

## GENERAL TERMS OF PURCHASE FOR EQUIPMENT

*The present General Terms of Purchase for Equipment do not apply for purchases of materials, components, services, etc. (for that, see the General Terms of Purchase).*

### 1. PURPOSE

The purpose of this General Terms of Purchase for Equipment (hereinafter referred to as the "Terms") is to set out the terms applicable to all purchases of equipment, molds and/or tooling (hereinafter referred to as the "Equipment") made formal by purchase orders between the Buyer and the Supplier.

The Buyer is defined as the EFI AUTOMOTIVE group's affiliate identified in any Contract. "Contract" means all of the documents that are issued or otherwise agreed to in writing by the Buyer relating to the Equipment, including, but not limited to any purchase order, purchase contract. "Supplier" shall mean and refer to the individual or entity which agrees to supply the Equipment identified in the Contract. The Contract is exclusively governed by these Terms. **Deviations to the Terms shall require a written consent by the Buyer and/or shall appear in the Contract.** Unless new, additional or different terms from those found in the Terms (whether contained in Supplier's acceptance documents or otherwise proposed by Supplier) be signed by the Buyer, such new, additional or different terms are expressly rejected by the Buyer and shall not become a part of the Contract.

These Terms, as well as the contractual documents mentioned in article 2 below, should in no event be construed as a purchase order or a commitment to purchase order.

### 2. CONTRACTUAL DOCUMENTS

The Contract is formed and governed solely, and in decreasing order of priority, by:

- Special conditions appearing in the wording of the purchase order,
- Specific technical requirements mentioned in the purchase order,
- General technical requirements mentioned in the purchase order,
- The purchase contract (if any),
- The present Terms,
- The technical and commercial offer issued by the Supplier.

Notwithstanding the foregoing, it must be noted that any verbal purchase order must be confirmed in writing.

The acceptance of the purchase order occurs as soon as the Supplier starts to perform this purchase order.

### 3. PERFORMANCE OF THE CONTRACT

The Supplier undertakes:

**3.1.** to deliver the Equipment in conformity with the technical specifications and with the performances (rates, mean time between failures (MTBF), mean time to repair (MTTR), discards, ...) required by the Buyer and contained in the General and Specific technical requirements ["cahiers des charges Général et Spécifique"]. Any change to these requirements will be implemented only with the Buyer's prior written agreement;

**3.2.** to ensure the delivery of the Equipment within the time-limits prescribed in the purchase order and to provide a schedule for performance of the Equipment within eight (8) days following the issuance of the purchase order. If the Supplier fails to deliver the Equipment within the time-limits, the Buyer reserves the right to charge late delivery penalty fees to the Supplier in an amount corresponding to one percent (1%) of the total amount of the purchase order, per day of delay.

The total amount of penalty fees to be paid by the Supplier in case of delay in delivery shall not exceed thirty percent (30%) of the total amount of the purchase order.

These fees can be deducted from any amounts still due to the Supplier.

All extra costs due to any equivalent alternative solution that may be offered to the Buyer by the Supplier itself or by another supplier to mitigate the damage thus caused by such a delay in delivery shall be fully borne by the Supplier. Notwithstanding the foregoing, the Supplier will compensate the Buyer for all costs, claims and/or damages incurred due notably to customer claims, line stoppage, or any other damages caused by any delay in delivery. Payment by the Supplier shall not prejudice or limit in any manner the Buyer's right to seek damages in any subsequent legal action;

**3.3.** to give the Buyer, on the delivery, all the technical documentation concerning the Equipment as well as any subsequent updates, during the warranty period, which will be added, as the case may be, for the duration of the maintenance;

**3.4.** to provide the training of the Buyer's staff, in particular the operators and the maintenance teams that is necessary for the proper functioning of the Equipment. The record of the completion of such training will form an integral part of the final acceptance report of the Equipment.

**3.5.** to suggest any improvement that may lead to productivity gains ;

**3.6.** to reserve, for the Buyer, a permanent right of access to the sites for manufacturing the Equipment, or to the manufacturing sites of its sub-contractors, without such right diminishing its responsibility in any way ;

**3.7.** to give the Buyer a list of its principal sub-contractors ;

**3.8.** to provide, on delivery, a maintenance schedule for the Equipment;

**3.9.** to deliver the source codes to the Buyer on the delivery date of the concerned Equipment.

### 4. SUBCONTRACTING OF PROCESSING OF PERSONAL DATA

Within the framework of the performance of the Contract, if the Supplier has to perform operations of processing of personal data in the name and on behalf of the Buyer, the Parties agree that a specific agreement on processing of personal data must be concluded prior to operating such processing.

