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**1. Scope**

1.1 These General Purchasing Conditions for Aerospace Production ("GPC") apply to all business relations between any company in the Motherson AEROSPACE SAS group (hereinafter "Motherson") and its suppliers (hereinafter the "Supplier"). They apply to the purchase of production materials for Motherson's own series production, as well as to the purchase of spare parts, tools, machines, systems or other products or materials and associated services, including services and subcontracting operations (hereinafter "the Products").

1.2 These GTC prevail over all documents issued by the Supplier, in particular but not exclusively its general terms and conditions of sale.

**2. The orders**

All orders placed by Motherson are subject to these GTC and to any other agreements concluded and executed in a complementary manner by and between the parties. Any modification or amendment to an order constitutes a new offer and, as such, must be accepted by Motherson in writing. Unless otherwise agreed between the parties, an order is binding on the Supplier 5 days after it is issued, even in the absence of explicit acceptance by the Supplier. Notwithstanding the foregoing, if the Supplier does not accept the order in writing within 5 calendar days of its issue by Motherson, Motherson shall have the right to revoke such order. No inquiry by Motherson to the Supplier concerning the Supplier's Products and the conditions of their supply nor any request for a quotation by Motherson to the Supplier shall be legally binding on Motherson in any way.

**3. Changes at the initiative of Motherson**

Motherson may, at any time, request changes, additions or modifications in the quantity, destination(s), specifications, drawings, manufacture, design or delivery schedules relating to the Products. If such changes affect Supplier's costs or schedule, Motherson may adjust the price or lead time at any time. If such a change results in a modification of the Supplier's direct costs, the price of the Products may, after discussion between the Parties, be adjusted accordingly.

**4. Changes initiated by Supplier**

The Supplier shall not make any changes to the design, manufacturing process, DVI (dossier validation industrielle) / FAI (first article inspection) or PPAP (production part approval process), manufacturing location(s), raw materials, subcontractors, purchased components or parts, packaging, marking, shipping methods and/or delivery date or location of the Products without the prior written approval of Motherson.

**5. Quantity**

5.1 Except for firm quantities of Product ordered by Motherson, Motherson shall have no obligation to purchase any specific quantity or volume of Product. Motherson may provide Supplier with estimates, forecasts or projections (hereinafter the "Estimates") of its future volume or quantity requirements for the Product, or those of its customers. Such estimates do not constitute a commitment on the part of Motherson to purchase the quantities specified in the Estimates, and therefore do not constitute an obligation to purchase. Supplier acknowledges that the Estimates, like any other assumptions for the future, are based on a number of economic and business factors and variables, which may change over time in whole or in part, and may prove inaccurate at the time they were made or at a later date.

5.2 The Supplier shall ensure that the Products are delivered in the quantities ordered by Motherson. In the event of non-compliance with the ordered quantities of Products, Motherson shall be entitled,

without prejudice to all rights set forth in these GTC: (i) to accept delivery, even with incorrect quantities, and modify future order quantities accordingly if deemed necessary; or (ii) to reject the excess quantity, with excess shipments to be returned to Supplier at Supplier's sole risk and expense, and storage costs to be charged to Supplier; or (iii) to require Supplier to immediately deliver any shortfall in quantities of Products, it being agreed and understood that any additional costs or expenses resulting from the necessary immediate replenishment of shortfall quantities shall be borne by Supplier.

## **6. Packaging, marking, shipping**

6.1 The Supplier shall pack, label, mark and ship the Products in an appropriate and safe manner, in accordance with all applicable packaging standards and, where applicable, depending on the carrier transporting such Products and/or the laws and regulations of the country of destination. The Supplier shall reimburse Motherson for all expenses incurred as a result of improper packaging, marking, routing or shipping of the Products.

6.2 Each packaging unit must bear the markings required by Motherson from the Supplier.

6.3 If the Supplier fails to meet the agreed delivery date, Motherson may require shipment of any Products by a faster means of transportation, and the Supplier shall bear the cost of such transportation in such event. It is Supplier's sole responsibility to comply with shipping instructions provided by Motherson or Motherson's customer. Supplier will pay all costs incurred by Motherson as a result of Supplier's failure to comply with shipping or delivery requirements, including costs charged by Motherson's customers. Supplier will continue to work on a recycled packaging solution if technically and commercially feasible.

## **7. Customs, certificates of origin, VAT (value-added tax) certificates, export restrictions**

7.1 Supplier shall comply with all applicable customs laws and government agency rules and regulations relating to the import and export of Products, including, but not limited to, those relating to documentation and invoicing, free trade agreements, country of origin marking or labeling, local content requirements and security of goods. All benefits and credits resulting from Supplier's performance of an order issued by Motherson, including, but not limited to, trade credits, export credits, customs rebates and remissions of taxes and charges, shall accrue to the benefit of Motherson, unless otherwise stipulated in the order or prohibited by applicable law.

