

AUTONEUM GENERAL TERMS AND CONDITIONS OF PURCHASE – EUROPE – DIRECT

(Edition: December 2016)

I. SCOPE

These General Terms and Conditions of Purchase – Direct (the “**Terms and Conditions**”) apply to each purchase order or scheduling agreement (each the “**Purchase Order**”) and all agreements with regard to goods or materials supplied and/or services performed (collectively the “**Goods**”) by the “**Supplier**” to Autoneum Switzerland AG, Autoneum Management AG, Autoneum Germany GmbH, Autoneum Great Britain Ltd., Autoneum France SASU, Autoneum Belgium NV, Autoneum Spain S.A.U., Autoneum CZ s.r.o., Autoneum Portugal Lda., Autoneum Poland Sp.z.o.o. and/or LLC Autoneum Rus (each individually the “**Purchaser**”). Any additional or different terms proposed by the Supplier, in particular the Supplier's terms and conditions of sale and delivery are not applicable and expressly rejected by the Purchaser, even if (1) the Supplier expressly refers to other terms and conditions during the contractual relationship or (2) they are not rejected explicitly by the Purchaser in any individual case or (3) the Supplier delivers the Goods and accepts payment by the Purchaser.

II. CONCLUSION OF AGREEMENT, PURCHASE ORDER, RELEASES

1. The Supplier will be deemed to have accepted these Terms and Conditions when any of the following occurs: The Supplier (1) electronically accepts these Terms and Conditions on the Purchaser's online platform www.purchasing.autoneum.com, (2) otherwise indicates its acceptance, or (3) otherwise performs, including without limitation, delivering and rendering any of the Goods to the Purchaser.

Upon acceptance, these Terms and Conditions together with:

- the Purchase Order;
- the Purchaser's Supplier Logistic Manual;
- the Purchaser's Supplier Quality Manual;
- the Supplier Nomination Letter;
- the Purchased Part Specification (PPS);
- the PPAP Submission Warrant (PSW);
- the Purchaser's Code of Conduct for Suppliers,
- the Purchaser's Code of Conduct ;
- and any further documents specifically incorporated by reference in the Purchase Order or the Terms and Conditions, including without limitation, specifications, drawings, requirements of Purchaser's customer, quality requirements, releases or similar documents issued by Purchaser to Supplier;

collectively all together the "**Contract Documents**", will become a binding contract between the Purchaser and the Supplier (the "**Contract**"). The Contract Documents may also be validly exchanged by facsimile, electronically or by EDI. The Supplier is obliged to draw express attention to any deviations of the order acceptance compared to the Purchase Order. Such deviations are only accepted if the Purchaser states that explicitly in writing.

2. The Purchaser may demand amendments of its Purchase Order in any respect including, but not limited to quantity specifications, delivery, terms, quality and packaging. In this case the consequences, especially with respect to additional costs or reduction of costs, as well as with respect to delivery dates, are to be agreed by the Parties mutually in writing. The content of a change order shall be deemed to be agreed if the Supplier does not contradict the change order in written form within fourteen (14) calendar days after its receipt.

In the event that any such change request results in the Supplier accumulating stock, which is no longer suitable for use by the Purchaser in series production, the Purchaser will reimburse the costs actually incurred by the Supplier in relation to

- finished and semi-finished Goods as well as corresponding raw materials, for which delivery schedules have been issued for a delivery date within one (1) month after receipt of the Purchaser's change request,
- finished Goods, semi-finished Goods and raw materials included in a buffer stock, which has been required by the Purchaser in writing,

provided in all cases that the Supplier is provably unable to find an alternative use.

III. FORECASTS QUANTITIES

1. Forecast quantities set forth in the Purchase Order or otherwise communicated by the Purchaser to the Supplier are not binding, including but not limited to the Supplier's obligation to complete all releases received during the term of the Purchase Order, nor do they oblige the Purchaser to purchase specific quantities during the term of the Contract Documents. The forecast quantities will be reviewed periodically by the Purchaser and adjusted if necessary.

2. Only the Purchase Order is relevant for quantities of Goods, and also for material scheduling, capacity reservation and other advance planning. Unless otherwise expressly stated in the Purchase Order, or otherwise explicitly agreed in writing between the Parties, the Supplier shall not make any commitments for raw materials or other inventory or manufacture Goods in advance of the time necessary to permit shipments on delivery dates.

3. The Supplier acknowledges that any estimates or forecasts of production volumes or length of a program, whether from the Purchaser or Purchaser's customer, are subject to change from time to time, with or without notice to the Supplier and shall not be binding upon the Purchaser.

IV. DELIVERY, TRANSFER OF RISK, TANSFER OF TITLE, INSPECTION

1. The Supplier shall follow the requirements specified in Autoneum's Supplier Logistic Manual and routing instructions defined by the Purchaser. In the event of non-compliance with said instructions the Supplier shall bear the excess transportation costs. Delivery of Goods shall be

performed DDP (pursuant to the Incoterms of the ICC, 2010 Edition) to the agreed place of delivery, if not agreed otherwise in writing.