This agreement must be compliant with the regulations applicable for processing of personal data and in particular, the European Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016, including the G29 Guidelines, which shall enter into force from May 25, 2018.

### 5. PAYMENT AND SET-OFF PROCEDURE TERMS

**5.1.** Unless otherwise mentioned within the Contract, payments will be made according to the schedule as below prescribed:

- 20% due from the date of issuance of the purchase order;
- 10% due from the date of completion of the validation of the technical and engineering studies by the Buyer;
- 20% due from the date of the technical validation of the Equipment by the Buyer at Supplier's premises;
- 40% due from the date of technical validation report of the Equipment at Buyer's;
- 10% due from the date of final validation and acceptance report of the Equipment by the Buyer (to the extent that the Equipment is fully compliant with all technical specifications and requirements) - to be understood as a guarantee deduction.

**5.2.** The Buyer may, without limiting any other rights or remedies legally permitted, set off any amounts owed to it by the Supplier against any amounts payable by it to the Supplier under the Contract to the extent permitted by the applicable law.

### 6. PASSING OF RISKS - PASSING OF TITLE

The Equipment will become the Buyer's property as and when it is produced.

Risks are transferred according to the Incoterm specified in the purchase order.

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### 7. INTERVENTIONS ON THE EQUIPMENT

**7.1.** The Supplier acknowledges that it has been informed and accepts that the Buyer may have to effect repair operations on the Equipment, or to adapt it (hereinafter together referred to as the "Interventions"). It is expressly agreed that the Buyer's Interventions on the Equipment will not call into question the contractual warranty provided hereinafter in Article 7 below to the extent that such Interventions comply with the provisions of the present Article 6.

**7.2.** During the warranty period, in the event that the Buyer is planning an Intervention on the Equipment, he undertakes to warn the Supplier.

**7.3.** If the Equipment does not meet the contractual requirements (General and Specific), any Intervention (carried out by the Supplier or by the Buyer) will be at the Supplier's expense.

**7.4.** If the Equipment meets the technical requirements (General and Specific) but the Buyer wishes to adapt it in order to optimise its use, the Supplier will have a period of five (5) days from the date that the modification is brought to its attention, in order to approve such a modification. Where there is no express refusal of the modification within a period of five (5) days, the Supplier will be deemed to have accepted it. In this event, the cost of the modification will be borne by the Buyer.

### 8. WARRANTIES AND LIABILITY

**8.1.** The Supplier warrants that the Equipment that has been delivered will conform to all the specifications of the technical requirements (General and Specific), and that it will be of good quality, free of any defect and of any anomaly of design, manufacture and/or materials and that the Buyer will have quiet enjoyment of such Equipment.

**8.2.** The period of this warranty will be two (2) years, unless otherwise specified in the purchase order, and said period will run from the date of signature of the final validation and acceptance report.

**8.3.** In order to prevail of such a warranty, the Buyer will notify the Supplier of the existence of any defect and/or non-compliance by any means that it deems fit.

**8.4.** The Buyer will have the option of having the Equipment replaced or of having it repaired by the Supplier.

**8.5.** If the Supplier is unable to make such repair within a period that is compatible with the Buyer's production constraints, the Supplier may authorise the Buyer or a third party to make the repair by itself.

**8.6.** All the costs occasioned by the application of this warranty, including the replacement of faulty parts, labour costs and the costs of withdrawing and returning the Equipment, or of carriage, are borne solely by the Supplier.

**8.7.** The period of this warranty is extended by the number of days that have been necessary for the repair or for the replacement of the Equipment.

**8.8.** The foregoing provisions do not exclude the application of the statutory warranty recognized by the applicable law (such as hidden defect).

**8.9.** From the end of the contractual warranty, the Supplier undertakes to ensure the servicing and maintenance of the Equipment, as well as the supply of spare parts and consumables, at the Buyer's request. The conditions for such maintenance may be the subject of a specific maintenance agreement appropriate for the Equipment.

**8.10.** 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 Equipment.

### 9. CONFIDENTIALITY

**9.1.** All the technical, industrial and/or commercial information communicated to the Supplier by the Buyer must be kept strictly confidential. Such information will be used by the Supplier only for the strict application of the Contract. Likewise, no publicity may be made with respect to the Contract without the Buyer's prior written agreement.

**9.2.** The information disclosed to the Supplier by the Buyer or to which the Supplier has access in connection with the performance of the Contract shall be kept strictly confidential for the entire duration of the Contract and during five (5) years after its termination for any reason whatsoever.