7.2 The Supplier shall immediately provide Motherson with certificates of origin, including all required information and duly signed, upon Motherson's request. The same applies to all VAT (value-added tax) certificates in the case of foreign and intra-Community (EU) deliveries.

7.3 The Supplier shall inform Motherson immediately if a delivery is, in whole or in part, subject to export restrictions under any applicable legislation.

## **8. Delivery**

8.1 Unless otherwise agreed between the parties, the delivery time and date specified in orders or delivery schedules issued by Motherson shall be binding. Compliance with any delivery date or period shall depend upon and be based upon the date of receipt of the Product by Motherson's receiving factory or at the address designated by Motherson, during normal business hours. If EXW delivery is agreed, the Supplier will make the Product available to Motherson in good time, taking into account the time usually required for loading and shipping.

8.2 The Supplier shall immediately inform Motherson of any imminent delay in delivery, including the

estimated duration of the delay, the estimated time of actual delivery and the reasons for the delay. The communication of this information by the Supplier and its receipt by Motherson shall not be considered as a waiver by Motherson of its rights and prerogatives as defined in these GTC.

8.3 The Supplier is obliged to compensate Motherson for any damage caused by a missed or delayed delivery, to the fullest extent permitted by law.

8.4 In the event that the Supplier is in default due to exceeding the delivery date, Motherson shall be entitled to demand a contractual penalty equivalent to 0.5% of the value of the missing quantities of the Products of the corresponding order line for each day of delay, the total amount of which penalty shall not exceed 20.0% of the value of the missing quantities of the Products of the corresponding order line. In addition, Motherson may pass on to the Supplier the amount of the penalties by its own customer as a result of such delay. Motherson's right to assert claims for any other damages shall remain unaffected.

8.5 In addition to the foregoing, in the event of late delivery by the Supplier, Motherson shall be entitled:

- (i) to procure elsewhere, at any time, in whole or in part, the Products ordered, at the Supplier's expense and risk, with the sole obligation to inform the Supplier thereof; and/or,
- (ii) if the missing or delayed delivery results in an interruption of production or incompleteness of Motherson's product, to charge the Supplier for the resulting costs, including fixed costs and labor costs associated with unused labor and/or additional labor required to make up for the default.

8.6 All of the foregoing shall not affect Motherson's right to claim compensation for any additional damages incurred, particularly in the event that the Supplier's missing or delayed delivery jeopardizes Motherson's ability to meet any contractual commitments to its own customers.

8.7 Motherson is under no obligation to accept and may elect to store or return to Supplier any excess, early, late or partial delivery, at Supplier's sole risk and expense, including, but not limited to, all packaging, handling, sorting and transportation costs. Early deliveries do not give rise to advance payments for Products. Motherson may at any time request the Supplier to modify or temporarily suspend shipping schedules as specified in the order, release or other written instruction, which shall not entitle the Supplier to modify the price of the Products concerned.

8.8 Unless expressly agreed otherwise, all deliveries are made DAP (ICC Incoterms® 2020).

## **9. Transfer of ownership and risk**

9.1 Unless otherwise expressly agreed between the parties, ownership of the Products shall pass to Motherson upon receipt and visual inspection by Motherson at the agreed destination. Accordingly, unless expressly agreed otherwise, the risk of loss or damage to the Products shall pass to Motherson upon receipt and formal acceptance of the Products at the agreed destination.

9.2 In the event that Products are delivered from stock on consignment, transfer of ownership is deemed to occur at the time of removal of the corresponding Products from the warehouse.

9.3 Any reservation of title clause inserted by the Supplier in any document shall be deemed not to have been accepted by Motherson.

## **10. Prices**

10.1 Products are supplied at the mutually agreed price. The Supplier warrants that the price stated in the order, or otherwise agreed to in writing by the parties, is a full price including storage, handling,

packaging, taxes and all other charges and expenses, and that no additional charges of any kind will be added to the agreed price without the express written consent of Motherson's authorized representative.

10.2 Any request for a price adjustment must be submitted by the Supplier in writing and supported by documentation justifying the requested adjustment. Supplier also agrees not to withhold or threaten to withhold shipment of Products while the parties are negotiating prices.

## **11. Invoices, payment**

The Supplier shall promptly submit correct and complete invoices, stating the delivery date as well as Motherson's order number, supplier code and part number. All invoices must be accompanied by appropriate supporting documentation and any information that may reasonably be required by Motherson after delivery of the Products. Motherson may suspend payment until a correct and complete invoice and any other required information have been received and verified by Motherson. If no payment term is specified in the order, Motherson shall pay the Supplier for the Products at 30 days end of month on the 15th day following receipt of the corresponding invoice from the Supplier. The Supplier accepts payment by electronic transfer.

