

General Terms and Conditions of Delivery of LPAE for contracts with enterprises (B2B)

Edition September 2015

- 1. Scope of Delivery Terms**
- 1.1 These Terms and Conditions ("T&C's") shall be applicable on contracts with automotive industry enterprises concluded by one of the European companies of the Leggett & Platt Group ("L&P") hereinafter specified::
- L&P Automotive Europe Headquarters GmbH
 - SCHUKRA Berndorf GmbH
 - Pullmaflex Benelux NV
 - Pullmaflex U.K. Limited
 - L&P MAGYARORSZÁG Kft. (L&P HUNGARY).
- 1.2 The T&C's shall apply to deliveries and services of L&P ("Delivery") to the contracting party of L&P ("Buying Party" – "BUYER") on the basis of the contract ("Contract") concluded between L&P and BUYER ("the Parties"). Delivery orders can be made by remote data transmission.
- 1.3 Terms and conditions of BUYER shall only apply insofar as they have been expressly approved in writing by L&P. Any provisions differing in wording from the T&C's – to the extent that they are not stipulated in L&P's whole offer – shall not apply.
- 1.4 All BUYER purchase orders shall be deemed accepted when L&P issues an order acknowledgment to BUYER or when L&P begins performance of the order. Notwithstanding this all orders accepted by L&P shall be governed exclusively by these T&C's and by any additional terms and conditions which are expressly agreed upon by authorized representatives of the Parties. Unless otherwise agreed, L&P shall have no obligation to accept any particular BUYER purchase order and these T&C's shall control.
- 1.5 L&P may - with BUYER's prior consent - manufacture the Deliveries in any of its facilities, such consent to be withheld By BUYER only for good reason.
- 1.6 The term "claim for damages" used in the T&C's shall also include claims for indemnification for useless expenditure.
- 2. Offer**
- 2.1 Specifications of Delivery are set out exclusively and finally in L&P's sales documents. Sales Documents shall be all documents valid at the time of conclusion of the Contract, prepared by L&P in connection with the sale and distribution of its Deliveries.
- 2.2 L&P shall reserve all of its rights of ownership and copyrights to all cost estimates, drawings and other documents („Documents“) included in its offer. The Documents may only be made available to third Parties upon L&P's prior approval and, should the offer not be awarded to L&P, shall be returned to L&P without delay. BUYER shall have no right of retention. Sentences 1 and 2 shall apply mutatis mutandis to BUYER's documents; these may, however, be made accessible to those third parties to whom L&P has rightfully subcontracted Deliveries.
- 2.3 L&P shall be committed to the offer for 60 calendar days as of the date of the offer.
- 3. Terms of Delivery**
- 3.1 All prices are FCA place of performance nominated in L&P's offer or order acknowledgement (FCA according to INCOTERMS® 2010).
- 3.2 BUYER shall designate common carriers for the shipment of all deliveries. If BUYER fails to designate a carrier, L&P shall have the right to select a carrier on BUYER's behalf. The cost of the carrier shall be paid directly by BUYER.
- 3.3 All prices are net prices in EUR, plus the turnover tax valid at the time of performance of the Delivery, without further deductions.
- 3.4 Partial Deliveries shall be possible insofar as they are acceptable for the BUYER.
- 4. Terms of Payment**
- 4.1 Unless the Parties have agreed on other payment conditions, invoices shall be payable without delay and without any deductions to the payment, latest on the 20th working day of the month following the delivery.
- 4.2 BUYER may only set off claims which are undisputed or have been finally determined in a legally binding manner.
- 5. Retention of Title**
- 5.1 L&P shall retain ownership of the delivered items („Retained Goods“) until BUYER has fulfilled all its obligations from the business relation. Should the total value of L&P's legitimate securities exceed the total value of all claims to be secured by more than 20 percent, L&P shall, at BUYER's request, release a corresponding part of the securities. L&P shall be entitled to choose which security interest it wishes to release.
