



Terms and Conditions of Supply

Auto Exterior division

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DEFINITIONS

Affiliated Company(ies), means any company (i) directly or indirectly controlled by a **Party**, or (ii) directly or indirectly controlling a **Party**, or (iii) under the same control as a **Party**. For the purpose of this definition the term "control" means the possession, directly or indirectly, of at least fifty percent (50 %) of the equity ownership or voting rights.

Audit(s), means the quality control(s) or audit(s) described in Article 19.1 "Quality controls – Audits".

Blanket Order(s), means all document(s) by which the **Buyer** defines **Supplies** which he is likely to order without definitive commitment to buy by giving their main characteristics without setting forth the duration of the Purchase Order and the final quantities, such final quantities being ordered by **Releases**.

Buyer, means any AUTO EXTERIOR (division of PLASTIC OMNIUL group), **Affiliated Company** which purchase the Supply as a **Purchase Order** to the **Supplier** including to the **Supplier's Affiliated Companies** or on whose behalf a **Purchase Order** is issued.

Closed Order(s), also called "Spot Buy(s)", means all document(s), other than a **Blanket Order**, by which the **Buyer** orders **Supplies** to the **Supplier**.

Contract, means the contractual relationship between the **Parties** arising out from the acceptance of a **Purchase Order** and/or a **Nomination Letter** by the **Supplier**. The **Contract** is governed exclusively by the terms and conditions of the set of contractual documents concerning the **Supply** as set forth in Article 3 "Contractual documents" below.

Inbound Logistics Specifications, means the "Logistic Protocol Project" of the **Buyer** communicated to the **Supplier**, as described in Article 14 "Buyer policies" below.

Master Agreement of Supply, means the freely negotiated agreement between the **Parties**.

Nomination Letter, means the nomination letter and its appendix whereby the **Buyer** appoints **Supplier** for a **Supply**.

Party or **Parties**, means the **Buyer** and/or the **Supplier**, as the case may be.

Pre-existing Right(s), means any elements of any nature, protectable or not by intellectual property rights, on any medium or in any form whatsoever, which are not derived from the performance of the **Contract**.

Product(s), means all part(s), component(s), equipment(s), tooling, material(s) and any other

good(s) and product(s), conforming to the description in the **Contract**.

Purchase Order(s), means any **Blanket Order(s)** or **Closed Order(s)** issued by the **Buyer** to the **Supplier**, namely any written request by email, fax or computer transmission, for Supplies delivery. The **Purchase Order** is governed exclusively by the terms and conditions of the contractual documents relating to a **Supply**, listed in Article 3 "Contractual Documents" below.

Release(s), also called "Call off", means any document(s) issued by the **Buyer** as part of a **Blanket Order**, by which except as regards the provisional quantities, the **Buyer** definitively orders firm quantities of **Products** and sets the dates or deadlines for delivery of such **Products**.

Result(s), means any elements other than **Pre-existing Rights**, of any nature, protectable or not by intellectual property rights, on any medium or in any form whatsoever, derived at any time from the performance of the **Contract** (including but not limited to studies, drawings, software, source codes, know-how).

Service(s), means the services to be provided by the **Supplier**, conforming to the description in the **Contract**.

Supplier, means the supplier and/or the service provider, including its **Affiliated Company**, as identified on the **Purchase Order**, to whom a **Purchase Order** is issued, or which otherwise performs the **Contract**.

Supplier Quality Management Guide, means the Supplier Quality Management Guide of the **Buyer** communicated to the **Supplier** by the **Buyer**, as described in Article 14 "Buyer policies" below.

Supply(ies), means the **Product(s)** and/or the **Service(s)**.

Terms and Conditions of Supply, means this document.

Tool Loan Agreement, means the contract by which the **Buyer** provides the **Tooling** to the **Supplier**.

Tooling, means all tooling, dies, jigs, gauges, assembly equipments, machines, and other miscellaneous equipments and items lent to the **Supplier** by the **Buyer** in accordance with Article 18 "Lending of **Tooling**". Such tooling may be (i) furnished by the **Buyer**, either directly or indirectly, to the **Supplier** to perform the **Contract** or (ii) ordered by the **Buyer** and procured by the **Supplier** in execution of the **Contract**. The **Tooling** may be owned by the **Buyer** or as the case may be its customer.

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SCOPE

The **Terms Conditions of Supply** shall govern all **Contracts** between the **Buyer** and the **Supplier**, to the extent that the **Supplier** has not expressly invoked its own general terms and conditions of sale in the course of the consultation procedure.

