General Terms and Conditions for the Purchase of Production Material

AW Europe S.A., Avenue De L'Industrie 19, 1420 Braine L'Alleud Belgium
Edition 1/2015

1. Determining Conditions. The legal relationship between Supplier and AW Europe S.A., hereinafter "**AW-EUR**", shall be determined by the following terms and conditions and any additional terms agreed between the contractual parties. Changes and amendments to these conditions must be in writing and mutually agreed upon. Any other general business terms shall not be applicable even if not explicitly rejected. The Supplier shall deliver products ("the Products" or "Products") ordered by AWE.

2. Orders

2.1. Supply contracts (order and acceptance of such order) and material call offs as well as any changes and amendments thereof have to be made in writing. Material call offs will be issued by purchase orders or contract amendments.

3. Payment

3.1. All Payments shall be made sixty <**60**> days end of month calculated from the date the invoice is received by AW-EUR provided, however, AW-EUR has received complete billing documents not later than the last day of such month. In case of premature shipments, payment will be made according to the agreed delivery date. Under no circumstances shall the starting point of term of payment be prior to the date of actual delivery of the merchandise.

3.2. In case of defective deliveries, AW-EUR shall be entitled to withhold an appropriate amount until the defective Products have been replaced.

3.3. Without previous written consent of AW-EUR, which shall not be unreasonably withheld, the Supplier shall not be entitled to assign his receivables to third parties or to have such receivables collected by third parties.

4. Notifications of deficiencies

4.1. AW-EUR shall notify the Supplier in writing about any deficiencies and non-conformities of a shipment as soon as such deficiencies have been discovered in the course of an orderly business practice. The Supplier hereby waives his right to reject delayed notification of deficiency.

5. Confidentiality

5.1. The contracting parties commit themselves to deem as business secrets all commercial and technical details which come to their knowledge during the course of their business relationship unless such details are public and to keep any and all information exchanged between AW-EUR and the Supplier strictly confidential.

5.2. Drawings, models, patterns, samples and similar objects shall not be made available or otherwise be made accessible to unauthorised third parties. Reproduction of such objects is permitted only according to business requirements or in compliance with the laws on copyright.

5.3. The Supplier shall ensure that his Sub-Suppliers shall commit themselves accordingly.

5.4. Each contracting party may use the established business relationship for advertising purposes only after having obtained previous written consent from the other party.

6. Delivery

6.1. Agreed delivery dates and schedules are binding. Compliance with such dates or schedules shall be determined by the day of arrival of the Products to be supplied at AW-EUR. The Supplier shall make the Products available in time taking into consideration the time usually necessary for loading and shipment. All deliveries shall be made as designated by AW-EUR. If no trade term has been specifically agreed, the delivery shall be Delivery Duty Paid (DDP) as per INCOTERMS 2010 at the place named by the Supplier.

6.2. Spare Parts and After Sales Period deliveries.The After-sales period is the period which follows the End of Production (EOP) of AW-EUR products mass production, and during which AW-EUR still delivers AW-EUR Products as spare parts to AW-EUR customer(s). The Supplier guarantees the delivery of the Products, according to specifications, during 15 years after the EOP. During this period the Supplier shall maintain all know-how and information necessary to produce the Products and shall ensure proper maintenance of tooling and equipment's without extra cost to AW-EUR.

7. Delay

7.1. In case of a delay on part of the Supplier, the Supplier shall inform AW-EUR immediately in writing.

7.2. AW-EUR is entitled to: (i) cancel the order in whole or in part, (ii) not to cancel but to hold open the order while the Supplier is fully liable for all extra freight costs that might result from delay, (iii) claim full compensation for the delay damage.

7.3. The Supplier agrees to inform AW-EUR by phone and email within 24 hours of all problems related to delivery of the Products. Information must include as applicable: (i) technical description of problem(s), (ii) impact on production and delivery planning, (iii), next delivery date and quantity, and (iv), short and long term recovery plan.

8. Force Majeure. Any circumstances beyond the control of the parties (such as industrial disputes, natural disasters, fire, war, blockade, mobilization, requisition, seizure, non-issuance of import or export licenses, currency/exchange restrictions, rebellion, general scarcity of means of transport, general restriction on access to power supply etc.) preventing the performance of this Purchase Agreement shall be regarded as case of relief. The party seeking to claim relief on the basis of any of the above circumstances shall immediately inform in writing the other party of the occurrence and cessation of such circumstances. The existence of such circumstances shall release the parties from the liability to deliver and to purchase.

