



STANDARD TERMS & CONDITIONS (APPENDIX B) SMR Automotive Systems Spain

March 10, 2016

SMR Automotive Spain Standard Terms and Conditions

1. Acceptance

Unless other terms and conditions are expressly accepted by SMR Automotive Spain by means of a specific written amendment hereto signed by SMR Automotive Spain or a director of SMR Automotive Spain the contract relating to the goods to be supplied ("the Goods" which expression includes any of them or any part of them) and work to be done (and the expression "work" includes work done in connection with products or free issue materials provided by SMR Automotive Spain) will be on the terms and conditions set out below ("the Contract Terms) to the exclusion of any other terms and conditions (except those implied in favour of SMR Automotive Spain which are not inconsistent with the Contract Terms) whether or not the same are endorsed upon, delivered with or referred to in any quotation or other document delivered or sent by the Supplier to SMR Automotive Spain. Any reference overleaf to the Supplier's quotation specification or like document will not be deemed to imply that any terms or conditions endorsed upon, delivered with or referred to in such quotation specification or like document will have effect to the exclusion or amendment of the Contract Terms.

2. Price and Payment

- 2.1 Unless SMR Automotive Spain agrees otherwise in writing, the price shall be fixed for the duration of the contract.
- 2.2 Unless otherwise agreed in writing payment for the Goods and work done under the Contract will be made:-
 - 2.2.1 on the last day of the second month following date of invoice, or, if later;
 - 2.2.2 in accordance with the project funding schedule where the project is being financed by a customer of SMR Spain.
- 2.3 Failure to comply with any specific payment instructions issued by SMR Automotive Spain will delay payment. Such delay will not however affect SMR Automotive Spain's rights to any cash discount to be allowed on the price of Goods or works supplied under the contract.
- 2.3 The Supplier will provide SMR Automotive Spain with such invoices, advice notes, delivery notes, statements and other documentation as SMR Automotive Spain may from time to time specify.

3. Packaging and carriage and delivery

- 3.1 Transit and offloading shall be at the Supplier's risk and no charges for packing, carriage or insurance will be allowed unless so specified by SMR Automotive Spain.
- 3.2 Unless otherwise agreed in writing the Goods (or other materials) are to be delivered carriage paid to the address designated by SMR Automotive Spain. SMR Automotive Spain reserves the right to make alternative delivery arrangements and to claim an allowance equal to any carriage charge saved.

- 3.3 All Goods (or other materials) must be delivered to the address for delivery specified by SMR Automotive Spain during the Company's normal working hours, and until delivery to such address will be at the Supplier's risk in all respects.
- 3.4 Time shall be of the essence in respect of delivery dates and delivery times for Goods and work and the Supplier shall comply in all respects with any delivery programme issued by SMR Automotive Spain at no additional cost to SMR Automotive Spain.
- 3.5 Unless SMR Automotive Spain expressly agrees otherwise in writing containers and packing must be supplied free but will be returned, if required, at the Supplier's risk and expense.
- 3.6 All Goods (or other materials) must be accompanied by a detailed Delivery Note stating SMR Automotive Spain Order number and giving full particulars (including the part number) of the Goods (or other materials) supplied.
- 3.7 No Goods supplied or work done under the Contract earlier than the date for delivery set out or in any delivery schedule will be accepted or paid for unless SMR Automotive Spain notifies the Supplier in writing of its intention to accept the same.
- 3.8 Any Goods referred to in Clause 3.7 which are not accepted by SMR Automotive Spain will remain at the Supplier's risk and SMR Automotive Spain may return the same to the Supplier at the Supplier's risk and expense.

4. Changes in Specification

SMR Automotive Spain may at any time make changes in writing relating to the contract, including changes in the drawings or specifications, method of shipment, quantities, packing or time or place of delivery. If such changes result in an increase in cost of, or time required for, the performance of the contract, an equitable adjustment shall be made to the price, delivery schedule or both. Any claim or adjustment by the Supplier must be approved by SMR Automotive Spain in writing before the Supplier proceeds with such change.

5. Property and Risk

- 5.1 The property and risk in the Goods will pass to SMR Automotive Spain at the time and place delivery unless otherwise specifically agreed.
- 5.2 Where any advance payment or progress payment is made by SMR Automotive Spain property, but not the risk, in any materials purchased or allocated by the Supplier for the purpose of the contract shall immediately vest in SMR Automotive Spain.

