 25.1 above, the price shall be determined by mutual negotiation.
- 25.3 GRAMMER and GRAMMER's affiliated companies shall be entitled to purchase Goods used as spare parts directly from Supplier's sub-contractors or from any other third party.
- 25.4 Unless otherwise expressly agreed in writing by an authorized representative of GRAMMER or GRAMMER removes tooling from Supplier necessary for the production of service parts, Supplier's obligations under this Paragraph 25 shall survive termination or expiration of the Order for any reason.
26. RIGHT TO AUDIT
- GRAMMER and its Customers shall have the right at any reasonable time to examine all relevant documents, records, materials, equipment, tooling and Goods in the possession or under the control of Supplier relating to any of Supplier's obligations under an Order. Supplier agrees to reasonably cooperate in any such audit request by GRAMMER.
27. SUBCONTRACTS
- Supplier shall in general ensure that the terms of its contracts with its sub-suppliers and sub-contractors provide GRAMMER and the Customer with all of the rights specified in the Order and the Terms.
28. ASSIGNMENT
- 28.1 Supplier shall not assign the Order or any portion hereof or work hereunder or any interest herein, except that Supplier may, with GRAMMER's prior written consent, make an assignment of monies due or which may become due hereunder to a bank or other financing institution; provided that any such assignment by Supplier shall be subject to set-off, deduction, recoupment or any other lawful means of enforcing any present or future claims that GRAMMER may have against Supplier, and provided further that any such assignment shall not be made to more than a single assignee. In the event of any such assignment, Supplier shall provide to GRAMMER, in addition to written notice of the assignment, a true copy of the instrument of assignment for GRAMMER's information only and, notwithstanding such receipt by GRAMMER, such notice of assignment and/or instrument of assignment shall not be deemed to vary or waive the provisions of this paragraph.
- 28.2 GRAMMER shall have the right to assign the Order or its interest herein, without Supplier's consent, to any of its affiliates or to any purchaser or successor to GRAMMER's business.
29. REMEDIES
- 29.1 The remedies reserved in the Order shall be cumulative and not alternative and may be exercised separately or together, in any order or combination, and are in addition to any other remedies provided for or allowed by law, at equity or otherwise.

- 29.2 Supplier expressly acknowledges and agrees that any failure of Supplier to deliver the Goods on the delivery dates and times as specified in the Order will cause irreparable harm to GRAMMER and that GRAMMER shall be entitled to equitable relief, including injunction, in such event.
- 29.3 Any proceeding or action initiated by Supplier for breach of contract or any other act or omission (including tort) arising from or in any way related to the Order must be commenced within one (1) year from the date the breach, act or omission giving rise to Supplier's claim occurs, regardless of Supplier's knowledge of such breach, act or omission or of its consequences.
30. FORCE MAJEURE
- 30.1 Any delay or failure of either party to perform its obligations will be excused if and to the extent that the party is unable to perform specifically due to an event or occurrence beyond its reasonable control and without its fault or negligence, such as: acts of God; restrictions, prohibitions, priorities or allocations imposed or actions taken by a governmental authority (whether valid or invalid); embargoes; fires; floods, earthquakes, explosions; natural disasters; riots; wars; sabotage; inability to obtain power; or court injunction or order.
- 30.2 The change in cost or availability of materials or components based on market conditions, supplier actions, or contract disputes or any labour strike or other labour disruption applicable to Supplier or any of its subcontractors or suppliers, will not excuse Supplier's performance (under theories of force majeure, commercial impracticability or otherwise), and Supplier assumes these risks. As soon as possible (but no more than one full business day) after the occurrence, Supplier will provide written notice describing such delay and assuring GRAMMER of the anticipated duration of the delay and the time that the delay will be cured.
- 30.3 During such delay or failure to perform by Supplier, GRAMMER may at its option:
- (i) purchase Goods from other sources and reduce its schedules to Supplier by such quantities, without liability to Supplier;
 - (ii) require Supplier to deliver to GRAMMER at GRAMMER's expense all finished Goods, work in process and parts and materials produced or acquired for work under the Order; or (iii) have Supplier provide Goods or Services from other sources in quantities and at a time requested by GRAMMER and at the price set forth in the Order. In addition, Supplier at its expense will take all necessary actions to ensure the supply of Goods or Services to GRAMMER for a period of at least 30 days during any anticipated labour disruption or resulting from the expiration of SUPPLIERS labour contracts. Otherwise, GRAMMER may terminate the Order without liability and Supplier shall reimburse GRAMMER for costs associated with the termination.
31. WAIVER
- Either party's failure to insist on the performance by the other party of any Term or failure to exercise any right or remedy reserved in the Order, or either party's waiver of any breach or default hereunder by the other party shall not, thereafter, waive any other terms, conditions, rights, remedies, breaches or defaults, whether of the same or a similar type or not.
32. MODIFICATIONS
- No modification of the Order, including any waiver of or addition to any of the Terms, shall be binding upon GRAMMER, unless made in writing and signed by GRAMMER's authorized representative.
33. TORT OBLIGATIONS
- GRAMMER's rights and Supplier's obligations under the Order shall not limit in any way whatsoever Supplier's common-law tort obligations or GRAMMER's right to sue in tort in addition, or as an alternative, to suing in contract.
34. RELATIONSHIP OF THE PARTIES
- Supplier and GRAMMER are independent contracting Parties and nothing in the Order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does the Order grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. None of the persons engaged by Supplier in the performance of its obligations under the Order shall be considered as employees of GRAMMER.
35. SEVERABILITY
- If any provision of the Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such provision shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of the Order shall remain in full force and effect.