Where the **Supplier** expressly invokes its general terms and conditions of sale in due course, all contracts shall be governed by the written agreement of the Parties as it stands following the negotiations. The general terms and conditions of sale of the **Supplier** shall in no case be tacitly applied because of their communication, regardless of the

medium or the way by which they are communicated.

3 CONTRACTUAL DOCUMENTS

The **Contract** between the **Buyer** and the **Supplier** is composed of the following documents, listed in decreasing order of priority, and of any other document signed by the **Supplier** at the time of being integrated in the panel of **Buyer's** potential suppliers:

- 1) the **Release(s)** ;
- 2) the **Purchase Order**, as issued, as under which the **Buyer** purchases the Supply and accepted by the **Supplier** ;
- 3) as the case may be the **Nomination Letter** and its appendixes ;
- 4) these **Terms and Conditions of Supply**, or as the case may be, by reference the **Master Agreement of Supply** freely negotiated between the **Parties** (without its appendixes).

If there is a conflict among the terms in the various contractual documents listed in Article 3.1 above, the order of precedence set out in the said Article shall apply. In case of contradiction within the same contractual document, specific provisions shall prevail over general provisions.

4 PURCHASE ORDERS

Any **Purchase Order** of the **Buyer** shall be in writing.

The **Supplier** shall acknowledge receipt in writing of the **Purchase Order** within ten (10) business days from the date on which the **Purchase Order** was sent.

Supplier's commencement of work or performance that is the subject of a **Purchase Order** or more broadly of a **Contract** shall be an act of acceptance of the **Purchase Order** or of the **Contract** in its entirety according to its terms by the **Supplier**.

In any event, any **Purchase Order** may be cancelled by the **Buyer** at any time prior to receipt by the **Buyer** of a written acknowledgment, by written notice sent to the **Supplier** effective immediately upon the date of receipt of such notice. The **Supplier** shall not be entitled to any compensation or damages of any nature whatsoever in the event of such cancellation.

The **Supplier** shall not manufacture the **Supplies** or perform any of the **Supplies** or procure any of the materials or components required in their manufacturing, and the **Buyer** shall have no obligation as to the same, except to the extent expressly authorized in **Closed Orders** or **Releases** and for building reasonable safety stocks as required under the security plan as described in Article 10 "Security plan".

Any modification by a **Party** of a **Purchase Order** or more broadly of a **Contract** is binding only if it has been expressly accepted by the other **Party**.

5 RELEASES

Each **Release** shall not constitute a separate order, but forms an integral part of the **Blanket Order** pursuant to which it is issued. Thus, the failure of the **Supplier** to perform any individual **Release** entails for the latter to be liable for all the financial consequences arising from this failure. The repeated non-performance of **Releases** by the **Supplier** may lead to the termination of the Contract concerned in

accordance with Article 32.2.2 of these **Terms and Conditions of Supply**.

5.2 The **Buyer** may require the **Supplier** to participate in electronic data interchange (EDI) or similar inventory management program, at **Supplier's** expense, for notification of **Releases**, as well as for shipping confirmation and other information.

6 MODIFICATION OF THE CONTRACT

6.1 If the **Buyer's** customer requests changes to its own purchase order when a **Contract** already has been entered into between the **Supplier** and the **Buyer**, the **Parties** undertake to renegotiate in good faith the **Contract** regarding the requirements imposed by the **Buyer's** customer (such as the technical specifications of the **Supply** or the scope of the **Supply** covered by the **Contract**), and the **Supplier** agrees to promptly make and implement any such changes in order to guarantee the continuity of the production regardless of whether the parties have reached an agreement on the potential impacts of changes.

6.2 If such changes have an impact on costs, lead-times or quality, the **Supplier** shall promptly send to the **Buyer** a technical and financial proposal accompanied by appropriate supporting documentation indicating such impact and the **Buyer** may consider, in its discretion, such proposal as an amendment to the **Contract**.

6.3 Should the **Parties** be unable to reach an agreement on such amendment proposal or the **Supplier** fails to comply with Articles 6.1 and 6.2 above, the **Buyer** expressly reserves the right to have the modifications implemented by another company, in which case the **Supplier** agrees to provide the **Buyer** as soon as possible, in order to permit the continuity of the production, with all drawings, technical specifications and any other documents needed to implement such modifications. Besides, where appropriate, all or part of the **Contract** may be terminated by mutual agreement at the initiative of the most diligent **Party**.

6.4 The **Supplier** shall not modify the **Supply** (including but not limited to by changing its components, materials, the processes used for its manufacture, or its place of manufacture) without the prior written approval of the **Buyer**.

7 NON EXCLUSIVITY

The **Buyer** is not required to purchase **Supplies** exclusively from the **Supplier** unless the **Contract** expressly states that it is exclusive, 100% requirements, or similar term.

