Purchasing Directive of the DRAEXLMAIER Group for Electronic Components

Revision 3, dated May 1, 2018

1. General

The purpose of this Purchasing Directive of the DRAEXLMAIER Group for Electronic Components ("Directive") is to set forth specific terms and conditions applicable to all purchases of electric and electronic components, including but not limited to discrete, assembled boards, for wiring harness systems and interior modules, central electrical and electronic components, high-voltage battery systems, high-voltage wiring harnesses, semiconductor products, software and other electronic components ("**Electronic Components**" or "Electronic Component") by Buyer from Supplier.

The stipulations in the DRAEXLMAIER Group Global Terms and Conditions of Purchase including its Annexes (together, the "**Terms and Conditions**"), which can be viewed under: http://www.draexlmaier.com/supplier-portal.html, shall remain unaffected, insofar as they are not amended by provisions of this Directive.

2. Limitation Period for Defects Claims

The limitation period for claims for defects shall begin on the date Electronic Components are delivered and shall end on the later of the expiry (i) of a period of five (5) years, or (ii) of any longer limitation or warranty period under the national law of any sales market into which Products and Customer Goods, respectively, are supplied.

In the case of subsequent performance by way of replacement delivery, the limitation period shall commence anew from the time of replacement delivery, unless such replacement delivery appears insignificant in light of its volume, duration and costs, or unless Buyer had to assume that, in light of Supplier's reaction, Supplier did not consider being obliged to make subsequent performance but rather did so as a gesture of goodwill or for other similar reasons. The same shall apply in the case of repair as far as the same defect or the consequences of a failed repair are concerned.

3. Regulatory Requirements

Supplier guarantees that Supplier and Electronic Components comply with all applicable laws, rules, codes, industry standards and regulations of the country of Buyer and other jurisdictions in which Electronic Components will be sold, including without limitation, if applicable, (i) the respective national implementations of the European Union End of Life Vehicles Directive 2000/53/EC, WEEE Directives 2002/96/EC and 2012/19/EU, RoHS Directives 2002/95/EC and 2011/65/EU, Directive on radio equipment and telecommunications terminal equipment 1999/5/EC, Batteries Directive 2006/66/EC, Directive on electromagnetic compatibility 2004/108/EC, REACH Regulation 1907/2006/EC (in their respective then-current and amended, respectively, versions), (ii) the respective national implementations of the applicable European Standards adopted by the European Committee for Electrotechnical Standardization (CENELEC), and (iii) comparable applicable laws, regulations and standards of other jurisdictions.

In addition to any other claims, rights and remedies Buyer may have for breach of the foregoing guarantee under applicable law, the claims for defects pursuant to Section 17 and the indemnification pursuant to Section 18.1 of the Terms and Conditions may be asserted by Buyer also in respect of the foregoing guarantee by Buyer.
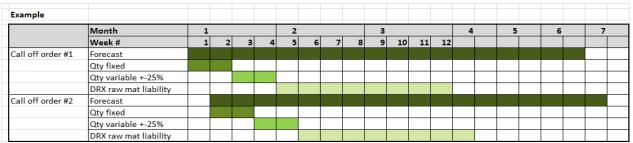
4. Software Workarounds

In the case of defective software, Buyer may, in addition to its claims for defects pursuant to Section 17 of the Terms and Conditions, at Buyer's choice demand that Supplier (i) replaces the defective software with another software offering substantially similar functionality and nevertheless maintaining the respective performance characteristics, (ii) procures that Buyer is granted the further right of use in the software or (iii) reveals adequate and reasonable ways to work around the effects of the defect.

5. Amendments to Terms and Conditions

a) Section 8 b) is amended as follows:

The commitment of purchase from Buyer to Supplier for finished Electronic Components, semi-finished Electronic Components and for their sub-components ("Sub-components"), with Sub-components being defined as all components listed in Buyer's latest valid bill of material for the applicable Electronic Component (=Buyer's material number) is defined as follows:

(i) Buyer shall issue a rolling weekly Release Schedule for finished Electronic Components containing a 6-month forecast ("Forecast").
(ii) Production quantity of finished Electronic Components for next two (2) consecutive weeks ("week 1 and 2"of the Forecast) is binding and represents Buyer's commitment of purchase.
(iii) Production quantity of finished Electronic Components for following two (2) consecutive weeks ("week 3 and 4" of the Forecast) is also binding and represents Buyer's commitment of purchase, however it may be changed by Buyer by +-25 %.
(iv) Buyer's commitment of purchase for Sub-components required for Electronic Components' fabrication shall extend to additional eight (8) weeks (up to week "12" of the Forecast).
(v) Product quantities of Electronic Components listed in Forecast for the time frame beyond 12 weeks serve as planning numbers and place no obligation of purchase on Buyer unless otherwise agreed between Buyer and Supplier in writing.
(vi) Example describing steps (i) till (v):

Example			1				2				3				4	5	6	7
	Month		1				2				3				4	5	6	7
	Week #		1	2	3	4	5	6	7	8	9	10	11	12				
Call off order #1	Forecast		█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	Qty fixed		█	█														
	Qty variable +-25%				█	█												
	DRX raw mat liability						█	█	█	█	█	█	█	█				
Call off order #2	Forecast			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
	Qty fixed			█	█													
	Qty variable +-25%					█	█											
	DRX raw mat liability							█	█	█	█	█	█	█				

(vii) Buyer's commitment of purchase for Sub-components required for Electronic Components' fabrication that have a long delivery lead-time between 12 and 30 or more weeks (including but not limited to MCUs, analog devices and customized electronic components) ("Long Lead-Time Sub-components") is subject to a separate written agreement between Buyer and Supplier. Supplier shall request a prior written approval to purchase Long Lead-time Sub-components from Buyer, should Buyer's Electronic Component(s), for which fabrication the Long Lead-time Sub-components are required, shall reach End of Life in less than twelve (12) months.

b) Section 9. c) does not apply.

6. Definitions

Capitalized terms used herein and defined in the Terms and Conditions shall have the meaning as defined in the Terms and Conditions.

MCU = Micro Controller Unit