2. The Supplier ensures professional and faultless packaging according to the Purchaser's Supplier Logistic Manual and guarantees to follow the marking and labeling instructions and specifications of the Purchaser. The Supplier is liable for all damages as a result of inadequate or unsuitable packaging, as result of non-observance of the instructions provided in the Logistic Data Sheet (LDS).

3. Unless otherwise defined in separate agreements, the Purchaser may on notice to the Supplier change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle the Supplier to a modification of the price of Goods covered by the concerned Purchase Order.

4. If the Supplier is responsible for set-up or installation and unless otherwise agreed, the Supplier shall bear all the necessary incidental costs such as travel expenses, provision of tools and daily allowances, subject to divergent applicable resolutions.

5. Time of delivery is of essence for delivery, quality and quantity of each Purchase Order. The Supplier shall immediately notify the Purchaser in writing if the Supplier is unable to perform the services or deliver the Goods in the quantities and on the delivery dates and times specified in the Purchase Order and the Purchaser may require a more expeditious method of transportation of the Goods as originally specified. The Supplier shall ship the Goods as expeditiously as possible at the Supplier's sole costs. The Supplier, at its expense, shall use its best effort to mitigate any adverse effect or cost to the Purchaser due to any actual or potential delay, including the implementation of a production contingency plan.

6. If any Goods are delivered beyond the agreed deadline, the Supplier is in default of delivery, without reminder. The Purchaser may choose, without limiting or affecting its other rights or remedies available at law, to waive performance or a part thereof or to withdraw from the Purchase Order and to return the Goods to the Supplier at the Supplier's risk and costs. In case of default, the Supplier shall compensate the Purchaser for all damages caused by delay, including, without being conclusive, handling charges, the costs for any line shutdown and for the costs of obtaining the Goods from an alternate source. Where late delivery of the Goods is accepted, the Purchaser is entitled to deduct, without limiting or affecting its other rights or remedies available hereunder or at law, a penalty of 1% from the price for said delivery for each calendar week or part thereof, limited to a maximum of 10% of the price for said delivery, until delivery is completed in accordance with the terms of the Purchase Order.

7. Notwithstanding the Purchaser withdrawing from the Purchase Order in accordance with clause IV paragraph 6, the Supplier is not released from its delivery obligations that have already been issued by the Purchaser to the Supplier unless specifically cancelled by the Purchaser.

8. Unless otherwise specified in the Purchase Order, ownership of the Goods is transferred at the date of delivery of the Purchase Order by the Supplier. The Supplier acknowledges that the Purchaser is the sole owner of all samples, models, prototypes and tooling produced by the Supplier for the performance of the Purchase Order. No reservation of title clause proposed by the Supplier shall be effective against the Purchaser. The Supplier will ensure that no such title reservations are asserted by its subcontractors ("**Sub-Suppliers**").

V. PRICE AND PAYMENT

1. The Supplier shall sell the Goods to the Purchaser, in such quantities as may be ordered by the Purchaser, at the price agreed by the Purchaser and reflected in the Purchase Order. The delivered Goods shall be invoiced by the Supplier according to the terms of the Purchase Order.
2. Payment is due according to the terms set forth in the Purchase Order. Payment remittances shall be made by bank transfer.
3. In case of defective/nonconforming deliveries, the Purchaser shall be entitled to withhold payment pro rata to the value of the defective/nonconforming Goods until such Goods have been either replaced or repaired.
4. In the event the Purchaser withdraws from the Purchase Order due to delay or defective/nonconforming deliveries, the Purchaser shall issue a debit note in the amount of the purchase price invoiced by the Supplier and of the damages to be borne by the Supplier according to the Contract Documents and according to applicable law.
5. Without previous written consent of the Purchaser, the Supplier shall not be entitled to assign his receivables to third parties or to have such receivables collected by third parties.

VI. OFFSETTING

1. In addition to any right of set off provided by applicable law, the Purchaser may set off and recoup against the Purchaser's accounts payable to the Supplier or any of its subsidiaries or affiliates, unless prohibited by applicable law, any amounts for which the Purchaser determines in good faith that the Supplier or any of its subsidiaries or affiliates is liable to it under any Purchase Order or any other agreement with the Supplier or any of its subsidiaries or affiliates. The Purchaser may do so after prior notice to the Supplier.
2. The Purchaser will be presumed to have acted in good faith if it has a commercially reasonable basis for believing that the Supplier or any of its subsidiaries or affiliates is liable for the amount of the debit. A debit may include charges of the Purchaser's customer to the Purchaser, professional and service fees and other costs incurred by the Purchaser.

