

GENERAL TERMS OF PURCHASE

1. OBJECT

The Buyer is defined as the Electricfil group's affiliate with which the Supplier has concluded a contract. All Buyer's Orders are exclusively governed by these General Terms of Purchase, herein after designed as "Terms". Deviations to the Terms shall require a written consent by the Buyer and/or shall appear in its Order. The term «Supplies» covers all works, equipment, installations, materials, components, parts, etc., and provisions of service.

2. VALIDITY OF THE ORDER

- 2.1. Any verbal Order must be confirmed in writing.
- 2.2. The acceptance of the Order is deemed as soon as the Supplier starts to perform the Order.

3. CONFORMITY - QUALITY

- 3.1. The Supplier undertakes to supply the Supplies in conformity with the terms of the Order, drawings, specifications and contractual standards accepted by the Buyer and the Supplier and initial samples accepted by the Buyer. The Supplies shall comply with the legal regulations and notably REACH regulation.
- 3.2. Any technical changes and/or delivery dates changes shall be prior approved by the Buyer in writing.
- 3.3. Upon the execution of the Order, the Supplier adheres to the Supplier Quality Manual of the Buyer and undertakes to respect all of its provisions. The Supplier also undertakes to provide Safety Data Sheets (SDS) with each concerned delivery of Supplies.
- 3.4. At Buyer's first request, the Supplier undertakes to supply all information relating to the Supplies in order to certify their origin and composition.

4. PACKAGING - SHIPPING

- 4.1. In the absence of specification related to packaging in the Order, the Supplier is responsible for the choice of packaging. The Supplier undertakes to deliver the Supplies packed in compliance with the standards in force in the European Union. The Supplier is liable for any deterioration of the Supplies due to an inappropriate packing.
- 4.2. The Supplier shall also attach a delivery slip to each delivery, containing all information relating to the packaging list, the type of packing and the references listed on the Order and for a provision of service a slip which details the provision performed.

5. DELIVERY

- 5.1. The Supplier undertakes to imperatively respect the delivery date, the place and the conditions stipulated on the Order. It is forbidden to perform a delivery before the forecasted date.
 - 5.2. With reasonable notice, the Buyer unilaterally reserves the right to change the forecasted quantities and/or the delivery date.
 - 5.3. The Supplier undertakes to immediately warn the Buyer about any event likely to cause a delay in delivery. In the event of a delay, the Buyer reserves the right:
 - to demand an express delivery at the expense of the Supplier;
 - to terminate without compensation, all or part of the Order not executed;
 - to purchase the Supplies from another supplier; in which event any extra costs involved shall be paid by the defaulting Supplier;
 - to apply late delivery penalties of an amount corresponding to one percent (1%) of the total amount of the Order, per day of delay, in the limit of ten percent (10%). These penalties can be deducted from any amounts still due to the Supplier.
- Notwithstanding the payment of late delivery penalties, the Supplier will compensate the Buyer for all costs relating to customer claims and/or line stoppage caused by this delay in delivery, without prejudice to any subsequent legal action.

6. CONTROL – RECEIPT

- 6.1. The Buyer, possibly accompanied by its customer, reserves the right to check at any time the manufacturing quality of the Supplies at the Supplier's premises or at those of its subcontractors.
 - 6.2. The participation of the Buyer in the receipt of the Supplies does not release the Supplier from its liability.
 - 6.3. At the time of the receipt of the Supplies, the Buyer will check the packing, the identity and the quantity of the Supplies.
- The Supplier waives to oppose a late claim of the Buyer.

Any payment of the Supplies and/or any absence of claim and/or reserves by the Buyer upon delivery of the Supplies shall not be construed as a tacit assent of the conformity of the Supplies delivered.

7. PRICE – INVOICING – TERMS OF PAYMENT

- 7.1. The prices are firm and definitive. They are «delivered with all charges and duties paid, DDP - Final INCOTERMS CCI Edition, to the place of delivery indicated on the Order (packing, transport and insurances included).
- 7.2. The spare part unit price shall be identical to the price of the Supplies in the serial life, except in case of extra costs justified by any differences in the packing and/or logistical conditions.
- 7.3. Invoices shall include all details shown on the Order to enable identification and control of the Supplies and shall comply with the legal regulations (accurate supplies' denomination, quantity, unit price, modes of transport).
- 7.4. Invoices shall be paid forty-five (45) days at the end of the month from the date of issue of the invoice.

