

Purchase conditions

General Terms and Conditions of Purchase

for FACIL Group of companies (incl. FACIL EUROPE bvba , Facil NA, Facil Asia and branches) , hereafter FACIL

Unless otherwise agreed in writing, the following standard terms of purchase (hereinafter referred to as the "Standard Terms") apply exclusively to any present or future order (hereinafter referred to as the "Order") for materials, equipment or services of any kind (hereinafter referred to as the "Deliverables") to be supplied under these Standard Terms of Purchase.

The standard terms of business of the supplier, subcontractor or service Provider (hereinafter uniformly referred to as the "Supplier") shall only apply insofar as FACIL has consented to them in writing. The Supplier acknowledges that its acceptance of an Order entails: (1) an express waiver by the Supplier of its standard terms of business, and (2) express acceptance of these Standard Terms.

Electronic Data Interchange (EDI), receipt-confirmed mail and facsimile may satisfy as written communication unless formal hard copy documentation is required.

1. Definitions :

1.1 "Order", "Discrete order" : The FACIL request to purchase Deliverables from the Supplier. Only written Orders placed with the Supplier are binding upon receipt thereof by the Supplier.

1.2 "Open Order" : The option for FACIL to purchase Deliverables on the basis of a open ended frame agreement between Parties. The quantities specified in an open Order shall not be binding on FACIL.

1.2.1 : "Blanket Purchase Order" : The Open Order with delivery schedules to purchase the Deliverables

at the convened price for specified estimated quantities based on presumed annual or semi-annual market requirements (Forecasts) by FACIL. The quantities mentioned in the delivery schedules become binding Discrete Orders for Parties during the maximum term of the first 4 (four) weeks of the delivery schedule only and unless otherwise agreed or specified. However, FACIL shall be entitled to adapt the quantities given in a blanket purchase orders by +/-20% at all times.

1.2.2 : "Confirmed Blanket Purchase Order" or "Release" : the Discrete Order issued by FACIL as a designated portion of FACIL's requirements of an Open Order to supply the specified quantity at the required delivery date.

2. Price , payment and price-evolution, term of notice:

2.1 Prices stated in Orders are fixed prices in the currency mentioned in the Order of FACIL and FCA (Incoterms 2010), free carrier. Prices cannot not be altered without FACIL's prior written consent.

2.2 FACIL shall effect payment net cash within 60 days of the delivery date unless differently specified f.e. on the Open Order, after self-billing by FACIL and by bank transfer. Delivery date is presumed to be the date that the Deliverables are handed over to FACIL in full and/or the performance of the Supplier has been accepted in full or in case no self-billing arrangement would be in place, after receipt of the appropriate, verifiable and original invoice by FACIL to attn. of "Accounting Dept.". The payment term starts after receipts of goods and invoice

2.3 The Supplier's right of set off or right of retention shall be limited to counterclaims that are undisputed or have been declared res judicata. Fines due to non-respecting delivery terms or quality deviations can be deducted by FACIL from payment.

2.4 The Supplier may not assign or pledge any rights arising from the contract without FACIL's prior written consent. Such provision shall not apply to monetary claims. However, any payment made by FACIL to the Supplier is in full discharge.

FACIL has the right to set off proper due invoices against Supplier's invoices.

2.5 In case of a bankruptcy petition, liquidation, suspension or severe failure in payment obligations or legal seizure on the assets of the Supplier , FACIL shall be entitled to cancel immediate any (part of) Order(s) that has not been fulfilled.

2.6 Prices are to be upper-limited for at least one year after negotiation and at least taking into account the term of notice, whichever is expiring the latest.

A cost-improvement is to be realised for every next year, by improving production and commercial terms.

The Parties will jointly endeavor to reduce production costs continuously in order to achieve competitive prices while at the same time maintaining faultless quality.

In respect of prices, the Supplier assures FACIL of at least those terms and conditions for the Deliverables which the Supplier customarily grants to its most favoured customers under comparable circumstances.

If the Parties cannot agree on new prices, or adhere to the prices applicable hitherto, existing fixed prices will remain in force until the contract has come to its end.

All technical changes may change the product-package. These changes can be model-changes or product-optimisations.