VII. PRODUCT QUALITY ASSURANCE, DOCUMENTATION, CPM tool AND APPLICABLE LAWS, REGULATIONS AND STANDARDS

1. If not otherwise stated, the Supplier warrants fulfilling the requisites of the quality standards ISO 9001, ISO 14001 and ISO 45001 (OHSAS 18001), the standards TS 16949 and any further relevant standards of the automotive industry as described in the Supplier Quality Manual. The Supplier agrees to meet the full requirements of industry Production Part Approval Processes (PPAP) as specified by the Purchaser and the Purchaser's customer, as applicable, and agrees to present this information to the Purchaser upon request, at the level requested, unless otherwise specifically agreed by the Purchaser in writing. The Supplier further warrants that the Goods supplied conform to all laws, regulations and standards for use in the country of delivery. The Supplier is required to provide a material data sheet (MDS) in IMDS for all products supplied to the Purchaser. The Goods shall comply in particular but not exclusively with:

- the Purchaser's Supplier Quality Manual;
- the Purchaser's Supplier Logistic Manual;
- the regulation and specifications found in the Compliance Process Manager tool (CPM) (<http://cpm.autoneum.com/cpm/>);
- the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding "Conflict Minerals" as defined in Section 1502. The Supplier agrees to submit a Conflict Mineral Reporting Template (template can be found at <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>) on a yearly basis in compliance with OEM requirements. The submission should be performed on the supplier portal, where there is a link to the Central Data Exchange (CDX) system, the use of which is free of charge;
- all applicable laws, regulations and standards (environmental regulations and request, critical and hazardous material and substances, REACH(EC 1907/2006), GADSL, etc.);
- Certificate of Origin;
- the Purchaser's Code of Conduct;
- the Purchaser's Code of Conduct for Suppliers.

2. To the extent that any Goods delivered under a Purchase Order are to be supplied to any country of the European Union or Switzerland, the Supplier must comply with the European Community Regulation REACH (EC 1907/2006), and the Goods delivered must not contain any product, material or substance prohibited by the legislations or regulations applicable in the Supplier's country, the European Union and all countries in which the products or parts are marketed and used.

3. To the extent that any Goods delivered under a Purchase Order are to be imported into the United States of America, the Supplier shall, upon the Purchaser's request, comply with all applicable recommendations or requirements of the United States Bureau of Customs and Border Protection's Customs Trade Partnership against Terrorism Initiative or any successor or replacement initiative or program. To the extent that any Goods delivered under a Purchase Order are to be imported into Canada, the Supplier shall upon the Purchaser's request, participate in the Canada Border Services Agency's Partners in Protection Program or any successor or replacement initiative or program.

4. The Purchaser examines deliveries only for completeness (in terms of quantity and identity) and transport damages. It has no further inspection obligations. The Supplier waives any right to require the Purchaser to conduct an inspection. The Purchaser may return the Goods delivered in excess of the quantity specified in the Purchase Order at the Supplier's sole expense and risk.

5. The Supplier shall respect and perform all the agreed checks in the control plan during the initial sampling (see Purchaser's Supplier Quality Manual) and demonstrate at any step the compliance with Purchaser's specifications. The Supplier is obliged to maintain all the quality check records and evidence of product approval according to new requirements and to make these available to the Purchaser if requested. All these evidences must be kept for at least fifteen (15) years and presented to the Purchaser upon request. The Supplier shall implement the same approach with its Sub-Suppliers.

6. The Supplier is obliged to inform the Purchaser immediately in writing if and when deviations of any specifications or nonconformities of the Goods are identified (the “**Change of Goods**”) or if a change of the Sub-Supplier’s occurs. For any Change of Goods, the prior written approval of the Purchaser is required. After written approval of the Purchaser for the Change of Goods, the Supplier will fully review the quality standards according to clause VII paragraph 1, in particular the Production Part Approval Processes (PPAP) as applicable.
7. If required, the Supplier shall be obliged to provide a declaration of origin for the Goods being supplied and materials contained therein or used for the manufacture thereof.
8. The Purchaser publishes changes in the CPM tool through the above mentioned platform. The Supplier shall regularly check the Purchaser's platform and shall adapt its entries within one month after changes in the CPM tool.