6. Dies, tools, patterns and equipment

- 6.1 Invoices for dies, tools, patterns and equipment ordered by SMR Automotive Spain shall be invoiced separately. Payment of such invoices shall not be authorised until

SMR Automotive Spain approves the quality of samples produced from Tooling.

- 6.2 Dies, tools, patterns and equipment ordered or supplied by SMR Automotive Spain for use in the manufacture of the goods or performance of the work ("Tooling") shall be kept securely in good condition by the Supplier adequately protected from and insured against all risks (including fire, theft and weather) without expense to SMR Automotive Spain.
- 6.3 No Tooling or drawings, data, information or intellectual property supplied by or for SMR Automotive Spain for use in the manufacture of the Goods or performance of the work shall be used in the production, manufacture or design of any other goods without the prior written consent of SMR Automotive Spain.
- 6.4 At the termination of the contract Tooling will be delivered at the Supplier's expense to SMR Automotive Spain's premises or as SMR Automotive Spain shall direct.
- 6.5 The Supplier shall not dispose of, use, transfer or otherwise encumber the Tooling without the written consent of SMR Automotive Spain.
- 6.6 Tooling which is to be paid for by SMR Automotive Systems Spain in whole or in part shall at all times be the property of SMR Automotive Spain.

7. SMR Automotive Systems Spain's Goods

- 7.1 Any dies, tools, patterns, equipment, negatives, documentation, data or goods supplied by SMR Automotive Spain to the Supplier for any purpose in connection with the contract or which is in the possession or custody of the Supplier and belongs to SMR Automotive Spain by virtue of this contract, including Tooling, are herein referred to as "SMR Automotive Spain Goods".
- 7.2 SMR Automotive Mirrors Spain's Goods shall not be removed from the Supplier's premises without the written instructions of SMR Automotive Spain except for the purpose of fulfilling the contract.
- 7.3 The property in SMR Automotive Spain's Goods shall remain with SMR Automotive Spain who may retake possession thereof at any time without notice. The Supplier shall keep SMR Automotive Spain's Goods separate and apart from all property of other persons and shall clearly mark SMR Automotive Spain's Goods "Property of SMR Automotive Spain".
- 7.4 SMR Automotive Spain is granted irrevocable authority to enter upon the Seller's premises or other premises where SMR Automotive Spain's Goods are located by its employees or agents to take possession of SMR Automotive Spain's Goods and (if necessary) to dismantle SMR Automotive Spain's Goods from anything to which they are attached.

- 7.5 The Supplier hereby agrees to indemnify SMR Automotive Spain against loss of or damage to SMR Automotive Spain's Goods during the time they are in the Supplier's possession, custody or control. During such time the Supplier shall adequately insure SMR Automotive Spain's Goods in the name of and for the benefit of SMR Automotive Spain at the Supplier's expense with a reputable insurance company against loss or damage arising from any cause whatsoever and shall produce to SMR Automotive Spain on demand the policies of such insurance and the receipts for premiums paid thereon.
- 7.6 The Supplier hereby waives any lien that it might otherwise have (whether at the date hereof or subsequently) on any of SMR Automotive Spain's Goods for work done thereon or otherwise but this Clause shall not be construed as a waiver of any other right of recovery of any charges that may be due to the Supplier for such work.
- 7.7 The Supplier shall keep SMR Automotive Spain's Goods free of all mortgages, charges or other encumbrances and will procure that any lien over SMR Automotive Spain's Goods is discharged forthwith.
- 7.8 The Supplier shall promptly pay SMR Automotive Spain on demand the full replacement value of any of SMR Automotive Spain's Goods which are not returned or satisfactorily accounted for.

8. Exclusive manufacture and Confidentiality

The Supplier will not either during the period of the contract or at any time thereafter: -

- 8.1 manufacture or procure to be manufactured for any person or company other than SMR Automotive Spain any goods to designs or specifications originated or owned by SMR Automotive Spain; or
- 8.2 disclose to any person or company any manufacturing process, design, negative, engineering drawing or data, information, or any other trade secret of whatsoever nature belonging to SMR Automotive Spain or relating to SMR Automotive Spain or to the Goods or work being supplied to SMR Automotive Spain under the contract to the extent that the Goods or work are supplied to designs or specifications originated or owned by SMR Automotive Spain Provided Always that this restriction shall not apply to any information: -
- 8.2.1 which at the time of disclosure is in the public domain or which becomes public after disclosure otherwise than through the actions of the Supplier
- 8.2.2 which the Supplier can show by satisfactory proof to have been in its possession prior to disclosure hereunder.