Product-optimisations will resort under the objective for price-reduction. A product can change and become more expensive, only if there is a cost-

reduction on a higher level. Cost-reductions can never be a compromise on the function of the product. Supplier and FACIL can introduce changes. All changes from Supplier-side have to be accompanied by a cost-reduction report.

2.7 Term of notice :

Unless otherwise defined, a term of notice of 3 (three) months to cancel an Open Order , Blanket Purchase Order or Order for an indefinite period is applicable.

Without adverse request by Facil, Supplier remains obliged to complete all Discrete Orders received from FACIL without any limitation.

3. Packaging:

3.1 The contractor is responsible for professional and faultless packaging and to supply the Deliverables following the Facil packaging instructions. The Supplier is liable to Facil for damage as a result of inadequate or unsuitable packaging. In case no packaging instructions are convened, the Supplier undertakes to use a sustainable environmentally-friendly form of packaging or recyclable packaging.

3.2 FACIL may, at its own discretion, return the packaging to the Supplier or dispose of it itself. The Supplier shall bear all costs thus incurred. Non-conform packaging material to be adjusted by FACIL will incur a standard fine to the Supplier of minimum 150€ per pallet.

4. Delivery and delivery times:

4.1 Deliveries of the products shall be performed FCA (FCA, pursuant to the Inco-terms of the ICC) unless otherwise agreed , to the destination stipulated by FACIL in the Order.

4.2 The Supplier undertakes to comply with the expedition dates of any Order and times stated in the

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delivery schedules. Delivery dates and times are binding and may not be modified without FACIL's prior written consent.

4.3 Delivery dates and times shall run from receipt of the relevant Order. FCA-receipt of the Deliverables shall be decisive for determining whether the delivery time of an Order has been met. If this time limit or deadline is exceeded, the Supplier is in default of delivery, without prior reminder.

4.4 If due to delayed deliveries, non-conforming and/or failing deliveries any stock rupture occurs, all related costs will be claimed to the Supplier without limitations on amounts or limitations for eventual subcontractors. In case of minor retard or minor negligence, compensation for damages might be limited to the additional freight expenses. In case the Supplier does not expedite on the agreed transport-dates all related costs will be invoiced directly by the transport-company or by Facil to the Supplier.

If the Supplier fails to supply the Order within the agreed timeframe or objects to the Order, FACIL is entitled to cancel that Order. Claims for damages created by the delay shall remain unaffected.

4.5 If the Supplier exceeds the agreed expedition date by more than 10 working days, FACIL is entitled to withdraw from the purchasing contract without giving any grace time, at any time and with immediate effect. Claims for damages created by the delay shall remain unaffected.

4.6 As soon as the Supplier realises that it is unable to comply with a delivery time, whether in full or in part, the Supplier shall inform FACIL forthwith of the reasons for such delay and the expected length of such delay.

4.7 FACIL's written Orders are relevant for Supplier's material scheduling, capacity reservation and other

advance planning. The Supplier undertakes to monitor the purchasing situation for critical component (construction elements) and will immediately report anticipated delivery problems to FACIL. Part-deliveries are only permitted subject to FACIL's written approval.

4.8 A detailed delivery note, including the order number, order item, FACIL's article number and FACIL's article description and the quantity delivered, must be enclosed with each expedition of Deliverables. Part- remainder- and replacement consignments must also be denoted as such. Markings to support the traceability process are necessary on every package unit.

4.9 FACIL is not obliged to accept and pay for Deliverables supplied over and above the quantities ordered. FACIL is entitled to return all contractual products delivered over and above the quantity ordered, at the Supplier's expense and risk.

4.10 FACIL is only obliged to examine the delivery for completeness in terms of quantity of packages and to complain immediately about missing goods. FACIL has no further inspection obligations after delivery.

4.11 The Supplier undertakes to continue to manufacture each series of contractual products during the lifetime of the vehicle for which the contractual product shall be used. An additional time of 15 years for spares, if no other agreement has been made in writing, has to be anticipated by the Supplier.

5. Passing of title and risk:

5.1 Unless otherwise provided by the Parties, the transfer of property and risk will take place after loading the Deliverables on the truck of FACIL's transporter, if all agreed instructions of packaging and transport are met. Any reservation of title clause

specified by the Supplier shall be deemed unenforceable.