VIII. RECALL

1. The Purchaser reserves the right to initiate a recall of any Goods supplied pursuant to the Contract when the Purchaser or the Purchaser’s customer determines, or any authority alleges, such Goods are defectively designed or manufactured; and/or which fail to comply with all applicable laws, rules or regulations including but not limited to safety, environmental or emission laws.
2. If the Purchaser should elect or be required to initiate a product recall, withdrawal or field correction for any reason, the Purchaser will notify the Supplier. The Supplier will assist the Purchaser in an investigation to determine the cause and extent of the problem and in the handling of the recall. The Supplier shall not contact or respond to any inquiry by any authority with regard to any recall but its communications shall be with the Purchaser, who will coordinate all communications.
3. If any Goods are recalled as a result of (1) supply by the Supplier of Goods that do not conform to the warranties contained in the Contract or (2) the negligent or intentional wrongful act or omission of the Supplier or any of its affiliates, subsidiaries or subcontractors, then the Supplier will pay all costs and expenses of such recall, including but not limited to the Purchaser’s reasonable attorney fees and expenses associated with such recall. Provided the Purchaser gives the Supplier advance notice of any such recall action, the Supplier shall reimburse the Purchaser and its customer(s) and their dealers for all costs incurred in connection with such recall, including but not limited to the costs of notifying vehicle owners and replacing all defective Goods.
4. The Supplier shall also reimburse the Purchaser for warranty claims based on related damage caused by any defect or failure of any Goods and/all costs, settlements, judgments, expenses, fines, penalties, remedies and/or damages in connection with any claim or proceeding brought against the Purchaser or its customers to the extent based upon an allegation that any Goods supplied by the Supplier pursuant to the Contract is defective.
5. The Supplier will maintain complete and accurate records concerning the manufacture of the Goods for the longer of (1) the period of series manufacture for the Goods or (2) such periods as may be required by applicable law and provide access to such records to the Purchaser and the Purchaser’s customer upon their request.

IX. PRE-ACCEPTANCE AND ACCEPTANCE

1. Except as expressly stated otherwise in the Purchase Order, the Supplier is responsible for (1) all labor, materials, equipment, tools and supervision necessary to perform the Contract; (2) designing, manufacturing, assembling, constructing, building, installing the equipment and other Goods listed in the Purchase Order, (3) conducting testing, training and warranty procedures related to the operation and maintenance of the Goods, and (4) all labor, materials, equipment, tools and supervision necessary to perform the services specified in the Purchase Order and other specifications.

2. The Supplier will submit to the Purchaser all production, function and quality control test reports and other data as the Purchaser may request from time to time concerning the Goods. The Supplier grants to the Purchaser the right to enter the Supplier's premises at any reasonable time to make an inspection and examination of the Goods, and any component parts and the fabrications/assembly techniques proposed or used by the Supplier as the Purchaser may deem appropriate. The Supplier agrees to fully cooperate with the Purchaser in such inspections. The exercise of the inspection rights by the Purchaser does not release the Supplier from its own inspection and warranty obligations.

3. Upon completion of fabrication of the Goods, the Supplier shall notify the Purchaser in writing that the Goods are ready for shipment/pre-acceptance testing. The Purchaser shall have the right to inspect the Goods prior to shipment at the Supplier's facility and/or at arrival at the Purchaser's plant. Any defects or deficiencies discovered by the Purchaser shall be promptly repaired or replaced by the Supplier at Supplier's sole cost and expense, and the Goods shall be subject to another pre-acceptance inspection or test by the Purchaser.

4. All Goods ordered under the Contract shall be subject to final acceptance by the Purchaser (the "**Final Acceptance**"). The Purchaser shall notify the Supplier as specified in the Purchase Order to make arrangements for the final acceptance testing, which shall be designed by the Purchaser to evaluate whether the Goods are in compliance with all applicable specifications and operate as contemplated in the Contract. In the event the Goods fail to operate in compliance with the Contract and/or do not meet all specifications and requirements contained in the Contract (including the applicable Purchase Order), the Supplier shall at the Supplier's own expense, immediately make such repairs or adjustments so as to render the Goods in compliance therewith and the acceptance test shall be repeated. Notwithstanding payment or any prior inspection, Final Acceptance will not occur until (1) the Supplier has corrected all deficiencies related to the Goods identified by the Purchaser, (2) the Supplier has provided all documentation in accordance with the Purchase Order, and (3) the Supplier has satisfied all other requirements as specified in the Purchase Order.

5. For only the first pre-acceptance test and the first final acceptance test performed, the Purchaser shall be responsible for its own travel costs and the costs of providing any materials or supplies that the Purchaser deems necessary in order to verify the proper operation and performance of the Goods. For all pre-acceptance and final acceptance tests performed after the first one, the Supplier shall be responsible, at its sole costs and expense, for any materials or supplies that the Purchaser supplies or that the Supplier requests the Purchaser to supply in order to verify the proper operation and performance of the Goods. In addition, the Supplier shall be responsible for any and all travel expenses and other related costs incurred by the Purchaser as a result of the non-compliance of the initial pre-acceptance test or final acceptance tests performed or due to any subsequent pre-acceptance and/or final acceptance testing that are performed. The pre-acceptance

testing and final acceptance testing parameters shall be established by the Purchaser and shall be based upon the specifications and requirements set forth in the Contract Documents.