## **12. Compensation**

12.1 Motherson is entitled to offset its claims against the Supplier's claims and/or against claims which are or may be assigned by the Supplier to a third party. Motherson may convert its claims at the rate applicable on the day of set-off into the currency of the Supplier's claims.

12.2 The Supplier may only set off claims which have been previously agreed between the parties or which have been legally established as enforceable.

## **13. Quality**

13.1 The Supplier represents and warrants that it will comply in all respects, and will cause its subcontractors and suppliers to comply in all respects, with Motherson's quality requirements and procedures, as they may be amended or updated from time to time.

13.2 The Supplier, as a fully competent expert in the design, development and/or manufacture of the Products, will promote the continuous improvement of its quality, manufacturing and logistics processes in accordance with the international state of the art for the aerospace industry and with all applicable laws and/or regulations in force in each country where the Products are to be manufactured, used or sold.

13.3 In particular, the Supplier shall comply with Motherson's and its own customers' quality control standards and inspection systems, as well as related standards and systems (including, but not limited to, Motherson's and Motherson's customers' quality control and qualification policies, EN9100 standard, NADCAP standard etc.). ). Supplier shall participate in all quality programs of Motherson's suppliers and Motherson's customers that may apply to the Products described in the order.

13.4 Supplier agrees to comply with all requirements of production part approval processes, including DVI (Dossier Validation Industrielle) or PPAP (Production Part Approval Process) or any other similar applicable approval process, as specified by Motherson and/or Motherson's customers, and agrees to present evidence of compliance to Motherson upon request.

13.5 The Supplier undertakes to comply with all the requirements of Directive 2000/53/EC of the European Parliament and of the Council (End-of-Life Vehicles Directive), Regulation (EC) No

1907/2006 of the European Parliament and of the Council of 18 December 2006 (REACH) and their amendments, as specified by Motherson and Motherson's customers.

**14. Competitiveness**

The Supplier shall at all times remain competitive with respect to price, quality, performance and fulfillment of its obligations to Motherson. If the Supplier's Products are not competitive with similar products in similar quantities, Motherson shall have the right to replenish all or part of the Products from a more competitive source without being obliged to pay any compensation to the Supplier.

**15. Audit**

15.1 Motherson may inspect, directly or through third parties, the Products at any time during their manufacturing, construction, preparation, delivery or completion process. Accordingly, Motherson and Motherson's customers shall have the right to enter Supplier's premises at agreed and reasonable times to inspect Motherson's facilities, supplies, materials and any property covered by an order. Supplier agrees to provide all supporting documentation that may be required by Motherson or Motherson's customers in connection with such inspection. At Motherson's request, the Supplier shall submit production and quality test reports and related data. In addition, at Motherson's request, Supplier will use its best efforts to have its own suppliers permit Motherson and Motherson's customers to conduct similar inspections and audits at subcontractors' facilities.

15.2 Motherson's inspection of the Products shall in no way be considered as a waiver of the Supplier's expected warranties, warranty for latent defects in the Products or misrepresentations by the Supplier, and shall not imply any acceptance of the Products.

15.3 Insofar as the responsible authorities are charged with examining certain requirements and request an overview of Motherson's production process and inspection documents, the Supplier will grant such authorities the same rights as those mentioned in Section 15.1 above and will provide all necessary assistance.

15.4 The Supplier shall retain all relevant information relating to an order for a period of at least 10 years after completion of the services or delivery of the Products pursuant to such order or such longer period as may be required by Motherson's customers.

**16. Documentation**

16.1 In the event that the Products are subject to regulatory standards, in particular, but without limitation, to any standards set by applicable law or by any regulatory, administrative or jurisdictional order or decree that may apply to the design, production, sale or distribution of the Products, the Supplier shall make available, and shall cause its suppliers to make available, to Motherson all documentation concerning:

- (i) qualification and/or homologation of the Products; and
- (ii) manufacturing processes, insofar as may be necessary to indicate the methodologies applied, the results obtained from testing and certification activities, and the persons responsible for them.

16.2 These documents will be kept by the Supplier for at least 15 (fifteen) years after the withdrawal (cessation of manufacture) of each Product, and a copy of these documents will be given to Motherson at the latter's request.

**17. Property of Motherson**

17.1 All right, title and interest in and to all materials, tools, jigs, dies, gauges, fixtures, molds, models,

materials, tooling, designs, drawings, specifications, spare parts, test parts, auxiliary products, dunnage, racks, containers, and any other type of items owned and/or provided by Motherson to Supplier for use in the manufacture of the Products, or for which Supplier has been paid or otherwise reimbursed by Motherson, shall be and remain the exclusive property of Motherson (hereinafter the "Motherson Property").