8 INFORMATION, ADVICE, WARNINGS

The **Supplier** shall, irrespective of the **Buyer's** own expertise or knowledge, be responsible for:

- make any recommendation as to the adequacy of the technical specifications for any **Supplies** which it considers appropriate having regard to its past experience and its knowledge of the **Buyer's** intended use of any **Supplies**;
- give the **Buyer** adequate information, advice and warnings in relation to the nature and composition of the **Supply**;
- provide the **Buyer** with any information and advice necessary for the proper storage and use of the **Supply** ;

- warn the **Buyer** about the risks related to the **Supply**, including in particular concerning health, safety and environment or other hazardous risks ; and
- inform the **Buyer** of any risk of quality shortfall or other deficiency in the **Supply** of which the **Buyer** should be aware, and immediately warn the **Buyer** in case of discovery of a defect in the **Supply**, particularly if such defect could endanger the safety of properties or persons or result in the shutdown of the **Buyer's** and of the **Buyer's** customers production line.

9 BLANKET ORDERS - VOLUMES - FLEXIBILITY

Except in respect of any firm quantities specified in **Closed Orders** or **Releases**, quantities that may be indicated in the **Contract** are non-binding estimates based on information provided by the **Buyer's** customer, and are given for information purposes only and do not represent any commitment from the **Buyer**. Only **Closed Orders** or **Releases** commit irrevocably the **Buyer** on quantities indicated therein.

9.2 Following a **Buyer's** customer request for an increase or a decrease in parts or components, for which the **Supply** are required, the **Buyer** may adjust the estimated quantities of the Supplies communicated to the **Supplier** in proportion to such increase or decrease.

9.3 In the event the **Buyer's** customer would cease or suspend its production, the **Buyer** reserves the right to terminate the **Contract** or to suspend delivery of **Supplies** from the **Supplier**, without liability of any nature whatsoever to the **Supplier**, by sending a written notice by mail with proof of receipt and undertakes to compensate the **Supplier** as soon as a compensation would be paid to him by its customer. Any termination of the **Contract** or suspension of delivery under this Article shall take effect at the date specified in the written notice and if not therein specified then on the date on which such suspension or stoppage of production becomes effective.

9.4 The **Supplier** shall maintain production capabilities and organize its production in such a way as to enable the **Supplier** to respond to the circumstances described in this Article 9 and to supply the **Buyer** in strict conformity with its **Releases**.

9.5 Each **Party** shall bear its own costs resulting from such circumstances and/or resulting from the maintenance of its production capacity.

10 SECURITY PLAN

10.1 For **Products** delivered in serial production under a **Blanket Order**, the **Supplier** shall implement and maintain a security plan enabling the **Supplier** to fulfill all of the **Releases** without production interruption for the **Buyer** and its customer.

10.2 Such security plan shall set out in particular, without limitation:

- organization of the production means ;
- safety stocks and stock conditions ; and
- protection of facilities, production means and **Products** against all risks including but not limited to risks of fire.

10.3 The **Supplier** shall communicate its security plan to the **Buyer** in a reasonable time before the date of the Start Of Production (SOP).

11 DEVELOPMENT AND SPARE PARTS

- 11.1** In the event that a **Contract** comprises the development of a **Product** ("the Development"), the Development project shall start with the design of the **Product**, to the cost work to develop and then to the validation of this **Product**. The **Supplier** shall, in accordance with the agreed time schedule, design, carry out the cost work to develop, validate and supply to the **Buyer** a **Product** meeting in particular all the specifications defined in the technical specifications referenced into the **Nomination Letter**. The **Supplier** and the **Buyer** acknowledge and accept that the technical specifications may require to be adjusted from time to time, in order to fit in particular **Buyer's** customer requirements and planning.
- 11.2** The **Supplier** shall be entirely and solely responsible for the Development and for the results thereof. It shall perform its services in a good and workmanlike manner, in accordance with the highest industry standards and practices, and the technical rules in use in the automotive industry in order to meet the requirements of the **Contract**. It shall perform its services in an independent manner but in close contact with the **Buyer**. No acceptance, approval, validation or likewise of the **Products**, given by the **Buyer** throughout the Development or production phase, shall relieve the **Supplier** from any of its obligations under the **Contract**.
- 11.3** The **Supplier** shall also provide all other documents that are required in the **Contract**, including but not limited to the 3D CAD datas and 2D drawings pursuant to evolution of a surface & surroundings provided by the **Buyer**.
- 11.4** The **Supplier** shall supply the **Buyer** with spare parts for the **Products** throughout the term of the **Contract** and for the additional period during which **Buyer's** customer is entitled to order spare parts from the **Buyer**.
- 11.5** Spare parts shall be manufactured and delivered in accordance with the terms of the **Contract** and **Buyer's** after-sale requests provided by the **Buyer** to the **Supplier**.
- 11.6** The **Supplier** agrees to maintain in good condition the **Tooling** and any other tools and equipments necessary to produce spare parts, as well as all corresponding drawings, designs and manufacturing processes, until the end of the period mentioned in Article 11.1 above.
- 11.7** The **Supplier** acknowledges that the agreed upon timing is of the essence for the successful completion of a vehicle specific program. The **Supplier** shall take all actions that are necessary, such as dedication and availability of sufficient resources to ensure the timely and satisfactory Development of the **Product**. In the event of an interrupted, delayed or incomplete Development or supply of the **Product** (except if not attributable to the **Supplier**), as well as in the case where the Development or the **Product** does not comply with the agreed upon conditions and specifications, the **Buyer** shall have the right to terminate the **Contract** in whole or in part pursuant to these **Terms and Conditions of Supply** and, the **Supplier** shall defend, indemnify and hold the **Buyer** harmless from and against any and all liability, costs, damages, losses, third party claims and expenses arising out of or in connection with this non-compliance.