### 10. INSURANCE

The Supplier shall take out adequate insurance policies to cover its liability vis-à-vis both the Buyer and third parties in connection with the performance of the Contract, and agrees to provide an insurance certificate thereof when requested by the Buyer, which certificate shall specify the amounts for which the Supplier is insured for the period of warranty of the Equipment.

### 11. AUDIT RIGHTS AND INSPECTION OF SUPPLIER'S PREMISES

**11.1.** The Supplier grants the Buyer access to Supplier's premises, books and records at any time solely for the purpose of auditing the Supplier's compliance with the terms of the Contract.

**11.2.** The Supplier will cooperate with the Buyer so as to facilitate the Buyer's audit, including, without limitation, by segregating and promptly producing such records as the Buyer may reasonably request, and otherwise making records and other materials accessible to the Buyer.

**11.3.** The Supplier will preserve all records pertinent to the Contract, and to the Supplier's performance under the Contract.

**11.4.** Any such audit or inspection conducted by the Buyer or its representative will not constitute acceptance of the Equipment (whether in progress or finished), relieve the Supplier of any liability under the Contract or prejudice any rights or remedies available to the Buyer.

### 12. INTELLECTUAL & INDUSTRIAL PROPERTY

**12.1.** The Supplier grants the Buyer a non-exclusive and royalty-free license 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 hereby warrants and agrees to hold harmless and indemnify 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 Equipment. The Supplier will be solely liable for all detrimental consequences resulting from such legal action toward the Buyer and its customers.

### 13. EXPORT CONTROLS AND SANCTIONS COMPLIANCE

The Supplier agrees to comply with all applicable export control and sanctions laws and regulations of the member States of the European Union, of the United States of America, and of any other relevant country (hereinafter referred to as the "Export Control Laws"). The Supplier will not violate, and will not cause the Buyer to violate any Export Control Laws (e.g. by transshipping Equipment through, or supplying Equipment from, sanctioned countries). Licenses or other authorizations required for the export of Equipment will be the responsibility of the Supplier unless otherwise indicated in the Contract, in which event the Supplier will provide such information as may be requested by the Buyer to enable the Buyer to obtain such licenses or authorizations.

### 14. SIGNIFICANT CHANGE OF ECONOMIC CIRCUMSTANCES

Within the framework of the contractual relations between the Supplier and the Buyer, any legal or conventional mechanism of revision of the contract in case of significant change of the economic circumstances is hereby expressly excluded. No clause of hardship is applicable.

### 15. CHANGE OF SUPPLIER'S SITUATION/NON-ASSIGNMENT

**15.1.** The Supplier shall immediately inform the Buyer of any change of the management body or shareholder,

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transfer of control (or sale of majority stakes), merger or takeover of the Supplier. The Buyer may terminate the Contract without notice.

**15.2.** Moreover, under no circumstances may the Supplier transfer, assign or delegate, in whole or in part, any of its rights or obligations under the Contract (including without limitation any right of payment), whether directly or indirectly, by merger, acquisition or contribution to a joint venture, without the Buyer's prior written consent.

### 16. TERMINATION CLAUSE AND FORCE MAJEURE

**16.1.** In the event that one of the parties fails to perform a provision of the contractual documents listed in article 2 above of the Terms, the other party may order it to correct such non-performance by registered letter with acknowledgement of receipt or by e-mail. If the obligation in question is not performed or no written agreement is reached between the parties within thirty (30) days following the date on which the reminder was sent, the injured party may automatically terminate the Contract impacted by such non-performance, with immediate effect, by registered letter with acknowledgement of receipt. Termination by the suffering party shall not prejudice any other rights or claims to damages which the latter could claim.

**16.2.** In case of termination of the Contract, each party shall return to the other party the documents that had been delivered to it for the purposes of these documents, including notably the plans, designs, drawings, samples, prototypes, etc.

**16.3.** The events of force majeure or unforeseen circumstances cases as defined into the force majeure clause (exemption) of the International Chamber of Commerce (Publication No. 421), which is an integral part of these Terms, shall suspend the obligations to be due by the Buyer within the framework of the Contract. At the time the relevant event occurs, the Supplier undertakes to inform the Buyer immediately and shall endeavour to take any reasonable possible measures in a view to pursue the execution of said Contract.

The Supplier shall make a report of the situation in which shall be notably explained the actions taken to contain the consequences of the force majeure event.