17.2 Whenever the Supplier is paid or otherwise reimbursed by Motherson, all right, title and interest in and to the Motherson Goods shall pass to Motherson upon acquisition or manufacture in accordance with the relevant order or any other written document issued by Motherson in connection with such Motherson Goods.

17.3 The Supplier shall bear the risk of loss and damage to Motherson's Goods. The Supplier shall :

- (i) properly store and maintain the Motherson Goods on the Supplier's premises;
- (ii) not to use Motherson's Goods for any purpose other than the fulfilment of an order;
- (iii) prominently mark the Motherson Goods as the property of Motherson or the property of Motherson's customer, as the case may be;
- (iv) not to mix Motherson's Goods with the Supplier's goods or with those of a third party;
- (v) adequately insure Motherson's Property against loss or damage, including, but not limited to, providing full fire and extended insurance coverage for the corresponding replacement value, naming Motherson as an additional insured party on such policies;
- (vi) take all reasonable steps to ensure that Motherson's Property does not become the subject of liens or other rights; and
- (vii) refrain from moving Motherson's Property, either within these premises or to any other location, whether owned by Supplier or a third party, without the prior written consent of Motherson's authorized representative.

## **18. Supplier's assets**

18.1 The Supplier shall, at its own expense, supply, maintain in good working order (capable of producing Products meeting all applicable specifications and warranties), and replace if necessary, all machines, materials, tools, dies, jigs, fixtures, gauges, molds, patterns, software including source code, purchased components or parts, intellectual property and other items which are not Motherson Goods and which are necessary for the production of the Products (hereinafter the "Supplier Goods") including source code, purchased components or parts, intellectual property and other items which are not Motherson Goods and which are necessary for the production of the Products (hereinafter the "Supplier Goods"). The Supplier shall insure the Supplier Goods by providing full fire and extended insurance coverage at the corresponding total replacement value.

18.2 If Supplier uses Supplier Goods to produce goods or services similar to the Products for other customers, including aftermarket customers, such goods or services shall not incorporate or use Motherson's Intellectual Property Rights (as such term is defined above in Section 17.1).

18.3 Supplier grants Motherson an irrevocable option to take possession of and hold title to Supplier's Goods that are dedicated exclusively to Motherson's business, against payment to Supplier of (i) unrecovered capitalization (recovered in the piece price or otherwise) or (ii) the fair market value of Supplier's Goods at the time Motherson exercises the option, whichever is less. Motherson may exercise this option at any time. In the event of termination or expiration of an order, and at Motherson's request, the Supplier shall cooperate with Motherson in the removal of the Goods from the Supplier's premises. This option does not apply to Supplier Goods used by the Supplier to produce goods which are part of the Supplier's standard stock, or if a substantial quantity of similar Products is sold by the Supplier to third parties.

## **19. Tooling from Motherson**



19.1 Upon issuance by Motherson of a tooling order (hereinafter the "Tooling Order"), Supplier shall design and manufacture, adapt or acquire (from sources for which Motherson has given prior approval), and install any tooling described in such Tooling Order (hereinafter the "Tooling"), subject to the terms and conditions contained herein and which may be supplemented by corresponding tooling master agreements, if any.

19.2 In the event Motherson issues a Tooling Order, all right, title and interest in and to any part of the Tooling, including but not limited to designs, drawings, specifications, technical data (such as CAD data), spare parts, test parts and ancillary products, shall be transferred to Motherson upon the Tooling being acquired or manufactured in accordance with the Tooling Order or any other written document issued by Motherson. Motherson may request the return of the Tooling at any time on terms discussed and agreed between the Parties. The Supplier will assist in the relocation in accordance with Motherson's requirements.

19.3 During the term of a Tooling Order, any Tooling in the Supplier's possession shall be considered Motherson Property, as defined in Section 17.1 above, and shall not be considered an accessory or asset of the Supplier. In the event that the Supplier intends to subcontract all or part of the manufacture of the Tooling, the Supplier shall notify Motherson in advance, and shall obtain all rights contained in this Section 19.3 for the benefit of Motherson, as well as any documentation that Motherson may require in connection with each such subcontractor that the Supplier intends to use.

19.4 Payment for Tooling shall be made upon Motherson's approval of the DVI (dossier validation industrielle) / FAI (first article inspection) and in accordance with Motherson's standard payment terms, unless otherwise specified in the Tooling Order or otherwise approved in writing by Motherson. Motherson reserves the right to require proof that the Supplier can convey valid and negotiable title to all Tooling prior to making any payment to the Supplier for such Tooling.