X. WARRANTY

1. In addition to all other warranties expressed or implied by applicable law, the Supplier grants the Purchaser full legal and material warranty during the "Warranty Period" (as defined in paragraph 7 below). In particular the Supplier warrants that the Goods will be free of defects in material, workmanship and design, conform to the Contract including any agreed specifications and comply with the warranties and requirements according to clause VII. During the Warranty Period, the Supplier agrees to promptly perform any corrective work (the "**Corrective Work**") in connection with the Goods which may be required at no cost to Purchaser. The Supplier shall also be solely responsible for all expenses necessary to perform any warranty service.

2. The Purchaser shall notify the Supplier with written notice or by email of any defects in or the non-conformity of the Goods as soon as reasonably practicable in the ordinary course of its business within the Warranty Period and specify the defect/non-conformity and request the Corrective Work. The notice of non-conformity sent by email shall be deemed as a binding notice of defect. The Supplier waives any right to reject delayed notifications of defects.

3. If the Purchaser determines in good faith that the Corrective Work cannot be done as the Purchaser has started to use the Goods or it will cause any delay in the Purchaser's operation or cause the Purchaser to incur in any additional costs, the Purchaser is entitled to reject the non-conforming/defective Goods, and at the Purchaser's option, (1) request redelivery of conforming Goods or (2) retain them and either repair the defective Goods itself or have such work undertaken by a third party and reduce the purchase price, or (3) withdraw from the Purchase Order. Costs for inspection, for off-lining of defective Goods, costs for any line shut down, of repairing, replacing or reworking as well as transport and any customs duty, taxes, charges or other levies payable in connection with the performance of work and the transport of the defective/repaired/replaced Goods shall be borne by the Supplier. All further claims available by applicable law for compensation of costs and damages shall be reserved. The Purchaser shall be entitled to charge the Supplier for administrative costs for each notification of nonconformity.

4. The Purchaser will endeavor to store rejected defective Goods. The Supplier shall collect such Goods within 14 days from the notification stated above in clause X paragraph 3. If defective Goods are not collected within this period, the Purchaser shall be entitled at its choice to return, destroy or dispose of the defective Goods. All arising costs shall be borne by the Supplier.

5. In case the Goods are repeatedly supplied in a defective condition, the Purchaser may immediately withdraw from the Purchase Order with respect to Goods not yet supplied without any liability.

6. A warranty claim does not arise if the defect is attributable to the non-observance of operation, service or installation instructions, inappropriate or unsuitable use, incorrect or careless treatment, normal wear and tear as well as to changes to Goods made by the Purchaser or a third party.

7. If no other Warranty Period is stated in the respective Purchase Order, the Warranty Period for the Goods is 5 years and commences with receipt and acceptance of the Goods by the Purchaser.

The period between the delivery date and the manufacturing date of the Goods must not exceed three months.

8. Identical warranty terms, as applicable to the original items delivered, shall apply to spare, replacement or repaired parts delivered in accordance with the warranty.

XI. INDEMNITY, INSURANCE

1. The Supplier shall indemnify and hold the Purchaser, its agents, servants, officers, directors and employees, the Purchaser's distributors, dealers and all entities which sell Goods or products into which the Goods are incorporated, and their respective customers, fully harmless against liability, costs, damages, losses, claims and expenses (including legal expenses) occasioned by or arising out of any claim for death, personal injury or propriety damage, which results from any defect/non-conformity or alleged defect/non-conformity in the Goods or from Supplier's breach of any term of the Purchase Order. The Supplier will indemnify the Purchaser for all claims for damages made by third parties, especially for claims arising from product liability legislation, which are asserted against the Purchaser in connection with the Goods and/or from the Supplier's breach of any term of these Terms and Conditions and/or the Purchase Order.

2. The Supplier shall hold the Purchaser, its agents, servants, officers, directors and employees, Purchaser's distributors, dealers and all entities which sell Goods or products into which Goods are incorporated, and their respective customers, fully harmless against liability, costs, damages, losses, claims and expenses (including legal expenses) arising out of any action to recall any vehicle, or any product into which Goods have been incorporated consequent upon any defect in the Goods.

3. For the duration of the Contract and the contractual obligations of the Parties, but at least for five years after delivery, the Supplier shall maintain a comprehensive insurance which covers the Supplier's product liability and general commercial liability from a financially sound and reputable insurance company. Such insurance policy shall include a clause relating recall campaign costs and including reinstallation and dismantling costs incurred at the Purchaser or its customer. The Supplier shall procure insurance to insure against bodily injury and property damage while operating on the Purchaser's site in no amount less than EUR 5 Million (five Million Euro). The Supplier informs the Purchaser immediately in case of termination or material change of the insurance coverage. If the insurance coverage cannot be provided by the Supplier, the Purchaser may terminate anytime all Purchase Orders with 30 days notice period. Furthermore at any time upon request of the Purchaser, the Supplier shall provide to the Purchaser with an insurance certification of the existing coverage.