However, if the force majeure event or unforeseen circumstances case continues during more than one (1) month, the Buyer reserves the right to terminate the Contract as of right and without compensation.

### 17. ENTIRE AGREEMENT & NON WAIVER

**17.1.** 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.

**17.2.** The failure by one of the parties to assert any right available under the Terms, will not be construed, whatever is the duration, the importance or the frequency of such situation, as a waiver of such right or the right to later enforce each and every clause of the Terms.

### 18. LEGAL NATURE OF THE RELATIONSHIP

The Buyer and the Supplier are independent contracting parties and nothing in the Contract will make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

### 19. MISCELLANEOUS

**19.1.** Any modification of the Contract shall be subject of a written amendment duly signed by both parties.

**19.2.** The Supplier is not allowed to mention Buyer's name/logo as reference with regard to third people such as its customers, suppliers, prospects, media, and general public for instance, except if such a mention is expressly accepted by the Buyer.

### 20. ATTRIBUTION OF JURISDICTION

**20.1.** Any dispute arising out of or related to the business relationship with the Supplier concerning **ELECTRICFIL AUTOMOTIVE** (BEYNOST - FRANCE), **ELECTRICFIL SERVICE** (JOINVILLE - FRANCE) or **EFI LIGHTING** (BEYNOST - FRANCE) shall be settled by the Commercial Court in LYONS (FRANCE), unless the Supplier and the Buyer decide to try to resolve the litigation through an amicable settlement. The applicable laws shall be the French law as well as all the international standards, regulations and/or publications specifically mentioned within the Contract, to the exclusion of its conflict rules laws and of the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) (CISG).

**20.2.** Any dispute arising out of or related to the business relationship with the Supplier concerning **ELECTRICFIL ENGINE COMPONENTS (Wuhan) Co. Ltd** (HUBEI - CHINA) shall be submitted to the Shanghai International Economic and Trade Arbitration Commission (SHIAC) for arbitration which shall be conducted in accordance with its Arbitration rules in effect at the time of applying for arbitration, unless the Supplier and the Buyer decide to try to resolve the litigation through an amicable settlement. The arbitration place will be SHANGHAI (CHINA). The arbitration proceedings will be led by one arbitrator. The law governing arbitration will be the laws of P.R China as well as all the international standards, regulations and/or publications specifically mentioned within the Contract, to the exclusion of its conflict rules laws and of the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) (CISG). The language of the arbitration proceedings will be English and/or Chinese. The arbitral award will be final and binding.

**20.3.** Any dispute arising out of or related to the business relationship with the Supplier concerning **ELECTRICFIL UNIFIL 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, unless the Supplier and the Buyer decide to try to resolve the litigation through an amicable settlement. 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 as well as all the international standards, regulations and/or publications specifically mentioned within the Contract, to the exclusion of its conflict rules laws and of the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) (CISG). The language of the arbitration proceedings will be English. The arbitral award will be final and binding.

**20.4.** Any dispute arising out of or related to the business relationship with the Supplier concerning **ELECTRICFIL CORPORATION** (Production facility: ELKMONT - ALABAMA) 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, unless the Supplier and the Buyer decide to try to resolve the litigation through an amicable. The arbitration place will be ELKMONT (ALABAMA). The arbitration proceedings will be led by one arbitrator. The law governing arbitration will be the laws of the State of Alabama as well as all the international standards, regulations and/or publications specifically mentioned within the Contract, to the exclusion of its conflict rules laws and of the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) (CISG). The language of the arbitration proceedings will be English. The arbitral award will be final and binding.

**20.5.** Any dispute arising out of or related to the business relationship with the Supplier concerning **ELECTRICFIL DE MÉXICO, S.A. DE C.V.** (GUADALAJARA - JALISCO - MEXICO) shall be submitted to the Arbitration Center of



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Mexico (CAM) for arbitration which shall be conducted in accordance with its Arbitration Rules in effect at the time of applying for arbitration, ), unless the Supplier and the Buyer decide to try to resolve the litigation through an amicable settlement. The arbitration place will be GUADALAJARA (JALISCO – MEXICO). The arbitration proceedings will be led by one arbitrator. The law governing arbitration will be the laws of Jalisco as well as all the international standards, regulations and/or publications specifically mentioned within

the Contract, to the exclusion of its conflict rules laws and of the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) (CISG). The language of the arbitration proceedings will be English and/or Spanish. The arbitral award will be final and binding. **20.6.** The provisions mentioned within this article shall apply even in the event of incidental request, plurality of defendants or appeal with guarantees, and whatever the means of payment may be.