12 COMPLIANCE WITH LAWS

12.1 General provisions

12.1.1 Each **Party** undertakes to comply with all applicable laws and regulations, including but not limited to those related to health, safety, environment and labor. In addition, it is the responsibility of each **Party** to comply with international laws, standards and regulations applicable as regards health, safety, environment, work by minors, illicit, forced or concealed employment, discrimination and human rights.

12.1.2 Therefore the **Supplier** shall in particular, without limitation:

- ensure that the **Supplies** comply with all laws and regulations in the countries of production and sale of the **Supplies** and, as the case may be, of production and sale of the vehicles in which said **Supplies** are to be incorporated ;
- have and maintain all authorizations necessary to conduct its business, and provide a copy of them when so requested by the **Buyer** ; and
- comply with all of the provisions of the United Nations Global Compact in the areas of human rights, labour standards, the environment, and anti-corruption.

12.1.3 All consequences of any non-compliance with the provisions of Article 12.1.2 (including but not limited to any costs incurred as a result thereof), shall be borne solely by the **Supplier**.

12.2 Compliance with labor laws

12.2.1 Before beginning performance of the **Contract**, and thereafter every six (6) months until expiry or termination of the **Contract**, the **Supplier** shall send to the **Buyer** all documents listed in article D.8222-5 of the French Labor Code or, depending on the case, article D.8222-7, including but not limited to the affidavit mentioned in the said articles.

12.2.2 Such affidavit shall in particular state that the employees of the **Supplier** who participate in the execution of the **Contract** shall be employed regularly in accordance with articles L.1221-10, L.3243-2 et R.3243-1 of the French Labor Code and any other applicable laws. The **Supplier** shall use the model of affidavit which may be found at <https://suppliers.intra.corp.ponet/sites/portailpublic/en/Pages/welcome.aspx> or by contacting the **Buyer**.

12.2.3 The **Supplier** shall obtain the same documents (including the affidavit) from its sub-contractors before beginning performance of the **Contract**, and thereafter every six (6) months until expiry or termination of the **Contract**.

12.3 Anti-corruption commitments

12.3.1 The **Supplier** (which for purposes of this clause shall include all of the **Supplier's** employees, agents, representatives, affiliates and any person who performs **Services** on behalf of the **Supplier**) agrees with the **Buyer** that it will not, in connection with the **Products** and/or **Services** to be supplied under this **Contract**, bribe, or attempt to bribe (which shall include without limitation, any offer of any form of payment, gift or other form of inducement, reward or advantage (whether of money or anything of value)) the **Buyer**, any public or government officials or employees, public international organizations, political parties, or private individuals or other entities ("Relevant Party").

12.3.2 The **Supplier** represents and warrants to the **Buyer** that it has not, prior to the date of this **Contract**,

bribed or attempted to bribe any Relevant Party in order to secure any business from the **Buyer** whether in connection with this **Contract** or otherwise.