## **20. Warranty**

20.1 The Supplier warrants that, for a period of at least 60 (sixty) months from delivery (hereinafter the "Warranty Period"), the Products shall :

- (i) conform to the specifications, drawings, samples and instructions supplied by Motherson ;
- (ii) be free from design defects to the extent that the Supplier is responsible for such defects;
- (iii) be new and free from defects in materials, production and workmanship; and
- (iv) comply in all respects with all applicable federal, state and local laws, ordinances, statutes, decrees and regulations in the countries in which they are produced and delivered;
- (v) not infringe Motherson's intellectual property rights (as that term is defined below in section 23) or the intellectual property rights of any third party;
- (vi) be suitable for their intended use;
- (vii) be formulated, designed, constructed, finished and packaged so as to be safe and without risk to health.

20.2 Any attempt by Supplier to limit, exclude or restrict any of the foregoing warranties without the prior written consent of an authorized representative of Motherson shall be null and void.

20.3 In all cases where Motherson offers its customers a longer warranty period, the Parties will discuss the establishment of a warranty extension to take into account the dates determined by the end customer as the start and end dates of the warranty period.

20.4 Upon Motherson's written request and in addition to Motherson's other rights and remedies, Supplier shall promptly replace or remedy Products not in compliance with the warranties set forth



above and/or provided by law, at no additional cost to Motherson. In the event that Supplier fails to promptly remedy defects or replace non-conforming Products, Motherson may make such corrections or replace such Products directly, in which event Motherson shall invoice Supplier for the costs of materials, labor, validation, transportation and all other costs incurred by Motherson in connection with such remedial or replacement actions.

## **21. Liability for Products**

Supplier shall defend, indemnify and hold Motherson harmless from and against any and all loss, liability, costs and expenses (including reasonable attorneys' and other expert and consulting fees) resulting from any claim that a defect in the design or manufacture of the Products, including defects in materials and/or manufacturing processes or techniques, has caused personal injury or loss, destruction or damage to property. The Supplier shall, at Motherson's request, assist Motherson in any litigation in which Motherson may be involved due to such alleged defects, and if requested by Motherson, take over the conduct of any litigation.

## **22. Overhauls and spare parts**

22.1 For a period of 15 (fifteen) years after the end of production, the Supplier will sell to Motherson, or to the entity designated by Motherson, the Products necessary to meet Motherson's needs for overhaul and replacement of past and current models of such Products, at the prices specified in the relevant order, plus any actual incremental cost of packaging.

22.2 During the fifteenth year of such period, Motherson and Supplier shall, at Motherson's request, negotiate in good faith the continued supply by Supplier of the Products and parts included in the Products (hereinafter the "Subcomponents"). The Supplier shall sell the Sub-Components to Motherson at prices determined as follows: (i) with respect to Subcomponents purchased by Supplier, the price shall be the actual price paid by Supplier to the manufacturer or distributor of such Subcomponent, plus any actual incremental cost of packaging; and, (ii) with respect to Subcomponents manufactured or assembled by Supplier, the price of all Subcomponents shall not exceed the price of the Products specified in the order, less assembly costs, plus any actual incremental cost of packaging.

## **23. Intellectual property rights**

23.1 Supplier may use any patent, trade secret, trademark, service mark, copyright, mask or other intellectual property right of Motherson (hereinafter collectively the "Motherson Intellectual Property Rights") solely for the procurement, production and supply of Products to Motherson. The Supplier further undertakes to ensure that Products manufactured on the basis of Motherson's standards, designs, drawings, instructions and/or specifications may not be used by the Supplier for its own use or sold to a third party without Motherson's prior express written consent.

23.2 Supplier warrants that the Products do not infringe the intellectual property rights of any third party, and agrees and undertakes to fully indemnify and hold harmless Motherson from and against any and all claims, suits, expenses and, in general, all direct and indirect damages and costs derived from the infringement of such rights.

23.3 The Supplier shall grant Motherson and its customers the worldwide, irrevocable right to use, perform, display, reproduce, repair, have repaired, rebuild, have rebuilt, distribute, modify, make derivative works of, make, have made, sell, offer for sale, import, export and otherwise exploit the Products delivered under an order without further payment of any royalty or other compensation to the Supplier.

23.4 Unless otherwise agreed in writing, all Products or other deliverables supplied in connection with an order, as well as all intellectual property rights acquired or developed by the Supplier or Motherson in connection with the Products or in connection with an order, are the exclusive property of Motherson.

#### **24. Subcontracting, assignment, customer requirements**

24.1 Each order is concluded on the basis of the Supplier's personal performance of the obligations imposed. The Supplier may only subcontract all or part of its obligations under an order with Motherson's prior written approval of the identity of the subcontractor, and always on condition that the said subcontractor is bound by the same obligations as the Supplier. Even if the subcontracting is approved by Motherson, the Supplier remains solely responsible and fully liable to Motherson for the performance of its obligations, and guarantees compliance with these GTC by its subcontractors. The Supplier is also responsible for all its subcontractors who are directed by Motherson or Motherson's customers.

