



GLOBAL BUSINESS TERMS

1. OBJECT

The Supplier is defined as the EFI AUTOMOTIVE group's affiliate with which the Customer has concluded a Contract. These Global Business Terms hereinafter called "the Terms" govern the business relationship between the Supplier and the Customer. The acceptance and/or the execution of an order by the Supplier does not involve its tacit acceptance of the Customer's general terms of purchase.

Deviations to the Terms shall require the signature of a document by a duly authorized representative at the Supplier's and/or shall appear in the Supplier's offer. Unless otherwise expressly agreed between the Supplier and the Customer in a jointly signed agreement, these Terms, the Supplier's offer, the specific conditions shown in the Customer's order, which do not conflict with the two first ones, shall form the Contract. Unless signed by a duly authorized representative at the Supplier's, the Supplier objects to any additional or different terms in Customer's subsequent documents even if the Supplier fills in such documents in pursuance of the Customer's purchasing process.

2. OFFER - ORDER

The Supplier's offer is not divisible. The offer is only valid for a maximum of sixty (60) calendar days.

In its order, the Customer shall accurately insert the number of the offer issued by the Supplier, failing which the Supplier reserves the right to refuse such order. The Customer shall also take into account the data and conditions specified in the Supplier's offer in order to establish its order.

3. PRICES

3.1. The prices of the products are those in force at the time of delivery or those specified in the last valid offer remitted by the Supplier sales departments.

3.2. Unless otherwise agreed, prices are exclusive of VAT and Ex Works (Incoterms Edition 2010). Consequently, any taxes, dues or other fees to be paid according to an exporting country or those of an importing country or country of transit are paid by the Customer.

3.3. In the event the Customer would not pay the aggregate Specific Investment related to the product (moulds, tools, R&D and engineering costs of the design of the product) before the start of production of the product in the serial life, the balance will be paid off on the product's piece price in the serial life. In the event the balance of the Specific Investment is not paid off for whatever reasons, the Customer shall pay for it within 60 days of the end of the program.

3.4. In the event a modification of the product is required by the Customer, such request shall be remitted in writing to the Supplier which will reply in writing to such request within a reasonable period of time. Once this modification is accepted by the Supplier, the Customer shall acquire the stock of the not yet modified products with the corresponding stock of unusable components.

3.5. Prices are given for a product and for a cumulated forecasted volume. Any price reduction will be applied only when said volumes will be exceeded and the conditions of the offer fulfilled.

3.6. If, after one (1) calendar year, the Customer's orders represent an actual yearly production volume lower than eighty-five (85) percent (%) of the forecasted yearly production volume, which had been the basis of the price fixing, the Parties agree to renegotiate with good faith in order to determine the relevant price adjustment to provide considering the level of this actual yearly production volume, with an effect on January 1st of the forthcoming year.

3.7. If the Customer requires product's technical modifications from the Supplier, the Parties agree to renegotiate with good faith in order to determine the relevant price adjustment to provide considering these technical modifications.

3.8. In case of an increase equal to or higher than five (5) percent (%) of the cost of the raw materials making up the product, the Parties agree that the Supplier may decide an increase of the product price, which shall be proportional to the increase of the cost of these raw materials. The cost of the raw materials making up the product is the stock exchange market price applicable to all of these raw materials on the day of the offer.

3.9. The applicable exchange rate is the average exchange rate of the latest quarter prior to the date of the offer. The Parties agree that the price can be subject to an adjustment if the average exchange rate of the last six (6) months exceeds by five (5) percent (%) the initial rate mentioned in the offer.

4. SAMPLES

The manufactured products comply with the production initial sample approved by the Customer. Production will not be launched until the Supplier receives from the Customer a written approval of this sample.

5. TOOLS

5.1. Tools and specific equipment related to the product will be paid in part or in whole by the Customer. The Customer shall issue an order when at least part of their price is due before the production in the serial life is launched.

5.2. Tools and specific equipment related to the product ordered from the Supplier by the Customer remain the property of the Supplier, unless the Customer pays the totality of their effective costs before the production in the serial life is launched. When the price is paid off in part or in whole on the product's piece price in the serial life, the Supplier will remain the owner of the tools and the specific equipment related to the product.

5.3. In the event the Customer owns the tools and the specific equipment and requests their restitution, the Customer shall bear the risks and the expenses related to their transportation from the Supplier's premises.