- 12.3.3** The **Supplier** acknowledges and agrees on behalf of all of the **Supplier's** employees, agents, representatives, affiliates and any person who performs services on behalf of the **Supplier** that it is familiar with and will abide by the anti-bribery and anti-money laundering laws in all the countries in which it is incorporated or established and in which it does business.
- 12.3.4** The **Supplier** agrees that it will not take or knowingly permit any action to be taken that would cause the **Buyer** to be in violation of any applicable anti-bribery or anti-money laundering laws.
- 12.3.5** The **Supplier's** books, records and accounts shall accurately reflect any and all payments in respect of transactions of the **Supplier** whether under this **Contract** or otherwise. The **Buyer** (and the **Buyer's** authorized representatives) shall have the right to inspect and audit the **Supplier's** books, records and accounts at any time on prior written notice.
- 12.3.6** The **Supplier** shall refuse any and all remuneration to third parties if such remuneration does not correspond to an actual service for a justified amount duly posted in its accounts.
- 12.3.7** The **Supplier** shall ensure that any subcontractor or other person associated with it as to perform works, **Services** or delivery of Products in connection with the **Supplier's** performance of its contractual obligations to the **Buyer**, does so only on the basis of a written contract that impose or secure the same level of commitments with regard to anti-corruption, anti-bribery, anti-kickback, and other similar conduct, activities, or business practices.
- 12.3.8** If the **Supplier** discovers that it has or may have violated any of the provisions in this clause, the **Supplier** shall immediately notify the **Buyer** and cooperate with any investigations by the **Buyer** into such matters.
- 12.3.9** Without prejudice to the generality of clauses above, the **Supplier** covenants with the **Buyer** to establish and at all times maintain and implement such anti-bribery policies and procedures as may be required to ensure that it prevents bribery or attempted bribery taking place on the **Supplier's** behalf.
- 12.3.10** The **Supplier** agrees that in addition to the **Buyer's** termination rights set out elsewhere in this **Contract**, the **Buyer** may immediately terminate the **Contract** in the event of a breach of this clause by the **Supplier**.
- 12.3.11** Without prejudice to the **Buyer's** rights to be indemnified elsewhere under this **Contract**, the **Buyer** shall not be required to make any payments to the **Supplier** that might otherwise be due from the **Buyer** if such payments are related to a transaction in connection with which the **Supplier** has breached this clause.
- 12.3.12** The **Buyer** undertakes to comply with all the commitments described above.

13 HAZARDOUS MATERIALS

13.1 Warning

- 13.1.1** In the event that hazardous or restricted materials are an ingredient or part of the **Products**, the **Supplier** will give the **Buyer** sufficient warning in writing (including, without limitation, through

appropriate labels on all **Products**, containers and packaging, Material Safety Data Sheet (MSDS), and certificates of analysis) before and at the time the **Products** are shipped.

- 13.1.2** The **Supplier** shall in particular, without limitation, inform the **Buyer** of any special handling instructions that are needed to advise carriers, the **Buyer**, and their employees how to take appropriate measures while handling, transporting, processing, using or disposing of such **Products** and of containers and packing used for their transportation.

13.2 Compliance with laws

The **Supplier** agrees to comply with all laws and regulations related to hazardous or restricted materials.

13.3 CMR substances

- 13.3.1** The **Supplier** shall comply with the European Community regulation "REACH" (EC 1907/2006) on chemicals and their safe use.

- 13.3.2** In particular, the **Supplier** or as the case may be its subcontractor shall register, if necessary, the substances contained in the **Supply** in accordance with the REACH regulation. Such registration shall take into account the use of the substances by the **Buyer** by including such use in the assessment of chemical safety.

- 13.3.3** The **Supplier** undertakes to update its Material Safety Data Sheet and to communicate it immediately to the **Buyer** when it changes the used substances.

- 13.3.4** The **Supplier** represents and guarantees that the Supply does not contain any CMR (Carcinogenic, Mutagenic, Reprotoxic) substances of category 1A and 1B, as defined in REACH regulation.

14 BUYER POLICIES

- 14.1** The **Supplier** shall conform to all policies established or directed by the **Buyer** or **Buyer's** customer.

- 14.2** **Buyer's** policies include in particular, the **Supplier Quality Management Guide**, the **Inbound Logistics Specifications**, the Mold Transportation, the Global Compact, the Code of Conduct, the Ethic Letter... **Buyer's** policies are to be found at <https://suppliers.intra.corp.ponet/sites/portailpublic/en/Pages/welcome.aspx> or by contacting the **Buyer** and are communicated to the **Supplier** at the time of being integrated in the panel of **Buyer's** potential suppliers.

- 14.3** The **Buyer** shall notify by any means of its choice the **Supplier** of any change made in the **Buyer** policies.

15 CERTIFICATIONS

- 15.1** The **Supplier** shall have the certifications required under the **Supplier Quality Management Guide**.

- 15.2** Accreditations obtained shall apply to the **Supply** and shall be awarded by an independent and duly authorized certification body.

- 15.3** The **Supplier** shall promptly inform the **Buyer** as soon as possible of any potential or actual change in its accreditation status and of the actions taken in response and any issues that could jeopardize its accreditation status.