9. Disposal of Own Label Goods

In the event of the non-delivery to SMR Automotive Spain, or the return to the Supplier for whatever reason, of any Goods or other materials which are manufactured, packaged or labelled in such a manner as to identify them in any way with SMR Automotive Spain, the Supplier shall not under any circumstances dispose of those Goods or other materials to a third party without the prior written consent of SMR Automotive Spain. Any specific instructions given by SMR Automotive Systems Spain in respect of such disposal shall be strictly adhered to by the Supplier and, in any event, all references to SMR Automotive Spain's name, address, trade marks and any other indications of SMR Automotive Spain's identity shall be totally removed by the Supplier prior to disposal so that no such reference remains which might lead any third party to associate the Goods or other materials with SMR Automotive Spain.

10. Inventions, improvements and discoveries

10.1 Where SMR Automotive Spain commissions the Supplier under the contract to create any work (including any designs or artwork) or any invention or improvement, ownership of such works, inventions and improvements including any intellectual property rights therein is hereby assigned to SMR Automotive Spain and shall vest in SMR Automotive Spain upon their creation and be the sole and absolute property of SMR Automotive Spain

10.2 The Supplier hereby assigns to SMR Automotive Spain all inventions, improvements and discoveries (whether such is patentable or not) conceived in the performance of the contract which are based on information, designs, test data and ideas disclosed by SMR Automotive Spain to the Supplier made by any person employed by or working under the direction of the Supplier. On completion of the contract, the Supplier shall give to SMR Automotive Spain all design, negatives, engineering drawings and data and information of whatsoever nature in its possession and cause its employees to sign any documents necessary to enable SMR Automotive Spain to file applications for patents throughout the world and to obtain title thereto and the Supplier shall use its best endeavours to facilitate the same

10.3 The Supplier irrevocably appoints such person as may be nominated by SMR Automotive Spain to be the Attorney of the Supplier to act for and on its behalf in completing any assignments and other documents to put into effect the Suppliers agreement in Clauses 10.1 and 10.2

11. Patents and Designs

The Supplier warrants that the sale or use of Goods supplied or results of work performed pursuant to the contract will not infringe any intellectual property right including Patent, Registered Design, Industrial Design, Design Right, Topography Right, Trade Mark or Trade Name or other protected right in any country and undertakes to indemnify SMR Automotive Spain against all judgements, decrees, orders, damages, costs and expenses arising from actual or alleged infringements of the same except that this indemnity shall not

apply to the extent that such loss or damage arises out of the Goods being manufactured or work being performed in accordance with designs or specifications provided by SMR Automotive Spain.

12. Quality

Without prejudice to any other Contract Terms including terms implied in favour of SMR Automotive Spain Purchaser:-

- 12.1 All Goods and work will comply in every way with the specification, drawings, samples or other descriptions
- 12.2 All work will be carried out with reasonable skill and care and be suitable for the purposes indicated or to be reasonably inferred from the specification and as may be made known by SMR Automotive Spain to the Supplier prior to the contract being entered into.
- 12.3 Any Goods supplied or installed under the contract shall be so formulated, designed, constructed, finished and packaged as to be safe and without risk to health and comply with all British, Australian, American and European Standards or other recognised standards of health and safety including the health and safety requirements of the Health & Safety at Work etc. Any Goods which are (or will be upon supply in the European Community) within the scope of the CE marking requirements of any relevant EC Directive or local laws implementing the same shall satisfy the relevant requirements and shall bear a properly affixed CE mark, have a certificate of conformity and all necessary technical specifications. Goods must meet all relevant health and safety requirements applicable to Goods both in the state or form supplied to SMR Automotive Spain and when combined with other goods. It is the responsibility of the Supplier to acquaint itself with the purpose for which the Goods are to be supplied.
- 12.4 All Goods will be supplied with full instructions for their proper use maintenance and repair and with any necessary warning notices clearly displayed
- 12.5 Without prejudice to any other of the Contract Terms SMR Automotive Spain will have the benefit of any guarantee given by the Supplier