XII. SPARE PARTS

1. The Supplier guarantees to the Purchaser for the period of fifteen (15) years following the delivery of the Goods to maintain an adequate inventory of all unique or specially manufactured parts and to furnish the Purchaser with spare parts as well as to render any documents necessary for service, such as plans, piece lists, etc., unless a different period is set forth in the Purchase Order.

2. If Sub-Suppliers of the Supplier discontinue production of key materials or components used for the manufacture of the Goods, the Supplier shall inform the Purchaser immediately. In such a case the Supplier shall undertake all its best efforts to look for alternative Suppliers and transfer all relevant know-how and materials to a new Sub-Supplier.

3. The Supplier shall inform the Purchaser immediately, in case key materials or components used for the manufacture of the Goods are no longer available. The Supplier shall undertake all its best efforts to look for alternative materials and transfer all relevant know-how to the Purchaser.

XIII. USAGE MANUFACTURING DEVICES

1. Manufacturing devices like models, matrixes, patterns, samples, tools and others ("**Manufacturing Devices**") belonging to the Purchaser or to Purchaser's customers must be kept, maintained and preserved in working order and shall be comprehensively insured by the Supplier free of charge. The Supplier must mark such manufacturing devices as the Purchaser's or the Purchaser's customer's property with identification plate and codification number provided by the Purchaser with the Purchase Order. The Supplier must return evidence by documenting including photography. The Supplier must obtain the Purchaser's prior written consent before moving Manufacturing Devices owned by the Purchaser or by the Purchaser's customer to another location of the Supplier, or a related company or of a third party. The Supplier shall promptly resist any attempt to seize or impound such manufacturing devices. On request of the Purchaser, the Supplier shall immediately hand over such manufacturing devices.

2. The Purchaser becomes sole owner of the Manufacturing Devices manufactured or purchased by the Supplier following an order of the Purchaser as soon as they are fabricated or purchased by the Supplier. Ownership by the Purchaser will not relieve the Purchaser of its obligation to pay nor affect any claim of the Supplier for payment under a Purchase Order.

3. The Supplier has no property rights or other rights on the Manufacturing Devices owned by the Purchaser. The Supplier waives any lien that it might have or otherwise be able to assert against the Manufacturing Devices of the Purchaser and waives any objection to the Purchaser's repossession and removal of the Manufacturing Devices owned by the Purchaser for any reason, including bankruptcy and or insolvency proceedings.

4. The Supplier shall keep the Manufacturing Devices in good working condition and make any necessary repair and maintenance at its own expense. In case of any malfunctioning or damage caused to the Manufacturing Devices which could require such device be replaced or a stoppage in the supply of Goods the Purchaser must be promptly informed.

5. The Manufacturing devices and other material provided to the Supplier by the Purchaser or otherwise owned by the Purchaser may be used solely for the manufacture of the Goods according to the Purchase Order.

6. The Purchaser shall be granted an exclusive and irrevocable option exercisable at any time to purchase the Manufacturing Devices owned by the Supplier, which are solely used to manufacture the Purchaser's Good at the present value of the Supplier's actual cost of such Supplier's owned Manufacturing Devices that the Supplier has not yet recovered in the piece price of the Goods by the time the Purchaser exercise the option.

XIV. INTELLECTUAL PROPERTY RIGHTS

1. The Supplier is responsible for ensuring that the Goods are not subject to any patent, industrial designs trademarks, trade secrets and the like ("**Intellectual Property Rights**") of the Supplier or any third party and do not infringe any third party's Intellectual Property Rights. The Supplier shall inform the Purchaser immediately if the Goods contain his own Intellectual Property Rights and shall provide

the Purchaser with a respective list. The same rule applies if third party Intellectual Property Rights are detected by the Supplier.

2. The Supplier will fully indemnify the Purchaser against any infringement or claimed infringement of Intellectual Property Rights of third parties, with respect to the Goods or (where the Supplier has been notified of the intended use of the Goods) any goods with which the Goods are combined. The Supplier undertakes to join at the Purchaser's request any legal proceedings brought against the Purchaser, or to conduct the proceedings in the Purchaser's place at its own expense and/or to assume the costs and compensation arising from the proceedings limiting the right of use of Intellectual Property Rights. The Supplier acknowledges that the Purchaser or the Purchaser's customers may have valuable Intellectual Property Rights in tools, documents and information provided to the Supplier. The Supplier may use Intellectual Property Rights of the Purchaser only in the production and supply of the Goods to the Purchaser. Any further use requires the prior written approval of the Purchaser.

3. The Supplier agrees not to assert any claim with respect to any technical information which the Supplier shall have disclosed or may hereafter disclose to the Purchaser in connection with the Goods or Services covered by the Contract. The Supplier shall furnish to the Purchaser, or any other party designated by the Purchaser, without restrictions on use or disclosure, all information and data the Supplier acquires or develops in the course of the Supplier's activities under the Contract Documents.