8. WARRANTY - LIABILITY

- 8.1. The Supplier is wholly responsible for designing and manufacturing the Supplies in accordance with the documents, legal regulations and samples mentioned in here above Article 3.1 of these Terms. The Supplier is responsible for the technical choices whatever assistance provided by the Buyer during the development may be, even if the Supplies were accepted when initial samples were examined.
- 8.2. The Supplier warrants the Supplies for three (3) years from the date of their delivery, against any defect or operating problem, apparent or hidden, due to any defects in design, materials and/or manufacture.
- 8.3. The Buyer reserves the right to refuse the Supplies if they are not compliant. The Supplies may be returned to the Supplier at its own expenses and risks.
- 8.4. Once this contractual warranty expires, the Supplier shall remain liable for any direct or indirect consequences of hidden defects of the Supplies. Any exclusion of this warranty shall be deemed null and void.
- 8.5. If the customer of the Buyer decides to recall a product incorporating the Supplies, the Supplier shall compensate the Buyer to the extent of its liability for all direct and indirect damage caused to the Buyer.
- 8.6. In any case, the Supplier shall compensate the Buyer for all direct and indirect damage suffered by the Buyer due to the non-compliance of the Supplies.

9. AFTER-MARKET PART

Regarding after-market obligations existing in the automotive market, and independently of the end of the Order binding the Buyer and the Supplier, the latter undertakes to maintain the supply of the Supplies for ten (10) years after the end of the serial life of the Buyer's products in which the Supplies are incorporated.

10. TRANSFER OF OWNERSHIP – TRANSFER OF RISKS

- 10.1. The Buyer becomes owner of the Supplies ordered as soon as they are manufactured.
The Buyer does not recognize any ownership restrictions.
- 10.2. The transfer of risks is made upon the delivery of the Supplies.

11. TOOLS

- 11.1. The tools and specific equipment supplied by the Buyer and/or especially manufactured for the execution of the Order are exclusively owned by the Buyer.
The tools and specific equipment can neither be the object of any right of retention of the Supplier, nor of any attachment of the Supplier's creditors.
At first request, the tools and specific equipment must be returned to the Buyer at the Supplier's expenses.
- 11.2. A contract on loan for the use of the tools and specific equipment will be signed between the Buyer and the Supplier. Even in the absence of such contract, the tools and specific equipment are considered to be put on deposit at the Supplier's plant, for accessory to the Order.
- 11.3. The tools and specific equipment shall solely be used by the Supplier for the fulfilment of the Order.
- 11.4. The Supplier undertakes to take all necessary measures to ensure the individualization of the tools and specific equipment, in particular by affixing metal identification plates or cold stamped with a label indicating that they are the Buyer's property and that they are not transferable or distrainable.
The Supplier assumes the custody and the risks of the tools and specific equipment and guarantees their maintenance and their functioning.

12. INTELLECTUAL & INDUSTRIAL PROPERTY

- 12.1. The Supplier grants the Buyer a non exclusive and royalty-free licence of use of any intellectual and/or industrial property rights for the duration of validity of said rights and for any countries, aiming at a direct and/or indirect use by the Buyer.
- 12.2. The Supplier warrants the Buyer and its customers, against any legal action brought by any third party and based on property claim, infringement or unfair competition concerning the Supplies. The Supplier will be solely liable for all detrimental consequences resulting from such legal action toward the Buyer and its customers.

13. CONFIDENTIALITY

- 13.1. All documents, information, research, drawings, samples, of any kind (technical, business, etc.) and under whatever form (email, oral and written disclosure, etc.) made available to the Supplier before or during the execution of the Order remain the Buyer's property. They must be kept strictly confidential, and must not be disclosed to any third party and/or be used by the Supplier for its own needs without the prior written agreement of the Buyer. The Buyer reserves the right to require their restitution at any time.
- 13.2. Confidentiality obligations will remain valid until five (5) years after the termination of the execution of the Orders.