13. Right to terminate

SMR Automotive Spain shall be entitled to terminate the contract without liability to the Supplier and without prejudice to SMR Automotive Spain's other rights in any of the following circumstances:

- 13.1 the Supplier fails to deliver the Goods or perform the work on the date set out or in any delivery schedule, time being of the essence
- 13.2 the Goods supplied or work performed by the Supplier is such that they do not comply in every way with the Contract
- 13.3 the Supplier has had a bankruptcy order made against him or has made an arrangement or composition with his creditors or otherwise taken the benefit of any Act for the time being in force for the relief of insolvent debtors or has suffered or allowed any execution whether legal or equitable to be levied on his property or obtained against him or (being a body corporate) has had convened a meeting of creditors (whether formal or informal) or has entered into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation or has a receiver manager administrative receiver or administrator appointed of its undertaking or any part thereof or a resolution has been passed or a petition presented to any Court for the winding-up of the Supplier or any proceedings have been commenced relating to the insolvency or possible insolvency of the Supplier.
- 13.4 the Supplier comes under the ownership or control of a competitor of SMR Automotive Spain
- 13.5 any breach by the Supplier of a term of these Contract Terms

14. Payments on termination

- 14.1 SMR Automotive Spain may at any time give written notice to the Supplier to terminate the contract forthwith and in such event SMR Automotive Spain shall pay and the Supplier shall accept in settlement of all claims under the contract such a sum as shall reasonably compensate the Supplier for work done and raw materials received and paid for by the Supplier in and for the performance of the contract prior to its termination
- 14.2 The provisions of Clause 14.1 shall not apply if the order is terminated by SMR Automotive Spain pursuant to the default of the Supplier pursuant to any term of the Contract Terms

15. Pre-delivery Inspection

- 15.1 Prior to delivery to SMR Automotive Spain the Supplier shall adequately inspect and test the Goods and work and if SMR Automotive Spain so requires the Supplier shall furnish SMR Automotive Spain with test certificates. The Supplier shall allow SMR Automotive Spain or its authorised representative unrestricted access to any area of any premises where the Goods or any part are being manufactured or stored or where any of SMR Automotive Spain's Goods are being kept in order that SMR Automotive Spain or its authorised representative may inspect test or inspect tests of the same or verify conformance of goods with the specification requirements of SMR Automotive Spain. The Supplier shall afford SMR Automotive Spain or its authorised representative such use of the Supplier's equipment and employees as is reasonable in the circumstances in order to facilitate such inspection testing or verification
- 15.2 No inspection or testing by SMR Automotive Spain pursuant to this Clause shall imply any acceptance of the Goods or work by SMR Automotive Spain or in any way relieve the Supplier of its obligations and duties under the Contract or otherwise

16. Post-delivery Inspection

Goods supplied shall be subject to SMR Automotive Spain's inspection and right of rejection at any time within 12 months of delivery where they fail to comply with the contract in any way. When Goods are rejected either in part or in total they will be returned at the Supplier's expense.

17. Guarantee and Indemnity

17.1 Without prejudice to SMR Automotive Mirrors Spain's rights under any condition warranty or other term implied herein by statute or by Common Law or under any term of the contract, the Supplier will be liable to SMR Automotive Spain for and indemnify and keep SMR Automotive Spain indemnified against any liability claim cost (on a full indemnity basis) proceeding loss or damage (including the stopping of or interference with the production or manufacture or supply or recall by SMR Automotive Spain of any Goods or works):-

17.1.1 caused by any defect in any Goods supplied or work done by the Supplier or by their not complying with the appropriate specification set out overleaf

17.1.2 in the event of delays, defaults or non-deliveries arising other than as a result of negligence on the part of SMR Automotive Spain, against any increase in:-

17.1.2.1 the cost of labour or material required to produce the Goods or obtain the work elsewhere

17.1.2.2 the cost of transportation

17.1.2.3 the cost of any other item in connection with the Goods or work which would not have been incurred but for such delay, default or non-delivery

17.1.3 incurred by SMR Automotive Spain under contracts entered into by SMR Automotive Spain the performance of which has been delayed or rendered impossible by the Supplier's breach of its obligations hereunder

17.1.4 arising directly or indirectly out of any breach by the Supplier of the contract terms.