5.2 In the case of their creation paid by FACIL, FACIL shall automatically acquire title to the models, materials, sketches, drawings, documents, prototypes and tools, etc. designed by the Supplier for the purposes of the performance of the contract.

5.3 The Supplier will bear all risks during storage of the Deliverables as long as the Deliverables are not duly handed over to FACIL or its transporter.

6. Quality :

6.1 Quality system

6.1.1 The Supplier needs to have in place an effective QM-system certified according ISO 9001 and an environmental system according ISO14001 and will develop towards ISO TS16949.

6.1.2 Any change in the Supplier's certification status and his subcontractors must be communicated to FACIL.

6.1.3 The Supplier will aim to zero-defects and PPM improvements to obtain this goal will be a permanent concern for the Supplier.

6.2 Quality Process

6.2.1 The Supplier is responsible for the quality of the delivered products or services by implementing state-of-the-art scientific and technological processes and tools to meet the agreed technical specifications, the applicable safety regulations and the applicable legal requirements.

6.2.2 Measures for planning, defining, implementing, controlling and inspecting must be systematically and securely established. For metallic parts DO-39 is to be applied

6.2.3 The Supplier is responsible for introducing and using suitable measuring and inspecting devices as well as a system for the inspection, calibration and maintenance of these devices.

6.2.4 The Supplier will allow FACIL to evaluate the defined processes and quality assurance measures.

6.2.5 All basic requirements of quality assurance must be implied correspondingly to the subcontractors.

6.2.6 The quality of raw material as well as other purchased products and/or services (e.g. surface coating) shall be checked by Supplier's quality inspection.

6.2.7 The Supplier undertakes to conduct appropriate testing during production and on the final product. The results of such testing must be recorded in writing and archived for a period of fifteen (15) years. The results of final inspection by the Supplier shall be clearly marked and documented.

Upon request, the Supplier shall provide all necessary information relating to inspections and present the results of tests to FACIL within one (1) business day.

6.2.8 FACIL shall be entitled to terminate the contract in the event that the Supplier fails to comply with its obligations arising from the quality management system within a period of two (2) weeks of FACIL lodging a formal complaint about non-compliance with such system.

6.2.9 For quality assurance in manufacturing, in-process inspections and statistical process control charts shall be used according to the choice of the Supplier. The minimum requirements for statistical value are $Ppk > or = 1,67$ and $Cpk > or = 1,33$. Size and frequency of random sampling must be adapted to the output of the different machines. The results of the process control by the use of process control

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charts, has to be presented to representatives of FACIL, at any time, when requested.

6.2.10 The Supplier has to inspect the Deliverables before transport with regard to the characteristics, laid down in standards, drawings or order documents in the form of a final inspection. Methods for checking and applying random sample sizes, defined by the Supplier, detail the complexity and the quality requirements for the Deliverables. Using random sampling plans, an acceptance number c=0 must be implemented.

6.2.11 If a defective part is discovered, a 100% inspection of the corresponding manufacturing batch shall be carried out.

6.3 Change Management and Quality Planning

6.3.1 The Supplier shall have a Quality Planning according to APQP (Advanced Product Quality Planning) requirements or equivalent and must be able to show on first request a status-report during any project-phase.

6.3.2 The Supplier must sample new or modified parts according to final customer sampling requirements (PPAP guidelines, VDA2 or similar).IMDS-data (or it's local equivalent) must be included. FACIL must be informed in writing about subcontractors as part of the initial sampling report.

6.3.3 The Supplier must show within 24 hours the full sampling information whenever FACIL asks for it.

6.3.4 Serial supplies can only take place after sample approval by FACIL. Some parts may need functional approval from FACIL's final customer before serial parts delivery.

6.3.5 Whenever there's a product and/or process or subcontractor change or other reasons for new

sampling, the Supplier must inform FACIL. FACIL will decide if a new homologation is needed or the change has to be approved.

6.3.6 If quality remarks are made at Q-release, the Supplier has to guarantee that at serial delivery these remarks do not occur and only homologated products are supplied.