4. The Supplier agrees to, and hereby does, as far as permitted by applicable law, assign its entire right, title and interest in all Intellectual Property Rights to the Purchaser, including, but not limited to, all writings, designs, mask works, software, inventions, improvements and discoveries, conceived or made by all employees and agents of the Supplier in connection with their provision of services or the Goods under the Contract, except as otherwise agreed in writing by the Supplier and the Purchaser. The Supplier further agrees to do all lawful acts and sign all assignments and other papers the Purchaser deems necessary, appropriate or advisable relating to applications for patents, mask works, registrations, trademarks, and copyrights related to the Improvements, or relating to the conduct of any interference, litigation or other controversy in connection therewith, provided that all expenses incident to the filing of such applications, the prosecution thereof and the conduct of any interference, litigation or other controversy, including the Supplier's employees' time and travel expenses incurred in connection with such applications, shall be borne by the Purchaser. The Supplier further agrees not to assert any Intellectual Property Rights against the Purchaser in relation to the Purchaser's use of any Improvements in connection with the Supplier's performance under the Contract, and grants a royalty free, irrevocable, non-exclusive, worldwide license to any patent rights in the Goods provided that the Purchaser's use is limited to the Purchaser to use, operate and maintain the Goods supplied under the Contract.

XV. CONFIDENTIALITY

1. The Supplier and the Purchaser each commit themselves to treat the Contract and all Contract Documents as business secrets and to keep confidential all commercial and technical information of the other Party which comes to their knowledge during the course of their business relationship unless such information is or becomes public known without fault of the party receiving such information.

2. Drawings, models, patterns, samples and similar objects shall not be reproduced, disclosed or otherwise be made available to third parties without the written consent of the Party which owns them.
3. The Supplier may use the established business relationship for advertising purposes only after having obtained the Purchaser's previous written consent.
4. The Supplier ensures that any Sub-Suppliers commit themselves to clause XV.
5. Disclosure by the Purchaser to affiliated companies shall not be considered as a breach of the confidentiality obligation.
6. The Supplier shall use any confidential information belonging to the Purchaser solely for the purpose of the supply of the Goods to the Purchaser.

XVI. FORCE MAJEURE

1. Either of the Parties may suspend performance of a Purchase Order during the occurrence of an event of force majeure, which shall be limited to epidemics, mobilization, war, damage to production facilities caused by natural disaster, embargoes, irrespective of whether this arise with regard to the Supplier, the Purchaser or third parties. Not as event of force majeure shall be considered (a) any non-performance caused by Supplier's financial difficulties (b) change of credit lines or other financing conditions by financial institution of the Supplier, (c) a change in costs or availability of materials and components based on market condition or the Sub-Supplier action affecting the Supplier, or (d) any labor strike or any labor disruption applicable to the Supplier or to any of its Sub-suppliers.
2. During any period of force majeure, the Purchaser shall be entitled without any obligation to the Supplier to revoke the Purchase Order or to reduce the quantities of the Goods set forth in the Purchase Order or such releases and to obtain such Goods from other sources.
3. In the event that the Supplier discovers any fact which may, or could result in an excusable delay as defined hereunder, the Supplier will immediately advise the Purchaser of such facts and use its best endeavors to take all measures and precaution to mitigate and to reduce any adverse effect of the excusable delay.
4. Each Party will itself bear the costs it incurs as the result of an event of force majeure.

XVII. REPORTS

1. If requested by the Purchaser, the Supplier will provide to the Purchaser the most recent financial reports for itself and for any of its related companies involved in manufacturing, supplying or financing the Goods or any component parts of the Goods. Financial reports include income statements, balance sheets, cash flow statements and supporting data. The Purchaser may use financial reports provided under this clause XVI only to assess the Supplier's ongoing ability to perform its obligations under the Purchase Order and for no other purpose, unless the Supplier agrees otherwise in writing. The obligation under clause XIV shall apply to financial reports.
2. If requested by the Purchaser, the Supplier shall provide to the Purchaser all reports required for EC Regulation No. 1907/2006 (REACH), and/or for the United States Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism Initiative, and/or for the Canada

Border Services Agency's Partners in Protection Program and all regulations and/or codes of practice relating thereto, as amended and replaced from time to time.