24.2 Furthermore, the Supplier may not assign any of its material obligations under an order, nor any right to a claim due to the Supplier by Motherson hereunder, without the prior written consent of Motherson. Any such assignment without the prior written consent of Motherson shall entitle Motherson to cancel the relevant order(s). Motherson's consent to an assignment shall not be deemed a waiver of Motherson's right to be reimbursed by the Supplier and/or its assignees for any claims arising from the transaction, and shall not prevent Motherson from asserting its rights against the assignee. Motherson has the right to assign any benefit or obligation arising from an order, to a third party, after informing the Supplier, without having to obtain the Supplier's consent.

24.3 Supplier agrees to comply with the applicable terms and conditions and any other requirements set forth in any agreement between Motherson and Motherson's customers, pursuant to which Motherson agrees to supply to its customer, or incorporate into products supplied to its customer, Products purchased by Motherson from Supplier hereunder.

#### **25. Confidentiality**

The Supplier undertakes to keep all information received from Motherson strictly confidential and not to use it for any purpose other than the performance of the business relationship with Motherson. The Supplier further undertakes to keep the information disclosed secure and not to reveal it or make it accessible to third parties, except with the prior written consent of Motherson. The Supplier also undertakes to inform its employees and representatives of this obligation, and shall be and remain liable for any breach of this non-disclosure obligation by its employees or representatives.

#### **26. Insurance**

26.1 The Supplier shall take out and renew an insurance policy covering :

(i) liability arising from a breach of Supplier's obligations to Motherson. This may include, but is not limited to, coverage for all damages derived from defects, late or incomplete deliveries, damage to Motherson's Property, personal injury and property and personal damage arising from the supply of defective Products and, in summary, any charge that may be justified by Motherson to the Supplier associated with Product nonconformities, Product rejections or Product returns resulting from nonconformance to Motherson's specifications, standards, designs, drawings and instructions generally.

(ii) risks to goods, machinery and materials in its possession or under its responsibility, including, but not limited to, risks associated with any fire, flood, explosion, civil commotion, natural disaster of any kind, as well as loss or theft of materials. For the sake of clarity, the insurance policy will cover all

property, tools or other materials located on the Supplier's premises, even if they belong to Motherson or Motherson's customers, material damage suffered by the Products during or as a result of their transport, regardless of the means of transport.

26.2 The Supplier shall provide proof of such insurance coverage at Motherson's request. The existence of an insurance contract does not limit the Supplier's obligations under any provision of these GTC.

## **27. Duration and Termination**

27.1 Motherson has the right to terminate all or part of an order placed with the Supplier at any time and for any reason by providing 6 (six) months' written notice to the Supplier. The right to terminate an order or the entire business relationship with the Supplier for cause, without notice and without cost to Motherson, shall remain unaffected.

27.2 Good cause exists for Motherson to terminate an order or the entire business relationship with the Supplier, in particular if:

- (i) The Supplier fails to comply with applicable laws and regulations;
- (ii) the Supplier repeatedly breaches any of the terms of these GTC;
- (iii) the Supplier repeatedly fails to perform or deliver the products as agreed between the parties, e.g. with regard to location, dates and times, quality, etc. ;
- (iv) the Supplier becomes insolvent, or upon the filing of an application for the opening of collective proceedings, or if the Supplier is dissolved, liquidated or ceases its commercial activity; or if the Supplier changes its legal status;
- (v) Motherson's customer prematurely terminates an ongoing program related to the Products.

27.3 The relationship between the parties may also be terminated by mutual agreement between Motherson and the Supplier.

27.4 Upon termination of the business relationship, the Supplier shall, unless otherwise directed by Motherson, complete all orders accepted by Motherson as binding, immediately suspend all work related to any orders that have not been accepted or have been revoked by Motherson, and cooperate with Motherson to avoid any disruption or interruption of production. Thereafter, the Supplier shall transfer to Motherson all goods, tooling, work in progress and raw materials in its possession at its own risk and expense.

## **28. Force majeure**

28.1 Neither party shall be in breach of its contractual obligations or liable for any delay in performance or failure to perform if such delay or failure results from an event of Force Majeure (as this term is defined below). In such circumstances, the deadlines or periods provided for the performance of the corresponding obligations shall be extended by a reasonable period, taking into account the duration and severity of the relevant event, circumstance or cause, and any initial set-up or implementation phase required to perform the obligations. Each party will take all necessary temporary measures to minimize as far as possible the consequences of any Force Majeure event.

28.2 Force Majeure" means any circumstance beyond a party's reasonable control which, through the exercise of reasonable care, a party is unable to foresee, prevent or overcome, and which objectively prevents a party from performing its contractual obligations, including disasters, floods, storms, pandemics or other natural disasters, explosions, riots, governmental actions, wars, terrorist attacks and sabotage. If the obstacle to performance can be overcome, even if it is financially more burdensome, non-performance is not excusable and entails the liability of the party concerned for damages resulting from the non-performance. For the avoidance of doubt, work stoppages, strikes,

lock-outs and slowdowns affecting the Supplier's facilities shall not give rise to a declaration of Force Majeure under these GTC.