6.3.7 If initial samples are rejected, the Supplier has to reply in return, stating the delivery date for new samples.

6.3.8 Evidence of approval and related documentation of the APQP process (PPAP) will be submitted from the Supplier to FACIL using the official FACIL Portal Site before the PSW (Parts Submission Warrant) –date.

6.4 Audits and Inspections

6.4.1 FACIL, its employees, designated agents or subcontractors and the workers of her customers shall be entitled to inspect the production facilities of the Supplier and any of its subcontractors and to verify the QM-system and any criteria relating to the assignment.

6.4.2 FACIL shall be entitled to conduct its own audit (system audit, process audit, product audit etc.) and a trial production run at the Supplier's production plant during normal working hours.

6.4.3 The Supplier shall be informed of any planned audit in good time. In the event of any non-compliance being ascertained, the Supplier undertakes to submit and implement a plan for action.

6.5 Documentation, Identification and Traceability

6.5.1 Deliverables have to be identifiable and fully traceable (manufacture characteristics, drawing number, manufacturing location , inspection lot

marking,...). For product marking the defaults of standards (e.g. ISO 898) are to be used.

6.5.2 At delivery, every production batch shall be specifically identified and held separately from other production batches.Traceability shall be preserved at all times. Within 24 hours after initial request, the Supplier shall provide all necessary information relating to the production batch, including the production location.

6.5.3 The results of quality assurance activities shall be documented and safely stored by the Supplier. FACIL is authorized to check that the manufacturing and quality assurance procedures and their documentation are orderly and regular.

6.5.4 The Supplier undertakes, where necessary, to draw up an EC declaration of conformity at its own expense and to provide proof thereof upon request, to affix a CE mark, and to carry out a type approval test.

6.5.5 At the time of the first order of hazardous materials or in the event of modifications, the Supplier shall enclose with the delivery, at no extra cost, a conform material safety datasheet.

6.5.6 The Supplier warrants that the Deliverables comply with the statutory obligations relating to restricted, hazardous and toxic materials. The Supplier undertakes to comply with the requirements applicable in the country of origin and country of use relating to the environment, electricity and electromagnetic fields and to declare to Facil , where necessary, the materials contained in his products (specifying the relevant CAS number and proportion of weight in homogeneous material) if these materials are listed in one of the following legal standards : Chemicals Prohibition Ordinance, End-of-Life Vehicle Ordinance, Law on Electrical and Electronic Equipment Disposal, CFC/Halon Prohibition Ordinance,

Registration, evaluation, approval and limitation of chemical materials (REACH) Ordinance.

6.6 Quality warranty

6.6.1 The Supplier warrants that, when handed over to FACIL or – if supplied directly – to FACIL's customer, the Deliverables are free from any defects, conform the state of the art, and comply with market relevant laws and statutes, ordinances , EC Directives and U.S. laws (such as Directive 89/392/EEC, Appliance Safety Act ,safety regulations, , accident prevention instructions, interdiction of childlabour, U.S. Equal Opportunity requirements for Invalids and Veterans, U.S. Dodd–Frank Wall Street Reform and Consumer Protection Act on conflict minerals).

6.6.2 In general the normal technical quality standards such as DIN, VDE, VDI, TÜV, IEC, EN and where applicable, the U.S. Fastener Quality Act. Documented norms, standards and quality requirements apply according to the latest level. In the event of different versions of these quality standards existing, the version applying in Germany shall be decisive.

6.6.3 The Supplier undertakes in particular to comply with the specifications (a.o. Specific Metallic Fastener Requirements) of FACIL and its customer, to meet the implied and express expectations of FACIL and its customer and to conform to the agreed technical and quality characteristics and requirements (herein referred to as the "Specifications").

6.6.4 In this context, the Supplier has the duty to advise FACIL in relation to the definition of the Specifications and the quality characteristics of the Deliverables, depending on their intended purpose. The definition of the Specifications takes place in drawings (of FACIL or customers), standards and other references applicable.

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6.6.5 The Supplier is responsible for the product and production feasibility evaluation according to quality requirements and drawings.

6.6.6 The Supplier has to examine and to inform FACIL in each case if the quality requirements are incorrect, unclear or incomplete.

6.6.7 Each and every deviation from the contractually agreed Specifications of the Deliverables and in particular the accepted defect rate expressed in parts per million (ppm) must be approved by FACIL in advance and in writing.