16 WORK PERFORMED WITHIN BUYER'S SITES

- 16.1** Before any work is undertaken within any of **Buyer's**

sites by the **Supplier**, the **Supplier** shall contact the **Buyer** in order to:

- determine the conditions in which the **Supplier** will perform such work ; and
- agree on a prevention plan as to health and safety risks related to such work, in accordance with the provisions of the Article R237-1 and following of the French "Code du Travail"(labor code) relating to the works carried out in an establishment by an external company.

16.2 The **Supplier** shall comply and ensure that all of its employees and representatives comply with the aforementioned prevention plan and decree as well as all policies and procedures in force at the **Buyer's** site regarding health and safety. The **Supplier** shall provide any document evidencing such compliance, upon the first request of the **Buyer**.

16.3 If the **Supplier** does not comply with any of these obligations, the **Buyer** reserves the right to refuse the **Supplier** access to or continued presence on the site.

17 EMPLOYEES

17.1 The **Supplier** shall be responsible for the supervision, management and remuneration of the personnel used by it for the performance of the **Contract**.

17.2 The **Supplier** undertakes to use, for the performance of the **Contract**, only duly trained and qualified personnel.

18 LENDING OF TOOLING

18.1 Ownership - Risks

18.1.1 According to the **Tool Loan Agreement** as the case may be, the **Tooling** shall be and remain at all times (unless otherwise expressly agreed in writing) the exclusive property of the **Buyer** or of its customer. If on the date of termination or expiration of the **Contract**, the price of the **Tooling** has not been fully paid by the **Buyer**, this shall not affect the ownership rights of the **Buyer** or its customer on the **Tooling** and the **Buyer** undertakes to pay the balance of the **Tooling's** price to the **Supplier**.

18.1.2 The **Tooling** shall not be subject to any attachment, charge, lien, claim of title, or procedure of sequestration and shall be identified by the **Supplier** as the **Buyer's** exclusive property (or as the case may be that of its customer) by whatever appropriate means including but not limited to by affixing in a visible manner a plate indicating to whom the **Tooling** belongs. If the **Supplier** is not the owner of the premises where the **Tooling** on loan is located, the **Supplier** shall undertake to notify the landlord about the ownership of the **Buyer** on such **Tooling** before it enters such premises.

18.1.3 As long as the **Tooling** is in possession of the **Supplier**, or under its control, the **Supplier** shall bear the risks of loss of and damage to the **Tooling** and keep the **Tooling** insured at its replacement value to the benefit of the **Buyer** and/or **Buyer's** customers.

18.2 Use

18.2.1 Unless otherwise provided for in the **Contract**, the **Supplier** shall ship, install and start up the **Tooling** in its premises at its own expense and risk.

18.2.2 The **Tooling** shall be used exclusively for the performance of the **Contract**, in accordance with

state of the art and as the case may be with the **Buyer's** recommendations and procedures.

18.2.3 The **Supplier** shall not modify, destroy, copy, reproduce, or replace the **Tooling**, or move the **Tooling** from **Supplier's** premises, without the **Buyer's** prior written approval. In any case, the written agreement of the **Buyer** shall not discharge the **Supplier** of any liability in respect thereof.

18.3 Repairs - Maintenance

18.3.1 The **Supplier** shall keep the **Tooling** in good working condition and shall make any necessary repair and maintenance in accordance, at its own expense.

18.3.2 The **Supplier** agrees to promptly inform the **Buyer** of any malfunctioning or damage caused to or by the **Tooling**, as well as of any event likely to require the **Tooling** to be replaced or which could cause a stoppage in the supply of the **Products**.

18.3.3 The **Buyer** shall have the right to enter into **Supplier's** premises during the **Supplier's** working days and hours, provided that a twenty four (24) hours notice is given, to inspect the **Tooling** and **Supplier's** records with respect to the **Tooling**.

18.4 Defects - Damages

18.4.1 The **Buyer** shall not be held liable for any hidden defects of which it is not aware, affecting the **Tooling** or as the case may be making it unfit for its particular purpose and uses and shall not therefore indemnify the **Supplier**, seller of this **Tooling**, for any loss or damage arising as a result of such defects or the **Supplier** being informed of by the **Buyer**.

18.4.2 More generally, the **Buyer** shall not be held liable for damage caused to the **Tooling** by the **Supplier** and will also not be liable for damage caused by the **Tooling** due to a use which does not comply with standard practice.

18.5 Return

18.5.1 Immediately upon **Buyer's** request, the **Supplier** will return the **Tooling**, in accordance with the **Buyer's** instructions, including but not limited as to the means of transportation and location to which it should be returned to.