9. Environmental Requirements – Material Reporting

9.1. The Supplier shall comply with the latest regulation (see www.gadsl.org and End-of-Live Vehicle directive (EU-D 2000/53/EC, 2005/438/CE, 2005/59/EC, 2005/673/CE and REACH regulation EC 1907/2006) about the material / substance composition, register the Products delivered to AW-EUR in the International Material Data System (**IMDS**) system and provide IMDS registration confirmation to AW-EUR by email. The Supplier shall have a process to cascade environmental requirements to sub-tiers upon request (i.e. materials reporting requirements).

9.1.1. As manufacturer or importer of chemicals substances, the Supplier needs among others, in order to ensure the continuity of AW-EUR activities, with pre-registration and the registration of the substances for AW-EUR's specific uses. Failing that, he makes sure that this requirement is respected by the manufacturer or importer prior to the supply chain.

9.2. **Products and Material Legal Compliancy**. All purchased material used in the Products manufactured by the Supplier shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials; as well as environmental, electrical and electromagnetic considerations applicable under European regulations. All legal documents regarding the Products have to be included with the delivery.

10. Quality Assurance and Documentation

10.1. The Supplier shall maintain a quality management system The Supplier shall conform to the latest version of ISO 9001 or ISO/TS 16949 and ISO 14001, environmental management standards, demonstrate his certification by an accredited 3rd Party certification body. For electronic components moreover the standards as outlined by the Automotive Electronic Council (**AEC**, www.aecouncil.com) are applicable. The quality policies and procedures shall be practiced throughout the entire organization of the Supplier.

10.2. Concerning his deliveries the Supplier shall comply with the acknowledged standards of engineering, the safety regulations and the agreed technical data. Changes to the relevant specification including process and product to be delivered are subject to the previous written consent of AW-EUR.

10.3. Products supplied shall be in compliance with their descriptions (published data sheets of the manufacturers). The Supplier shall check without delay whether a description provided by AW-EUR is in any way incorrect, out-dated and / or incomplete. In such case the Supplier shall immediately give notice in writing to AW-EUR.

11. Samples and Approval

11.1. If applicable in the relation between the Supplier and AW-EUR, mass deliveries may be commenced only after AW-EUR has accepted samples. Notwithstanding the afore-stated the Supplier shall permanently control the quality of the Products delivered. The contracting parties shall inform each other of the possibilities of improving the quality of the Products to be delivered.

11.2. Product Part Approval Process (**PPAP**) is applicable only for components which are selected by AW-EUR. PPAP documents have to be provided by the Supplier where appropriate. The PPAP procedure is to be applied for new parts or when technical modifications to products and/or changes to production process or prequalification of the process occur.

12. Warranty for Defects. In accordance with applicable law and, if defective or non-conforming Products are delivered, and if the Supplier is not able to immediately replace the deficient Products AW-EUR is entitled to claim as follows:

12.1. Before start of production (processing or fitting) the Supplier shall be given the opportunity to sort out as well as rework defective Products. In case the Supplier is unable to accomplish the afore-stated or in case the Supplier does not conform with it immediately, AW-EUR is entitled to rescind the contract to this extent and return the Products at the Supplier's risk and cost. In urgent cases AW-EUR may, after consultation with the Supplier, accomplish the rework himself or have it done by a third party. Any costs resulting thereof shall be borne by the Supplier. In the case the same Products are repeatedly supplied in a defective condition, AW-EUR shall be entitled to rescind the contract also with respect to the Products not yet supplied if, upon written notification, the Supplier has again delivered defective Products. On request the Supplier shall send a duly qualified technician to the affected AW Europe Production site in Belgium.

12.2. In the event the defect is discovered only after start of production even though AW-EUR has carefully attended to the notification of deficiencies as outlined in article 4.1 of this General Terms and Conditions then AW-EUR is entitled to: (i) claim supplementary performance and indemnification for cost of transport as well as cost of dismantling and installation (cost of labour and cost of material as agreed upon with the Supplier), which are required for the additional fulfilment, or (ii) to reduce the purchase price.

12.3. AW-EUR can claim indemnification for the resulting damages according to article 12.7 of this General Terms and Conditions

12.4. The warranty for defective Products expires at the end of thirty six (36) months after acceptance (**Warranty Term**).

12.5. Warranty Survival. The warranty set forth above shall survive the transfer of the Products to AW-EUR customers.

12.6. Warranty claims don't arise if a 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 the Products supplied, made by AW-EUR or a third party.