7. Product liability and complaints :

7.1 On receipt, FACIL shall inspect the Deliverables for obvious externaly visible packaging defects, identity, wrong quantities and transport damage; Facil and its customers shall be exempt from their statutory obligations to examine and test the Parts upon delivery in accordance with applicable law (acceptance inspection) and no further inspection duties exist beyond this. FACIL shall report any defects to the Supplier within a reasonable period of their discovery.

In this respect, the Supplier waives pleading that a defect has been reported late.

7.2 The limitation period for defects is 36 months as from the date of delivery or – if so agreed or laid down by law – as from the date of formal acceptance. The warranty term shall start anew upon delivery of replacing Deliverables and respectively after a repair/rectification has been carried out in accordance with the present general T&C.

7.3 In the event of defects FACIL may also demand re-delivery of the defective products in lieu of subsequent improvement. If post-performance fails, then FACIL shall be entitled:

(i) to remedy the defect itself, have this done by a third party, or procure a replacement elsewhere, all at the Supplier's cost;

or

(ii) to withdraw from the contract or reduce the purchase price. If it is no longer possible to allow a period for post-performance due to particularly urgent circumstances, FACIL shall be entitled to the rights specified in (i) above as soon as it has notified the Supplier.

7.4 The Supplier has to pay all the costs incurred for post-performance at the products' respective place of use. FACIL shall notify the Supplier about the place of use on request.

7.5 The Supplier shall reimburse FACIL for all and any losses incurred in connection with the delivery of a defective product, in particular all the costs and outlay claimed from FACIL by the latter's customers or the end users of the product, and all the costs for any recall campaign, for dismantling and reassembly, or for sorting out rejects.

7.6 Whenever there's a complaint, the Supplier must immediately take corrective actions to solve the problem , to assure on time delivery of the Deliverables and make up an action plan to avoid recurrence of the problem.

7.7 Whenever requested by FACIL, the Supplier must send immediately a supporting delegate, competent in the relevant domain to FACIL or its customer's plant and inform FACIL of the timing of his projected arrival and his action.

7.8 At all times, Supplier will have available a contact person who can advise on corrective actions.

7.9 To limit damages, guarantee continuity and/or feed the production line, Facil can decide to take immediate action (rework, sorting-out, etc.); Involved costs are to be paid and/or compensated by the Supplier.

7.10 Whenever FACIL asks for it, the Supplier must provide a G8D-report (points 1 to 3 within 24 hours, all in English).The closed G8D-report needs to be provided within maximum 15 working days.

If the resolution takes longer the Supplier needs to reach an written agreement with the FACIL quality manager.

7.11 FACIL can perform a process-check-audit at the Supplier's production facilities to verify the corrective actions. FACIL's final customer technical assistant is allowed to join FACIL. If needed FACIL can impose a 100% inspection on dispatch.

8. Third-party rights :

8.1 The Supplier warrants that the supplied Deliverables do not infringe any protective rights, such as patents, utility models, trademarks, or other rights or business or trade secrets belonging to third parties, also in the country of use. In this respect, the Supplier shall hold FACIL harmless from any third-party claims and also compensate FACIL and assume all costs and expenditure incurred. The Supplier represents that it holds all the rights in the Deliverables and that FACIL shall have the right to use, apply and re-sell the Deliverables.

8.2 The Supplier shall not be liable for third-party intellectual property rights where the Deliverables have been exclusively manufactured in accordance with drawings and models provided by FACIL.

8.3 Any advertising by Supplier in relation to Facil requires the prior written consent of FACIL. This

includes, in particular, press releases, demonstrations at expositions or tradeshows, production of advertising materials and placement of advertisements.

9. General liability :

9.1 The Supplier shall indemnify FACIL on first written request against any claims made by customers or third parties relating to product liability, if and insofar as the loss or damage has been caused or jointly caused by a fault in the product delivered by the Supplier. In cases of liability contingent on fault, this shall not apply if the Supplier is not at fault.

If the cause of the loss or damage is within the Supplier's sphere of responsibility, then the causal link between the fault and the loss sustained shall be deemed sufficient evidence; Otherwise, the burden of proof is on the Supplier.