18.5.2 In the event of a termination of a **Contract** caused by the **Supplier**, the costs incurred in the return of the **Tooling** will be borne exclusively by the **Supplier**.

18.5.3 The **Supplier** will cooperate with the **Buyer** to ensure smooth return of the **Tooling** and will grant the **Buyer** with access to all facilities at which the **Tooling** is located.

18.5.4 The **Supplier** expressly waives:

- any right to request any additional notice or process relating to **Buyer's** exercise of its rights under this Article 18.5 "Return" ;
- any lien or other rights that the **Supplier** might otherwise have on any of the **Tooling** including any possessory lien; and
- any objection to the **Buyer's** repossession and removal of the **Tooling** for any or no reason.

19 CONTROLS

19.1 Quality controls - Audits

19.1.1 At any time during the term of the **Contract** with twenty four (24) hours' prior notice, the **Buyer** may carry out **Audits** on-site during the **Supplier's** normal working hours. The purpose of such **Audits** will be to check if the **Supplier** complies with the **Contract**. **Audits** may be carried out by a third party on

behalf of the **Buyer**. **Audits** shall not unnecessarily interfere with the **Supplier's** performance of the **Contract**.

19.1.2 The **Supplier** agrees to cooperate fully with the **Buyer** (or the third party acting on behalf of the **Buyer**) in order to facilitate the **Audit**, most particularly by granting access to any location, installation, documentation or information requested and by answering all relevant questions.

19.1.3 As part of the **Audit**, the **Buyer** (or the third party acting on behalf of the **Buyer**) may take random samples of the **Supplies** manufactured or being manufactured by the **Supplier** in order to confirm compliance with quality standards set forth in the **Contract**.

19.1.4 If the **Audit** shows non-compliance with the **Contract**, the **Supplier** shall take as soon as possible all measures recommended by the **Buyer**. Most particularly, the **Supplier** undertakes to make all necessary quality improvements to the **Supplies** in order to achieve the quality standards set forth in the **Contract**, should the **Audit** establish that such quality standards are not met.

19.1.5 These quality **Audits** shall not reduce the **Supplier's** contractual liability in any manner whatsoever, and further they shall not affect the **Buyer's** right to subsequently reject all or part of the **Supply** delivered.

19.2 Financial review

19.2.1 Upon reasonable notice to and subject to the agreement of the **Supplier**, the **Buyer** or a third party designated by the **Buyer** may review the financial condition of the **Supplier** and its **Affiliated Companies**.

19.2.2 The **Buyer** and any designated third party will keep confidential any non-public information about the **Supplier** obtained in a financial review in accordance with the provisions of Article 30 "Confidentiality".

20 SHIPPING AND DELIVERY

20.1 Delivery terms

Unless otherwise specified in the **Contract**, the **Products** shall be shipped DDP - place of delivery (Delivered Duties Paid, Incoterms, latest edition). The **Supplier** will then bear all risks of loss of **Products** in transit and shall properly insure all shipments.

20.2 Packing - Labeling

20.2.1 The **Supplier** is responsible for packing and labeling the **Products**.

20.2.2 Each packaging unit shall legibly show on the outside each of the information required to be shown by the label specifications set out in the **Inbound Logistics Specifications**.

20.2.3 The packaging shall be suitable for the **Products** and means of transport used to ship the **Products**, so as to prevent all potential damage to the **Products** during transportation, handling and storage at the destination site.

20.2.4 Packaging and labeling shall be in compliance with the specifications set forth in the **Contract** as well as state of the art and all applicable laws and regulations.

20.3 Shipping documents

A detailed delivery slip in two (2) copies shall accompany the delivery. The delivery slip shall give each of the following information:

- all details which allow the identification of the **Products** and their quantitative verification ;
- the bundling and the nature of the packaging ; and
- all information given on the packaging unit as set forth in Article 20.2.2 above.
- and or any other information required by the **Inbound Logistics Specifications**.

21 DELIVERY LEAD TIMES

21.1 Time of delivery and performance of the **Supply** is imperative and is of the essence of the **Contract**. Deliveries shall be made on working days and during normal working hours, at the date specified in the **Contract**. No deliveries will be accepted outside those working days and hours unless prior approval is obtained from the **Buyer**.

21.2 In the event of early delivery and unless otherwise agreed by the **Parties**, the **Buyer** shall be entitled to either return the **Supply** to the **Supplier** or otherwise to store the same until it is taken back by the **Supplier**, at the exclusive risk and cost of the **Supplier**.