28.3 If the Force Majeure event lasts more than (30) days, Motherson may, among other remedies, immediately cancel any affected order without liability and procure replacement Products from alternative sources.

## **29. Security of information**

29.1 Supplier shall secure Motherson's Data and its own Data that is required for delivery of the Products in accordance with the state of the art against unauthorized access, modification, destruction and other misuse (hereinafter "Information Security"). The term "Data", as used in this Section 29, means information that is stored or transmitted electronically or otherwise not immediately perceptible, as well as physical exhibits or paper documents (e.g. drawings), and photographs and film or sound recordings.

29.2 In particular, the Supplier will strictly separate Motherson Data from data relating to other customers and process them separately (with the exception of email communications), and will employ appropriate protection mechanisms against access by other customers to such Motherson Data.

29.3 Depending on the type and protection requirements of the Motherson Data concerned, or the importance of the delivery of the Product by the Supplier for Motherson's business operations, Motherson may require the Supplier to provide an appropriate level of security measures as well as proof, as prescribed by Motherson, of an appropriate level of Information Security within the Supplier's operation. Proof may be provided in particular by certification in accordance with the VDA-ISA "TISAX" model ("Trusted Information Security Assessment Exchange") or by proof of a corresponding certificate, e.g. ISO/IEC 27001. The parties may agree on a reasonable deadline for the initial "TISAX" certification of a site.

29.4 The Supplier shall ensure that no software that may cause damage (e.g. drivers or firmware that may contain viruses, worms or Trojan horses) is used in the execution of Motherson's order. The Supplier will verify this in accordance with the state of the art and, at Motherson's request, the Supplier will confirm in writing that, during this verification, it has found no indication of malicious software.

29.5 If the Supplier becomes aware of an incident that affects Information Security (including, but not limited to, security breaches, loss of Data, malfunctions, endangerment, attack by malicious software and/or misuse of Data) and that could affect Motherson, in particular in the form of unauthorized access by third parties to Motherson's Data (e.g. through a Data leak or cyber attack), or if there are indications which, after reasonable assessment, justify the suspicion of such an incident, then the Supplier shall, without undue delay and free of charge:

- (i) inform Motherson ;
- (ii) take all necessary measures to clarify the situation and limit potential or actual damage;
- (iii) assist Motherson in the recovery of Data if the breach of Information Security results in the loss of Data;
- (iv) at Motherson's request, provide a security report for a specified period, including the results of security checks, any identified Information Security risks, as well as any identified Information Security incidents and their handling; and
- (v) enable Motherson to confirm for itself compliance with Information Security and agreed Data protection and security guidelines (hereinafter the "Security Audits").

29.6 Motherson shall be entitled to have Security Audits carried out by a qualified external company

bound to confidentiality with respect to third parties, unless such company is a competitor of the Supplier. Motherson may require a Security Audit even in the absence of an incident/suspicion of the presence of an incident in accordance with this Section.

29.7 Prior to the first delivery of Products, the Supplier shall notify Motherson, via the Supplier's database, of a contact person who can centralize Information Security issues, and shall immediately inform Motherson in the event of any change.

29.8 The Supplier shall ensure that its subcontractors are contractually bound to the Supplier to comply with the provisions of this Section by appropriate contractual provisions. Where subcontractors are involved in development and prototyping, the minimum requirements for the protection of prototypes must be met, as well as approval of the subcontractor by the original customer.

### **30. Personal data :**

30.1 In these GTC, "Personal Data", "Controller", "processor", "data subject" and "processing" have the meaning given to them by the European Regulation 2016/679 of 27 April 2016 on the protection of individuals with regard to the processing of personal data ("GDPR").

30.2 If the Supplier processes Personal Data on behalf of Motherson in the performance of its obligations under these GTC, the parties register their intention that Motherson is the Controller and the Supplier is a Processor and in such case:

- (i) The Supplier shall only process Personal Data in accordance with applicable data protection laws, the provisions of these GTCs and any documented legal instructions reasonably provided by Motherson from time to time, and strictly for the sole purpose of fulfilling its obligations under these GTCs ;
- (ii) Each party will take appropriate technical and organizational measures against unauthorized or unlawful processing of Personal Data or against its accidental loss, destruction or damage;
- (iii) The Supplier will inform Motherson without undue delay in the event of a breach of security resulting in the destruction, loss, alteration, unauthorized disclosure of or accidental or unlawful access to Personal Data transmitted, stored or otherwise processed;
- (iv) The Supplier shall not engage any other subcontractor without the prior specific or general written consent of Motherson. In this case, the same data protection obligations as those set out in these GTC shall be imposed on such other subcontractor by means of a contract or other legal act, in particular by providing sufficient guarantees to implement appropriate technical and organizational measures ;
- (v) The Supplier will reasonably assist Motherson in ensuring compliance with legal obligations, in particular concerning security of processing, communication of data breaches to data subjects; and
- (vi) The Supplier shall, at Motherson's option, delete or return all Personal Data to Motherson upon termination or expiration of the contractual relationship between the parties, and shall also delete existing copies, unless storage of Personal Data is required by applicable law.