12.7. Hidden defects and claims on the basis of the Product Liability Act and the Civil Law remain fully intact.

13. Liability

13.1. Insofar as these conditions do not provide for other liability clauses, the Supplier shall be liable for damage directly or indirectly caused to AW-EUR as a result of defective supply, violation of official safety regulations or for any other legal reason, attributable to the Supplier only, according to the following.

13.2. In case AW-EUR is liable under foreign law, without any fault on his part, which cannot be excluded with regard to third party claimants, then the Supplier shall hold AW-EUR free and harmless of any claim to the extent he would himself be liable directly. Compensation between AW-EUR and Supplier shall be settled by applying the principles of the Belgian Law. This shall also apply in case the Supplier is liable directly.

13.3. Any liability shall be excluded to the extent AW-EUR has on his part effectively excluded any liability in relation to his customer. In doing so AW-EUR shall attempt to stipulate limitations of liability on behalf of the Supplier to the extent legally possible.

13.4. Any claims of AW-EUR shall be excluded inasmuch as the damage is caused by the non-observance, attributable to AW-EUR, of operating, maintenance and installation instructions, to unsuitable or inappropriate use, to incorrect or negligent treatment, natural wear and tear or incorrect repair.

13.5. If AW-EUR intends to assert a claim against the Supplier according to the afore-stated provisions, he shall forthwith consult the Supplier and shall comprehensively inform him. He shall give the Supplier the opportunity to investigate the damage occurred. The contracting parties shall consult each other on the steps to be taken, especially in the case of negotiations for a settlement.

14. Trade Mark and Industrial Property Rights (IP)

14.1. The Supplier shall be liable for any claim which results from the infringement of IP, either granted or applied for. The Supplier shall hold AW-EUR and his customers free and harmless of all liabilities resulting from making use of such IP. To fulfil its obligations under this agreement the Supplier is obliged at its own cost either to (i) obtain for AW-EUR the right to continue using the infringing product (ii) substitute other products with equivalent functional capabilities or (iii) modify the product so that it is no longer infringing while retaining equivalent functionality.

14.2. The afore-stated shall not apply inasmuch as the Supplier has manufactured the Products to be delivered according to drawings, models or similar descriptions or statements provided by AW-EUR and if, at the same time, the Supplier does not know that protective rights were infringed.

14.3. The contracting parties commit themselves to inform each other forthwith on all risks of violation or alleged violations and to give each other the opportunity to jointly oppose such claims.

14.4. At the request of AW-EUR the Supplier shall inform AW-EUR about the use of any published or unpublished protective rights relating to the Products to be delivered regardless whether they are owned by the Supplier or licensed to the Supplier including also any rights pending.

15. Manufacturing Equipment and Confidential Information

15.1. AW-EUR has the exclusive property rights and ownership for tools, samples, designs, special equipment's, specifications and results of development activities for which AW-EUR pays the cost. The Supplier shall make tools, samples, designs, special equipment's, specifications and results of development activities available to AW-EUR upon request.

15.2. Tools, samples, designs, matrices, models, jigs and any other equipment owned by AW-EUR must not, prior written permission, be used by The Supplier for other purposes than the fulfilment of its obligations under this agreement nor for the benefit of any other party. AW-EUR shall have the right to discretionary ask the Supplier to return tools, samples, designs and other special equipment owned by AW-EUR. Tools, samples, designs and other special equipment's owned by AW-EUR may not be removed or destroyed without permission of AW-EUR in writing.

16. General Provisions

16.1. Should one of the provisions of these conditions or of any additional stipulations agreed upon be or become invalid, the validity of the remaining part of these conditions shall not be affected thereby. The contracting parties are committed to replace the invalid provision by another equivalent term, in so far as this is possible, with respect to the commercial effect.

16.2. If the parties have not agreed otherwise the laws of Belgium shall be applied exclusively. The application of the uniform laws of sale contained in the Vienna Convention on International Sale of Products (**CSIG**), dated 11th of April 1980, is hereby excluded.

16.3. Place of performance shall be the legal domicile of AW-EUR. Concerning the shipments the parties may agree otherwise.

16.4. Any dispute between the parties shall be settled by the courts of the district where AW Europe has its registered office.

17. Authorized Economic Operator (AEO) Certificate.

17.1. Supplier will provide and maintain Authorized Economic Operator ("AEO") certification and provide AW-EUR with its certification number upon request.

17.2. If Supplier cannot provide an AEO certificate upon request, Supplier shall complete the separate AW-EUR Form "Security Declaration", which will be provided by AW-EUR to Supplier.