36. NOTICES
Except as otherwise expressly stated in the Order, any notice given or other communication sent under the Order shall be in writing and shall be properly delivered to its addressee by hand, prepaid courier, registered mail, e-mail (receipt confirmed) or facsimile (receipt confirmed) at the applicable address noted on the face of the Order. Any notice or communication given as provided herein shall be deemed to have been received at the time of its delivery if delivered by hand, on the business day following its dispatch if transmitted by courier, e-mail or facsimile or on the third business day following its mailing if transmitted by registered mail. Either party may notify the other party, in the manner provided for herein, of any change of address, for the purpose of giving notices or sending communications under the Order.
37. ENTIRE AGREEMENT, GRAMMER'S WEBSITE
- 37.1 Except as described in the Order, together with any attachments, exhibits, supplements or other terms of GRAMMER specifically referenced therein, constitutes the entire agreement between Supplier and GRAMMER with respect to the matters contained in the Order.
- 37.2 GRAMMER may modify purchase order terms and conditions from time to time by posting revised purchase order terms and conditions to GRAMMER's internet website (or such other website as may be directed through links available on such website) as specified on the face of this Order ("GRAMMER's Website") at: <http://www.grammer.com/en/supplier-support/purchasing.html>, prior to the date when any modified terms and conditions become effective. Such revised purchase order terms and conditions shall apply to all purchase order revisions/amendments and new Orders issued on or after the effective date thereof. Supplier shall be responsible to review GRAMMER's Website periodically.
- 37.3 GRAMMER's Website may also contain specific additional requirements for certain items covered by this Order, including labelling, packaging, shipping, delivery and quality specifications, procedures, directions and/or instructions. Any such requirements shall be deemed to form part of these Terms and the Order. GRAMMER may periodically update such requirements by posting revisions thereto on GRAMMER's Website. In the event of any inconsistency between the Order and GRAMMER's Website, the terms of the Order shall prevail, unless the requirements specified on GRAMMER's Website expressly provide otherwise.
38. BATTLE OF THE FORMS
The Parties have agreed and it is their intent that the battle of the forms as described in Section 2-207 of the Uniform Commercial Code shall not apply to these Terms or to any invoice or acceptance form from GRAMMER relating to this Terms. It is the Parties' understanding that these Terms shall exclusively control the relationship of the Parties, even in the event of any discrepancy between any invoice or acceptance form sent by Supplier to GRAMMER.
39. GOVERNING LAW AND JURISDICTION
- 39.1 The terms of any Order (including this Terms) shall be governed by and construed in accordance with the laws of the country (and state/province, if applicable) of GRAMMER's principal place of business. The applicability of the United Nations Convention for the Sale of Goods (CISG) is hereby expressly excluded.
- 39.2 The Parties agree that the courts having jurisdiction over GRAMMER's principal place of business shall have exclusive jurisdiction for any action or proceedings under any Order.
- 39.3 Notwithstanding subparagraph 39.1 and 39.2 above, in the event that a third party or Customer brings to court a claim against GRAMMER or its affiliates for death, personal injury or property damage resulting from a product defect of the Goods supplied, GRAMMER may, at its discretion, conduct the court procedures necessary to enforce the indemnification against Supplier in terms of the Order or these Terms. In such a case the laws of the forum state shall govern exclusively the rights and obligations of the Parties involved. The same shall apply accordingly in the event of an actual or alleged breach of intellectual property rights.

June 2013