9.2 In any event, the Supplier shall bear the costs and expenditure corresponding to its share of liability, including the costs of any legal proceedings and any recall costs. This provision shall also apply to both evident or impending serial defects.

9.3 The Supplier undertakes to take out an appropriate insurance policy covering its entire liability risk for every kind of direct, indirect or consequential damages and losses (including but not limited to merely financial damages and losses such as loss of profit) as well as for all additional costs related to such Deliverables (Part and/or Service) not delivered or performed in accordance with the present T&C. Said right to indemnification shall also cover damages to thirdparty products and production downtime as well as claims for damages by Customers or any other third parties against Facil and/or – as the case may be – against Customers for violating the rights of third parties and/or – as the case may be – of Customers and the costs arising there from, and to

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provide proof of such insurance policy to FACIL upon request.

9.4 Claims for damages of whatsoever nature by the Supplier vis-à-vis FACIL are excluded, if FACIL or its statutory representatives or vicarious agents have caused the loss or damage by an act of simple negligence. This exclusion of liability shall not apply in the event of physical harm or of a breach of cardinal duty jeopardising fulfilment of the purpose of the contract, whereby FACIL shall only be liable for foreseeable damage typical for the type of contract.

10. Confidentiality:

10.1 The Supplier undertakes to keep secret from third parties all and any information (e.g. the content of the Order, numbers of units, technical design, pricing etc.) which the Supplier obtains from FACIL either deliberately or coincidentally, as well as specimens, production tools, models, etc. that are provided or financed by FACIL (all referred to hereinafter as "Confidential Information").

10.2 Confidential Information disclosed by FACIL shall remain FACIL's property. Any provision of Confidential Information to the Supplier by FACIL shall be treated as a temporary loan for use (prêt à usage).

10.3 The Supplier shall not be entitled to disclose or pass on, whether orally or in writing, the Confidential Information to a third party or to publish it without FACIL's prior written consent and will be subjected to this Confidentiality clause.

10.4 The Supplier undertakes not to use the Confidential Information for its own purposes or for any other purposes. The Supplier shall, at its own expense, return the Confidential Information to FACIL, as soon as such information is no longer necessary for the performance of the Order.

10.5 In the event of a particularly serious breach of this non-disclosure obligation, FACIL shall be entitled to terminate the entire contractual relationship without notice and without incurring compensation, and where applicable, to require the repayment of any payments already made. A particularly serious breach of this confidentiality obligation shall be deemed the case, if the Supplier discloses the knowledge it has acquired or the information it has received to any of FACIL's competitors. Confidentiality obligations shall survive the expiration or termination of the present T&C until confidential information fall in the public domain.

11. Work carried out on the premises of FACIL or its customers:

11.1 In the event that the Supplier's employees, agents or subcontractors are required to work on the premises of FACIL or FACIL's customers, they undertake to comply with the accident prevention rules, any safety instructions and the environmental protection requirements set by FACIL.

11.2 The Supplier shall be solely liable vis-à-vis FACIL and the latter's customers for any loss or damage, etc. caused by its employees, agents or subcontractors either deliberately or negligently.

The Supplier shall take out adequate insurance to cover the consequences of this liability.

12. Severability :

If any of the provisions of these Standard Terms of Purchase are legally ineffective or become invalid or impracticable, this shall not affect the remaining content of the Terms of Purchase. The parties shall endeavour to supplement the invalid provision with a legally effective clause of the same economic effect insofar as is possible.

13. Applicable law and jurisdiction:

13.1 Place of jurisdiction and place of performance for all deliveries shall be assumed FACIL's corporate seat (Genk,Belgium). However, FACIL shall also be entitled to sue at the Supplier's general place of jurisdiction or the place of FACIL's operational branche.

13.2 Belgian law shall apply under exclusion of conflict of laws and exclusion of the UN Convention on the International Sale of Goods (CISG).

13.3 The Supplier represents that it is familiar with and will comply with all the laws, decrees and regulations relating to its business for the purposes of the performance of the Order. The Supplier shall bear all and any financial and administrative consequences resulting from any breach of provisions, laws, decrees and ordinances by the Supplier or its employees or subcontractors or by its own suppliers.