- 5.2 For the duration of the retention of title, BUYER shall not be entitled to pledging or transfer of security.
- 5.3 BUYER may resell the Retained Goods within the scope of normal business operations and only under the condition that BUYER receives payment from its buyer or provides for the reservation that the transfer of ownership onto the buyer does not take place until the buyer meets his payment commitments.
- 5.4 If Retained Goods are combined or amalgamated with other items that are not the property of L&P, L&P shall acquire co-ownership in the new item in proportion of the value of the Retained Goods combined or amalgamated to the other items at the time of combination or amalgamation. In this respect, the new items are considered as Retained Goods.
- 5.5.1 Should BUYER resell Retained Goods, it assigns to L&P, already today, all claims it will have against its customers out of the resale or if the goods are sold on together with other combined or amalgamated item such fraction of the total price claim as is attributable to the price of the Retained Goods, as security, without any subsequent declarations to this effect being necessary. The duty of L&P to release the security interest as per 5.1 shall remain unaffected.
- 5.5.2 Until notice of withdrawal of L&P's permission for good reason, BUYER may collect assigned claims relating to the resale. Good reason shall include, but not be limited to delayed payments, suspension of payments, start of insolvency proceedings, bill protest or justified indications for over indebtedness or pending insolvency of BUYER. In addition, L&P may, upon expiry of an adequate period of notice, disclose the assignment and demand that BUYER informs its customer of the assignment.
- 5.6 In the event of a levy of execution, seizure or any orders of third Parties BUYER shall inform L&P without delay.

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- 5.7 In the event of breach of duty, in particular a default of payment, on the part of the BUYER, the following provisions shall apply:
- 5.7.1 After unsuccessful expiry of an appropriate deadline set by L&P for the rectification of the default, L&P shall be entitled to rescind the Contract and to take back the Retained Goods; BUYER shall be obliged to hand over the Retained Goods. This shall not affect the statutory regulations concerning the dispensability of fixing a time-limit.
- 5.7.2 The enforcement of the reservation of title and the taking back of the Retained Goods is not subject to a prior rescission of the Contract on the part of L&P; such action or a levy of execution of the Retained Goods by L&P shall not be considered as a rescission of the Contract, unless expressly stated otherwise.
- 6. Delivery time**
- 6.1 Compliance with the agreed delivery time requires the timely receipt of all documents, necessary permissions and releases, in particular concerning blueprints to be provided by BUYER, as well as the observance of the agreed terms of payment and other obligations by the BUYER. If these conditions are not fulfilled, Delivery times shall be appropriately extended; this shall not apply if the delay is caused by L&P.
- 6.2 If non-observance of the Delivery times is due to force majeure, such as mobilization, war, terror attacks, rebellion or other obstacles due to export restrictions on the basis of either German law, other national export laws or European or any international export restrictions (such as but not limited to: embargos) or any other similar events (e.g. strike or lockout);
- 6.2.1
- 6.2.2 virus attacks or other attacks on the L&P's IT systems occurring despite protective measures were in place that complied with the principles of proper care;
- such delivery times shall be extended accordingly.
- 6.3 Should L&P be in delay, BUYER may, if it can substantiate any damage on its part resulting from such delay, claim a compensation for each completed week of delay amounting to 0.5 percent of the price of the part of the delivery which could not be used due to the delay, but not more than a total of 5 percent of the said price.
- 6.4 Any claims for compensation for delayed Delivery or claims for compensation to replace a Delivery on the part of BUYER which are beyond the limits of 6.3, shall be excluded in all events of delayed Delivery. This shall also apply in the event of the expiry of a deadline set by BUYER. It shall not apply, however, where there is obligatory liability, in the event of willful misconduct or gross negligence or due to injury to life, body or health. BUYER may only rescind the Contract if the Delivery delay is caused by L&P. No shift in the burden of proof to the detriment of BUYER is connected with the above provisions.