5.4. When the ownership of the tools and the specific equipment is transferred to the Customer, the renewal or the repair of such tools and equipment is charged to the Customer, except when the Supplier is liable for the defects encountered.

5.5. When the tools and the specific equipment are owned by the Supplier, the renewal or the repair of such tools and equipment is charged to the Customer when an agreed upon quantity of products was delivered and/or period of time has elapsed.

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6. DELIVERY

6.1. Unless otherwise agreed, the deliveries are made Ex Works (Incoterms Edition 2010).

6.2. The deliveries are made according to the schedule accepted by the Supplier. The Supplier is released from its obligations in the event of force majeure, as defined in these Terms. In any case, the delivery within the contractual deadlines can only be made if the Customer has respected its obligations towards the Supplier.

7. AFTER-MARKET PART

Before the end of the serial life of the product, the Customer shall renegotiate with the Supplier the volumes and the spare part unit price that the Supplier would undertake to continue to deliver, and also the potential duration of such commitment, taking its own constraints into account.

8. PACKAGING

8.1. Packaging is not included in the prices unless otherwise stipulated. Special packaging requirements shall be expressly accepted by the Supplier.

8.2. The Customer, as its expense, shall provide all reusable packaging in adequate quantity and be notably responsible for the management of the logistical flows, the care and the cleaning of such packaging.

9. PAYMENT

9.1. The invoice is issued at the time of the delivery and addressed to the Customer.

9.2. Payment shall be made on the thirtieth day following the date of issuance of the invoice.

9.3. For any late payment, the Supplier reserves the right to suspend the execution of all pending orders and take any appropriate measures including legal actions. Any late payment involves the application of legal interest from the due date of the payment. Concerning France, late penalties will amount to a sum equal to three times the French legal interest rate, in addition to the basic allowance for collection charges equal to 40€.

9.4. In the event of non-payment after having sent a formal demand to pay, the Supplier reserves the right to cancel the sale and require, by summary procedure, the restitution of the products, without prejudice to claim damages.

9.5. The Customer forbids itself to set off without consultation any sum of the invoice related to penalties or discounts for late deliveries, the nonconformity of a product or in any case, when the debt is not certain, liquid and payable, before the Supplier can control the ground for complaint and approve the reality of it. A debit note will be considered as an overdue and involve the implementation of the clauses of the Terms concerning late payments.

10. WARRANTY - LIABILITY

10.1. The products delivered by the Supplier comply with the contractual standards and specifications. The warranty covers material and/or manufacturing defects of the products over a twenty-four (24) month period from the date of their manufacture (see product data code). Interventions within the warranty period do not extend it. The Customer warrants that the technical specifications comply with the intended use of the products.

10.2. For any defective product already inserted or not yet inserted into a system or already mounted or not yet mounted on a vehicle, the Supplier, at its option, undertakes to replace or to reimburse this product exclusive of any other expenses.

10.3. To sue the warranty, the Customer must immediately notify the Supplier after the defect is found. The notification must describe in details the nonconformity of the product. The Customer loses its right to replacement of the product if it does not notify the Supplier about the defect in accordance to the conditions specified in this clause. The Customer shall return the defective product within ten (10) days for a plant return and two (2) months for a field return. The Supplier shall examine the Customer's claim.

10.4. Warranty does not cover defects caused by incorrect assembly, defective maintenance, abnormal use, abnormal storage, normal wear or assemblies in environments which do not comply with the constraints described in the contractual specifications. The Supplier cannot accept liability for assembly operations that do not comply with recommendations for fitment and use.

10.5. The Supplier declines any liability for the products not supplied by itself and used by the Customer to be integrated into a subassembly. The Supplier cannot be liable if the failure of its product is caused by such products linked by the Customer to the Supplier's product.

10.6. The Supplier is not responsible toward the Customer for any loss of production, loss of profit, loss of use, loss of an opportunity to sell and/or for any other consequential, economic or indirect damage.

10.7. The legal liability for hidden defects or any other kind of legal liability is expressly excluded from the business relationship so long as it is permitted by the applicable laws.

10.8. In the event of a recall or service campaign, the Supplier and the Customer shall consult each other and agree on the solutions to be implemented, prior to their launch.

10.9. In any case, particularly for late delivery or product failure, over a calendar year, the Supplier's liability is restricted to five percent (5%) of the annual net turnover made with the Customer for the product concerned.