Any sums expended by SMR Automotive Spain so caused or arising shall be reimbursed to SMR Automotive Spain by the Supplier on demand

17.2 In connection with any liability claim proceeding loss or damage under this Clause the Supplier must provide all such facilities assistance or advice as SMR Automotive Spain may request for the purpose of contesting the same and further must, if so requested by SMR Automotive Spain, accept as final and binding the decision of any Court (anywhere in the world) in relation to the same

17.3 The Supplier consents to SMR Automotive Spain transferring any guarantee or similar rights given by the Supplier to SMR Automotive Spain in relation to the Goods or works supplied to any other person or company to whom SMR Automotive Spain sells hires or disposes of such goods or services to the intent that such guarantee or similar right may be enforced against the Supplier not only by SMR Automotive Spain but also by any other person or company claiming through SMR Automotive Spain

18. Spare Part

The Supplier shall maintain the supply of spare parts for Goods supplied for a period of 15 years from the date of supply.

19. Advertising

The Supplier will not without first obtaining the written consent of SMR Automotive Mirrors in any way whatsoever advertise or publish the fact that the Supplier has contracted to supply to SMR Automotive Systems Spain the Goods or works herein mentioned

20. Health and Safety and Quality Assurance

20.1 The Supplier agrees before delivery to furnish SMR Automotive Systems Spain in writing with a list by name and description of any harmful or potentially harmful properties or ingredients in the articles supplied whether in use or otherwise and thereafter information concerning any changes in such properties or ingredients. SMR Automotive Systems Spain will rely on the supply of such information from the Supplier in order to satisfy its own obligations under relevant health and safety

requirements including the Health and Safety at Work Act and the Control of Substances Hazardous to Health Regulations.

- 20.2 The Supplier shall respond to inquiries regarding the use of minerals designated as Conflict Minerals by section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act in their product, as required by the SMR entity.
- 20.3 In respect of all Goods supplied and work done the Supplier will maintain or observe quality control and supplier quality assurance standards in accordance with the requirements of SMR Automotive Systems Spain, its customers, relevant standards, statutes and regulatory bodies.
- 20.4 The Supplier will maintain detailed quality control and manufacturing records for the period of at least 12 years from the date of supply of Goods or work
- 20.5 It is the responsibility of the Supplier to acquaint itself with the purposes for which the Goods or work supplied are to be used

21. Blanket Orders

- 21.1 Where SMR Automotive Systems Spain places and the Supplier accepts a blanket order, the Supplier binds himself to supply such of SMR Automotive Systems Spain's requirements for the Goods or works as SMR Automotive Systems Spain may from time to time specify in Delivery Schedules and SMR Automotive Systems Spain agrees subject to the Contract Terms to pay for the Goods and works supplied. Until the receipt of a Delivery Schedule the Supplier is not authorised to commence the manufacture or production of the Goods or carrying out of the work
- 21.2 If the Supplier fails to accept and comply with any Delivery Schedule submitted by SMR Automotive Systems Spain, the Supplier will be deemed to be in breach of the Contract Terms and will pay to SMR Automotive Systems Spain as damages for the breach all costs and expenses incurred by SMR Automotive Systems Spain as a result thereof, including but not limited to all sums expended by SMR Automotive Systems Spain in securing an alternative supplier for the Goods and works to satisfy SMR Automotive Systems Spain's future requirements (including any sums expenses by reasons of any increase in the price) and any loss suffered by SMR Automotive Systems Spain as a result of delays in its production

22. General

- 22.1 Failure by SMR Automotive Systems Spain to enforce any of the Contract Terms will not be construed as a waiver of its rights
- 22.2 The Contract must be performed by the Supplier personally and no part of it may be assigned sub-let or sub-contracted by the Supplier without SMR Automotive Systems Spain's written permission

- 22.3 Where the Supplier is aware expressly or by implication that the Goods and work are required to enable SMR Automotive Systems Spain to fulfil a contract with a specific customer this Contract will be deemed to be made subject to the contract conditions between SMR Automotive Systems Spain and SMR Automotive Systems Spain's customers are that in a case of conflict these Contract Terms will prevail.

The contract will be construed and operate in accordance with Law. The Supplier hereby submits himself to the non-exclusive jurisdiction of the Courts.