- 6.5 BUYER shall only have a right of rescission if it has granted L&P an appropriate time deadline for performance and declares that it shall refuse to accept the performance upon the expiry of the deadline, and after the deadline has unsuccessfully expired.
- 6.6 At L&P's request, BUYER shall declare within an appropriate time limit whether it shall rescind the Contract due to the delay or whether he insists on delivery.
- 6.7 If, at BUYER's request, dispatch or consignment is delayed after readiness to dispatch has been notified, L&P may invoice to BUYER the storage cost in adequate amount for the duration of the storage.
- 7. Passing of risk**
- 7.1 Subject to the provisions of 7.2 the passing of risk onto BUYER shall take place in case of delivery at the moment the deliveries to be delivered have been made available for dispatch (FAC) by L&P at the place of performance.
- 7.2 The passing of the risk onto BUYER shall take place at the moment the dispatch is delayed due to reasons caused by BUYER or the occurrence of any other events causing a default in acceptance by BUYER.
- 8. Indemnity**
- To the maximum extent allowed by law, BUYER shall reimburse, indemnify and hold L&P, its officers, its employees and agents harmless from and against any claims, demands, liabilities, damages, suits, judgments, losses, costs and/or expenses (including attorneys' fees and other expenses of any litigation) suffered and paid by L&P (collectively, "Losses") that relates to or arises on account of (a) BUYER's negligence, use, ownership, maintenance, transfer, transportation or disposal of the goods and services delivered by L&P or (b) BUYER's violation or alleged violation of any applicable law, rule or regulation.
- 9. Material Defects**
- L&P shall be liable for all material defects of newly manufactured products according to 9.1 – 9.11.
- 9.1 The parts of the Delivery concerned which show material defects within the term of limitation (if such defects were not caused after the passing of the risk) must, at L&P's discretion, be repaired at L&P's cost, newly delivered or newly provided ("Subsequent Performance").
- 9.2 The Subsequent Performance does not initiate a new term of limitation (9.3).
- 9.3 Claims for repair or replacement are subject to a statute of limitations of 12 months calculated from the start of the statutory statute of limitations. For Deliveries this shall not apply in the event of injury to life, body or health, in the event of intentional or gross breach of duty by L&P or fraudulent concealment of a defect. This shall not affect the statutory regulations concerning the suspension of the running, the suspension or the new beginning of the limitation periods.
- 9.4 BUYER shall notify material defects to L&P without any delay in writing. The notification must include information on the data of the concerned Delivery - name and number of the model, number of L&P's confirmation of order, date of manufacture, description of the fault or defect.
- 9.5 In the event of notifications of defect BUYER may retain payments to an extent appropriate in proportion to the defects occurred. BUYER shall only be entitled to retain payments if it is able to assert a complaint of defect justified beyond any doubt. BUYER has no right to withhold payments to the extent that its claims regarding a Defect are time-barred. If the complaint of defect proves to be unjustified, L&P shall be entitled to request payment of any expenses incurred to it by such complaint.
- 9.6 L&P must be granted the opportunity of Subsequent Performance within an appropriate period of time. Otherwise it shall be freed of any liability for material defects.
- 9.7 In the event of unsuccessful Subsequent Performance, BUYER may – notwithstanding any provisions on claims for compensation (11) rescind the

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- Contract or reduce the payment. For rescission and reduction of price the statute of limitation as per 9.3 shall apply accordingly.
- 9.8 Warranty claims shall not be admissible in the event of insignificant deviations from the agreed composition, insignificant impairment of the practicability, natural wear and tear or damages caused after the passing of risk as a result of faulty or negligent treatment, excess utilization, inappropriate service equipment, or damages caused by exceptional external factors, which are not provided for in the Contract. Should BUYER carry out inexpert alterations or repairs, no warranty claims shall be admissible for such alterations, repairs or consequences thereof.
- 9.9 Any claims of BUYER for expenses necessary for the Subsequent Performance, in particular transportation, labor and material costs, shall be excluded, if such expenses should be caused because the Delivery has been transferred to a place other than the Place of Performance, unless doing so complies with the normal use of the Deliveries.