11. INTELLECTUAL & INDUSTRIAL PROPERTY RIGHTS

11.1. When the Supplier is the designer of the product, it remains the only and sole owner of any result emanating from the design of the product. These results notably include any and all intellectual and industrial property rights.

11.2. The Supplier does not grant to the Customer any kind of license of use, exploitation, manufacture, nor any assignment of any result. Any license granted to the Customer or any assignment of any result shall be agreed upon by the Supplier in a separate signed agreement.

11.3. In the cases when the products are manufactured according to plans, drawings and specifications provided by the Customer, this latter warrants the Supplier against any legal action

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launched by a third party and undertakes to indemnify the Supplier of any and all costs it may bear.

12. RESERVE OF OWNERSHIP - TRANSFER OF RISKS

12.1. The transfer of ownership of the samples and the products shall be effective only after entire payment of their prices. Nevertheless, there is an immediate transfer of risks of loss or deterioration of property upon the date of their delivery.

12.2. In the cases of late dispatch, shipping, start of performance of the assembly of the products or reception of the products by the Customer for reasons for which it is entirely responsible, or in the cases when the Customer has failed to accept the deviations expressed by the Supplier, the risks shall be transferred to the Customer.

12.3. The Customer shall inform the Supplier of any attachment of property or any other third party's intervention upon the products so that the Supplier can oppose and preserve its rights.

13. EMPLOYEES

The Customer undertakes not to hire, nor to attempt to do so, any employee of the Supplier, with whom the Customer would have been in contact in the business relationship up to twelve (12) months following the date of the termination of the contract for whatever reason.

14. CONFIDENTIALITY

14.1. All documents, information, research, drawings, samples, of any kind (technical, business, etc.) and under whatever form (email, oral and written disclosure) made available to the Customer before or during the business relationship remain the Supplier's property. They must be kept strictly confidential, and in any case, they must not be disclosed to a third party and/or be used by the Customer for its own needs without the prior written agreement of the Supplier. The Supplier reserves the right to require their restitution at any time.

14.2. Obligations concerning the confidentiality will remain valid until five (5) years after the termination of the business relationship.

15. TERMINATION

15.1. In the event that one of the parties to the Contract fails to fulfill a contractual obligation, the other party may order to correct such non-performance by formal notice delivered by recorded delivery letter. If the obligation in question is not performed or no written agreement is reached between the parties within sixty (60) days following the date on which such notice was sent, the injured party may terminate the Contract, by sending a notification of termination by recorded delivery letter.

15.2. The Contract may also be terminated before its expiration date and without notice in the event of force majeure lasting more than ninety (90) days by recorded delivery letter.

15.3. In the event the Supplier's liability is not proved, the Customer shall reimburse the Supplier for all the not yet paid off costs related to the Contract concerned such as Specific Investment but also components procured for the execution of the Contract, semi-finished products, finished products as well as all the financial consequences due to the

termination, be the termination at the initiative of the Customer and/or the Supplier.

16. FORCE MAJEURE

A case of *force majeure* is defined as an event beyond the control of the debtor, which could not have been reasonably anticipated at the time this Contract was entered into, and which the effects, because they could not have been avoided by appropriate measures, prevent the execution of the Contract by the debtor.

The Supplier is released from its contractual obligations in the event the fulfilment of such obligations is prevented or becomes unreasonably costly due to strikes and, but not limited to, any of the following circumstances: war (declared or not), insurrection, requisitions, the state of crisis, embargo, power cuts and defaults or delays in the delivery of products from subcontractors and suppliers resulting from the circumstances enumerated in this clause. The Supplier undertakes to inform the Customer of such circumstances as soon as possible.

17. GENERAL PROVISIONS

17.1. ENTIRE AGREEMENT & NON WAIVER

Avoidance 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 request the enforcement later on of each clause of the Terms.

17.2. CHANGE OF CUSTOMER'S SITUATION

In the event of change of the management, transfer of control (or sale of majority stakes), merger, takeover of the Customer, the Contract will produce its effects until its term.

17.3. APPLICABLE LAW & SETTLEMENT OF DISPUTES

17.3.1. Any dispute arising out of or related to the business relationship with the Customer 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).

17.3.2. Any dispute arising out of or related to the business relationship with the Customer 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,

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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.

17.3.3. Any dispute arising out of or related to the business relationship with the Customer 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.

17.3.4. Any dispute arising out of or related to the business relationship with the Customer 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 settlement. 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.

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

17.3.6. 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.