XVIII. GENERAL PROVISIONS

1. Changes and amendments to these Terms and Conditions, and/or Contract Documents based on it, agreements and legally relevant declarations by the Parties are binding only if made in writing or in the form set forth herein. This also applies to any agreement to waive the requirements for observance of the written form. Declarations become legally effective upon receipt by the counter party.
2. In the event of a conflict between the documents, which constitute part of the Purchase Order, unless otherwise expressly agreed in a specific document, the documents shall apply in the order in which they are listed hereinafter so that the documents listed first shall take precedence over documents listed subsequently: Purchase Order, any individual agreement, release, these Terms and Conditions, other agreed documents and/or documents provided by the Supplier. With respect to such documents, a subsequently issued version shall prevail over a previously issued one. Terms defined in these Terms and Conditions shall have the same meaning in all documents constituting part of the Purchase Order, unless the context expressly provides otherwise.
3. Should one of the provisions of these Terms and Conditions or of any additional stipulations agreed upon be or become invalid, then the validity of the remaining part of these Terms and Conditions shall not be affected thereby. The Parties are committed to replace the invalid provision by another - with respect to the commercial effect - equivalent provision, in so far as this is possible.
4. Every right and remedy of the Purchaser provided in these Terms and Conditions shall be cumulative concurrent and in addition to any other right and remedies available by applicable law.
5. Failure or delay by the Purchaser in enforcing or partially enforcing any provision of the Purchase Order will not be construed as a waiver of any of its rights under the Purchase Order. Any waiver by the Purchaser of any breach of, or any default under, any provision of the Purchase Order by the Supplier will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of the Purchase Order.

XIX. ORDINARY TERMINATION

1. In addition to any other rights of the Purchaser to terminate the Purchase Order and/or the Contract Documents, the Purchaser may, at its sole discretion, upon thirty (30) calendar days prior written notice to the Supplier or, if applicable, such shorter period as may be required by the Purchaser's customer, terminate the Purchase Order and/or the Contract Documents for any reason, in whole or in part (other than the minimum quantities specified herein) at any time, and notwithstanding the existence of any excusable delay or other events or circumstances affecting the Supplier. The Supplier may not terminate the Purchase Order except as otherwise expressly provided in the Purchase Order.
2. Upon receipt of notice of termination from the Purchaser, the Supplier shall, to the extent directed by the Purchaser or its representatives: (1) immediately stop the work under the Purchase Order and any other orders related to work terminated by such notice; and (2) protect all property in the Supplier's possession or control, in which the Purchaser has or may acquire an interest, including but not limited to the Purchaser's property.

3. The Purchaser shall, in addition to making payment of the price specified in the Purchase Order for the Goods and the services delivered or performed and accepted by the Purchaser prior to the effective date of termination, pay to the Supplier the following amounts, without duplication: (1) the price specified in the Purchase Order for the Goods and the services manufactured or provided in accordance with the terms of the Purchase Order but not previously paid for; and (2) the actual costs of work-in-process and parts and raw materials incurred by the Supplier in performing its obligations under the Purchase Order, to the extent such costs are reasonable in amount and are properly allocated or apportioned under generally accepted accounting principles to the terminated portion of the Purchase Order.

4. The Purchaser shall not be liable for and shall not be required to make payments to the Supplier, directly or indirectly (whether on account of claims by the Supplier's subcontractors or otherwise), for any loss arising from or attributable to failure to realize anticipated revenue, savings or profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation cost or general and administrative burden charges arising from a termination of the Purchase Order. In the event of a termination of the Purchase Order by the Purchaser as a result of the Purchaser ceasing to be a supplier to the Purchaser's customer for the vehicle program in respect of which the Purchaser issued the Purchase Order, the Supplier shall be compensated only for the costs under this paragraph if, when and to the extent that the customer reimburses the Purchaser for such costs.

XX. EXTRAORDINARY TERMINATION

1. If the Supplier being in serious breach of its contractual obligations under the Contract or ceases to conduct its operations in the normal course of business or if any proceedings under the bankruptcy or insolvency laws of the jurisdiction in which it carries on business are brought against the Supplier, or a receiver for the Supplier is appointed or applied for an assignment for the benefit of creditors of the Supplier, the Purchaser may terminate the Purchase Order and/or the Contract Documents immediately without notice and without any liability.

2. The Supplier shall notify the Purchaser in writing, if (1) a sale or an exchange in the controlling interests in the shares of the Supplier has occurred or if (2) a substantial portion of the Supplier assets used for the production of the Goods are sold, leased or otherwise transferred to a third party ("**Change of Control**") within 5 working days after the Change of Control has become effective. The Purchaser shall have the right within 30 days from the written notification of the Supplier to terminate any Purchase Order and/or the Contract Documents in effect in writing with a notice period of 30 days.

3. Any terms of these Terms and Conditions that survive by their nature termination of the Contract Documents shall remain in full force and effect after termination.

XXI. PLACE OF JURISDICTION AND APPLICABLE LAW

- 1. These Terms and Conditions, any Contract Documents, the Contract and the contractual relationship of the Parties is governed exclusively by substantive Swiss law excluding any conflict of law provisions and excluding the UN Convention on Contracts for the International Sale of Goods (CISG).**
- 2. The exclusive venue for all legal disputes arising either directly or indirectly out of the Contract or any of the Contract Documents shall be Zurich, Switzerland.**
3. The Purchaser further has the unilateral right to take legal action against the Supplier at any court having jurisdiction over the registered office or branch office of the Supplier or at any court having jurisdiction over the place of performance.
4. Place of performance shall in any case be the legal domicile of the Purchaser.