- 9.10 Claims under a right of recourse of the BUYER against L&P shall only be admissible insofar as BUYER has not agreed with its buyer any arrangements beyond the scope of the statutory warranty claims. For the scope of the claims under any mandatory right of recourse under the applicable law, 9.8 shall apply respectively.
- 9.11 BUYER shall have no claim for damages based on Defects. This shall not apply to the extent that a Defect has been fraudulently concealed, guaranteed characteristics are not complied with, in the case of loss of life, bodily injury or damage to health, and/or intentionally or grossly negligent breach of contract on the part of L&P. The above provisions do not imply a change in the burden of proof to the detriment of BUYER. Any other additional claims of BUYER exceeding the claims provided for in this Section 9, based on a Defect, shall be excluded.
- 10. Infringements of Intellectual Property Rights, Other Legal Defects**
- 10.1 Unless agreed otherwise, L&P shall carry out the Delivery free of industrial property rights and copyrights of third Parties ("Intellectual Property Rights" – "IPR"). Should a third party set up a justified claim against BUYER for infringement of an IPR caused by the utilization of a delivery of L&P as per agreement, L&P shall be liable towards BUYER within the statutory time limit set out in 9.3 as follows:
- 10.1.1 L&P shall, at its discretion and cost, acquire the right of use for the Delivery concerned, alter the Delivery concerned to ensure that the IPR is no longer infringed, or replace the delivery. In the event that L&P is not able to do so under appropriate conditions, BUYER shall be entitled to use the statutory rights of rescission or rights to a reduction in price.
- 10.1.2 L&P's obligation to compensate shall be pursuant to 11.
- 10.1.3 The above mentioned obligations of L&P shall only apply, if BUYER makes immediate written notification to L&P of the claims set up by a third party, if he does not recognize the infringement and if L&P's rights to take countermeasures and settlement negotiations remain unaffected. Should BUYER cease to utilize the delivery due to loss mitigation or other significant reasons, it shall point out to the third party that the cessation of utilization is no acknowledgement of any infringement of IPR.
- 10.2 BUYER shall have no right to claims for infringements of IPR which were caused by him.
- 10.3 Claims shall also be inadmissible, if the infringement of IPR was caused by special instructions of BUYER, or utilization which could not be foreseen by L&P, or if BUYER alters the Delivery or uses it with products which were not delivered by L&P.
- 10.4 As far as infringements of IPR are concerned, the respective provisions of 9.5, 9.6, and 9.10 shall always apply to all claims of BUYER set out in 10.1.1.
- 10.5 In the event of other legal defects the provisions of 9. shall apply respectively.
- 10.6 Further claims on grounds of legal defects of BUYER against L&P or claims other than those set out in 10. shall be excluded.
- 10.7 Unaffected by the preceding regulations in 10. any and all L&P's intellectual property rights to and in the goods delivered shall remain exclusively with L&P, unless otherwise expressly agreed in the respective Contract (1.2).
- 10.8 If BUYER provides L&P with any specifications for goods or services to be furnished by L&P, BUYER shall reimburse, indemnify, defend and hold L&P harmless from and against any Losses concerning, arising out of or relating to any claimed or actual infringement of any patent, copyright, trade secret or other intellectual property rights of any third party respecting such goods or services.
- 10.9 Any deliveries or any improvement to any deliveries developed by L&P, and any method or process of production respecting the Deliveries or improvement thereto developed by L&P, shall be the sole property of L&P unless separately agreed to in writing.
- 10.10 BUYER may use L&P's trademarks only to sell new L&P goods purchased by BUYER directly from L&P, and for no other reason. BUYER shall not take any or fail to take any action that may dilute L&P's trademarks.
- 10.11 Except as expressly set forth herein, (i) L&P shall have no obligation to sell, assign, license, or transfer intellectual property of any kind to BUYER, and (ii) BUYER shall have no right to use any intellectual property of L&P without the express written consent of L&P, which may be withheld in its sole discretion. L&P may enforce this Section through injunction or otherwise.