30.3 Insofar as the Supplier processes Personal Data on behalf of Motherson, Motherson reserves the right to audit or have audited the Supplier to ensure compliance with the provisions of this Section. For the purposes of the audit, the Supplier shall allow the auditors access to its sites and facilities. The auditors may perform all operations reasonably necessary and access all information strictly required to verify compliance with the commitments set forth in this Section, to the exclusion of data from other customers of the Supplier. Motherson undertakes that this audit will not disrupt the Supplier's normal business activities.

30.4 The legal requirements specific to each country with regard to data protection must be respected.

**31. Corporate social responsibility and sustainable development**

31.1 Motherson recognizes the importance of social and environmental responsibility, and aims to protect universal human rights, abolish forced labor, abolish child labor, eliminate discrimination in employment and occupation, and strive for continuous improvement in environmental performance throughout its supply chains.

31.2 The Supplier's business operations and those of its own suppliers must therefore take account of social responsibility towards employees and society by following principles such as:

- (i) the preservation of human dignity ;
- (ii) prohibition of child labor and forced labor;
- (iii) the implementation of equal opportunities;
- (iv) combating discrimination and harassment;
- (v) maintaining adequate social working conditions;
- (vi) freedom of association;
- (vii) maintaining employability through basic and continuing training ;
- (viii) preventing corruption; and
- (ix) compliance with all applicable laws and regulations.

31.3 The Supplier shall also implement and maintain an effective environmental management system that complies with or is comparable to the ISO 14001 standard, including, as far as possible, principles such as the use of recyclable raw materials, the design of Products applying weight-saving principles in order to minimize emissions of exhaust gases, noise and solid particles during the production, use and recycling phases according to the latest technology, and ensure that its subcontractors act in accordance with this system. The Supplier is responsible for the environmental compatibility of the Products delivered and the packaging material used, as well as for any damage resulting from non-compliance with its legal obligations regarding waste disposal.

31.4 Motherson expects the Supplier to comply with all relevant environmental, sustainable development, anti-fraud and anti-corruption laws of any country and region in which the Supplier operates and of Motherson's factories to which the Supplier delivers its Products. The Supplier shall comply, for all its activities related to Products supplied to Motherson, with all the principles described in the relevant guidelines and procedures of Motherson or of Motherson's customers. The Supplier is obliged to ensure that all the obligations mentioned in this article are complied with by its entire *supply chain*.

31.5 Motherson may audit the Supplier to ensure compliance with all requirements listed in this section. If Motherson identifies any breaches by the Supplier during the audit process, Motherson may, at its own discretion, terminate the relevant order or decide to impose a suspension of the Supplier's activities. In addition, the Supplier will inform its own suppliers of the content of these obligations, so that they are included in the contracts applicable to the entire supply chain.

**32. Miscellaneous**

32.1 Any reference to Motherson or any of its affiliates, as well as any use of Motherson's trademarks or logos by Supplier in Supplier's advertising materials, is strictly prohibited without the express written consent of Motherson.

32.2 No amendment, modification, termination or waiver of any provision of these GTC, nor any consent to any waiver by either party, shall be effective unless agreed to in writing and signed by both parties.

32.3 The failure of either party at any time to require performance by the other party of any provision of these GTC shall not affect the right of such party to require such performance at any time

thereafter, nor shall the waiver by either party of a breach of any provision of these GTC constitute a waiver of any subsequent breach of the same or any other provision.

32.4 These GTC shall be governed by and construed in accordance with the laws of the country (and state or province, if applicable) of the registered office of the Motherson company concerned. The provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG) are expressly excluded.

32.5 The exclusive place of jurisdiction for all disputes arising out of or in connection with these GTC shall be the competent commercial court where the registered office of the Motherson company concerned is located. However, Motherson is entitled to bring an action against the supplier in any other place of jurisdiction.

32.6 If any provision of these GTC is or becomes invalid or unenforceable, the remaining provisions shall remain in full force and effect, and the parties shall replace such invalid or unenforceable provisions with another provision, which most closely approximates the original intent of the parties.

32.7 These GTC may be translated into several languages. However, the English language version is the authoritative original version, and all other language versions are translations for information purposes only. In the event of any discrepancy, the English version shall prevail over any translation.