14. INSURANCE

- 14.1. The Supplier shall take out an insurance policy for all the risks related to the Supplies, and particularly a product liability insurance, for an amount at least equal to five (5) million Euros, per year and per damage, including the costs of disassembly and assembly operations. In the absence of here above mentioned insurance coverage, the Supplier shall take out a complementary insurance proposed by the Buyer.
- 14.2. The Supplier shall take out an insurance guaranteeing the replacement value as new of the tools and specific equipment; covering the risks of loss, theft, destruction and all damages they could undergo and/or cause. The insurance will contain a renunciation for any claim against the Buyer and its insurance company.
- 14.3. At Buyer's first request, the Supplier will provide it with all the necessary certificates of insurance and relevant documents. The subscribed insurance policies by the Supplier will not change the nature, the content or the scope of its obligations and liabilities towards the Buyer.

15. TERMINATION

In the event that the Supplier fails to fulfill any of its contractual obligations, the Buyer may terminate the contractual relation, notably composed of the current Orders, by a notification of termination with recorded delivery letter, thirty (30) days following the date on which such notice was sent by recorded delivery letter remained without effect during this period, without prejudice of any damages which the Buyer could claim.

16. GENERAL PROVISIONS

16.1. ENTIRE AGREEMENT & NON WAIVER

Voidance of one of the clause of these Terms shall not void the remaining clauses. The void clause shall be replaced by a clause designed to produce an equivalent financial and legal effect as the original clause.

In the event that one of the parties does not assert its right by virtue of the Terms, it will not be construed, whatever is the duration, the importance or the frequency of such situation, as a waiver of its right to later request, at any time, the enforcement of each clause of the Terms.

16.2. CHANGE OF SUPPLIER'S SITUATION

The Supplier shall immediately inform the Buyer of any change of the management body, transfer of control (or sale of majority stakes), merger or takeover of the Supplier. The Buyer may terminate the Order without notice.

16.3. APPLICABLE LAW & SETTLEMENT OF DISPUTES

The law of the place of the Buyer's registered office to the exclusion of its conflict rules laws applies to the execution of the Order between the Buyer and the Supplier.

Any dispute arising out or in connection with the business relationship between the Buyer and the Supplier, which has not been settled out of Court, shall be settled by a jurisdiction located within the competence of the Buyer's registered office.

This clause applies even in the event of incidental request, plurality of defendants or appeal with guarantees, and whatever the means of payment may be.

Specific provisions:

Any dispute concerning Electricfil Automotive (Beynost-France) or Electricfil Service (Joinville - France), shall be solely settled by the Commercial Court in Lyons (France).

Any dispute concerning Electricfil Engine Components (Hubei-China) shall be submitted to the International Economic and Trade Arbitration Commission (CIETAC) for arbitration which shall be conducted in accordance with its Arbitration rules in effect at the time of applying for arbitration. The arbitration place will be Shanghai (China). The arbitration proceedings will be led by one arbitrator. The law governing arbitration will be the French law. The language of the arbitration proceedings will be English. The arbitral award will be final and binding.

Any dispute concerning Electricfil Otomotiv (Istanbul - Turkey), shall be submitted to the International Chamber of Commerce (ICC) for arbitration which shall be conducted in accordance with its Arbitration rules in effect at the time of applying for arbitration. The arbitration place will be Lyons (France). The arbitration proceedings will be led by one arbitrator. The law governing arbitration will be the French law. The language of the arbitration proceedings will be English. The arbitral award will be final and binding.

Any dispute concerning Electricfil Corporation (Livonia - Michigan) shall be submitted to the American Arbitration Association (AAA) for arbitration which shall be conducted in accordance with its Commercial Arbitration Rules and Mediation Procedures in effect at the time of applying for arbitration. The arbitration place will be Detroit (Michigan). The arbitration proceedings will be led by one arbitrator. The law governing arbitration will be the laws of the State of Michigan. The language of the arbitration proceedings will be English. The arbitral award will be final and binding.