- 11. Other Claims for Compensation**
- 11.1.1 Claims for compensation of BUYER, irrespective of their cause in law, but in particular claims arising from the breach of duties resulting from obligation or tort, shall be excluded.
- 11.1.2 This shall not apply if L&P's liability is based on:
- the German Product Liability Act ("Produkthaftungsgesetz") and / or any European or other national regulations on Product Liability;
 - intent;
 - gross negligence on the part of the owners, legal representatives or executives;
 - fraud;
 - failure to comply with a guarantee granted;
 - negligent injury to life, limb or health;
 - negligent breach of a fundamental condition of contract ("wesentliche Vertragsverletzung").
- 11.1.3 However, claims for damages arising from a breach of a fundamental condition of contract shall

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- be limited to foreseeable damage intrinsic to the Contract, unless no other case as per 11.1.2 applies.
- 11.2 The exclusion or limitation of L&P's liability as set out in 11. shall also apply to the personal liability of its workers, employees, co-workers and other persons employed, but not to the personal liability of legal representatives and executives.
- 11.3 The claims for compensation BUYER is entitled to according to 11.4, shall expire upon the expiry of the term of limitation applying to material defects according to 9.3 In the event of the cases mentioned in 11.1.2 the statutory terms of limitation shall apply.
- 11.4 No shift in the burden of proof to the detriment of BUYER is connected with the provisions of 11.
- 12. Confidentiality**
- 12.1 The Parties shall undertake not to make available to third Parties any documents, knowledge and information, tools, moulds, samples, models, profiles, drawings, standard sheets, photomasters and other technical documentation („Information“) received within the scope of the Contract and irrespective of the carrier medium without written approval of the respective other party, or use them for other than contractual purposes. Such Information must be secured against unauthorized inspection or use. With reservation of further rights, each party may request the return of such Information, should the other party breach such duty.
- 12.2 The obligation according to 12.1 shall commence upon the first receipt of Information and expire 5 years after the termination of the Contract.
- 12.3 The obligation according to 12.1 shall not apply to Information which is generally known or which was known to the respective party at the moment of receipt without the party being obliged to confidentiality or to Information which was passed on by a third party authorized to submit such Information or which was developed by the receiving party without utilization of confidential Information of the other party.
- 13. Severability Clause**
- The legal invalidity of one or more provisions of these T&C's shall in no way affect the validity of the remaining provisions. This shall not apply if it would be unreasonably onerous for one of the Parties to be obligated to continue the Contract.
- 14. Miscellaneous**
- 14.1 BUYER shall have no right to (i) inspect L&P's facilities, (ii) examine L&P's books, records or other documents, or (iii) seek or obtain any information from L&P deemed proprietary or confidential by L&P in its sole discretion, without the express written consent of L&P obtained in each instance, which consent may be withheld in L&P's sole discretion.
- 14.2 L&P shall have no obligation to sell or otherwise transfer any raw materials, work-in-progress, tools, dies, jigs, fixtures, molds, patterns, templates, models, mock-ups, gauges, drawings, equipment/machinery or other means of production to BUYER except where the same was specifically designed, developed and/or purchased by L&P solely for BUYER's account under a bona fide Supply Arrangement and has been fully paid for by BUYER.
- 14.3 While L&P shall reasonably maintain all tooling owned by BUYER in L&P's possession, L&P shall have no liability for the damage or loss of any tooling, equipment or other property unless such damage or loss arises out of the negligence of L&P.
- 15. Jurisdiction**
- The exclusive place of jurisdiction shall be L&P's place of business. However, L&P may also bring an action at BUYER's place of business.
- 16. Applicable Law**
- The material law of the Federal Republic of Germany shall apply on all Deliveries. The UN Convention on Contracts for the International Sale of Goods of 11 April 1980 shall not apply.