21.3 Any expenses, including premium shipping expenses, necessary to meet the required delivery dates shall be the **Supplier's** sole responsibility. In addition, the **Supplier** will bear any costs or expenses which the **Buyer** shall incur as a result of any late deliveries for which the **Supplier** is responsible, including all costs or expenses resulting from disruptions to the **Buyer's** production or its customer's production facilities (i.e. line shutdowns, off-lined products, etc.).

22 ACCEPTANCE OR REJECTION OF THE SUPPLY

22.1 Acceptance of the Supply

22.1.1 Acceptance of the **Supply** shall occur once the **Buyer** has verified that the **Supply** is in strict compliance with the **Contract**.

22.1.2 With regard to **Products**, the **Buyer** shall use its best efforts to inform the **Supplier** of any apparent defects as soon as possible from the time at which such defects should be detectable in the ordinary course of operations.

22.1.3 **Services** shall be deemed accepted by the **Buyer** only upon **Buyer's** execution and delivery of a completion certificate or other written evidence of compliance of **Supplier's** performance under the **Contract**.

22.1.4 The **Buyer** shall have no duty to inspect the **Supply** at the time of delivery of the **Products** or completion of the **Services**. **Buyer's** failure to assert a claim or reserve at this time shall not be considered as an acceptance of the **Supply** and shall not, under any condition, be deemed as a waiver by the **Buyer** of its right to assert any claim in the future. Without any claim made within 72 (seventy two) hours after their date of receipt, the **Products** will be deemed free from the apparent defects exhaustively listed hereafter ie the **Products** delivered will be considered in compliance with their certificate of analysis and with the quantities ordered.

22.1.5 Payment for nonconforming **Supply** shall not constitute an acceptance of the **Supply**, nor shall payment limit or impair the **Buyer's** right to assert any legal or equitable remedy at any time. **Payment** shall also not relieve the **Supplier** of any

responsibility for undisclosed, hidden or otherwise undetected, defects.

22.1.6 Notwithstanding **Buyer's** acceptance of the **Supply**, the **Buyer** reserves the right to claim the **Supply** is non-conforming if the **Buyer** later discovers a defect or other non-conformity in the **Supply**.

22.1.7 The acceptance by the **Buyer** of any study, design, drawing, material, process, specifications or Initial Sample (IS) does not release the **Supplier** from any liability for defect, damage or loss, and does not imply acceptance of the **Supply** delivered and/or to be delivered.

22.2 Nonconforming Supply

22.2.1 The **Buyer** reserves the right to reject the **Supply** in any of the following events:

- non-compliance or nonconformity of the **Supply** with the **Contract** ;
- incomplete or excess quantities ;
- quality issues ; or
- failure to observe delivery lead times or completion deadlines.

22.2.2 Upon rejection of the **Supply**, the **Buyer** may exercise any or all of the following remedies, without prejudice to any other rights at law or under the **Contract**:

- request from the **Supplier** timely replacement of the nonconforming **Supplies** with conforming **Supplies** ;
- procure **Supplies** from a third party of the **Buyer's** choice ;
- suspend any payment related to the **Supply** due to the **Supplier**;
- request a refund of any partial or full payments previously made for the **Supply**, as the case may be ; and
- charge the **Supplier** for any costs or expenses incurred by the **Buyer** as a result of the nonconformity (including, without limitation, costs of inspection, sorting, testing, storage, or rework) and a fee for the administrative costs associated with such nonconformity.

22.2.3 The **Buyer** will hold nonconforming **Supplies** ready for disposal in accordance with **Supplier's** reasonable instructions and at **Supplier's** cost and risk. **Supplier's** failure to provide written instructions, within four (4) business days after notice of nonconformity shall entitle the **Buyer**, at **Buyer's** option, to charge the **Supplier** for storage and handling, or to dispose of the goods without liability to the **Supplier** (including by destroying them or returning them to the **Supplier**).

23 PRICE, INVOICING AND PAYMENT TERMS

23.1 General provisions

23.1.1 The **Supplier** acknowledges having received all information required for the determination of the price. Unless otherwise stated in the **Contract**, prices shall be firm and non-revisable. No price increase shall become effective without the prior written consent of both **Parties**.

23.1.2 Prices shall be understood DDP in accordance with Article 20.1 "Delivery terms". And the prices shall be deemed to compensate the **Supplier** for all its expenses, disbursements, costs, charges (including quality containment costs) and obligations of any kind under the **Contract**.

23.2 Taxes and duties

Prices are net of applicable taxes and customs duties. Taxes shall be added by the **Supplier** to its invoices in accordance with all applicable laws.

23.3 Invoicing

The invoice shall comply with all legal and regulatory obligations. In addition, it shall include all details that allow the identification and control of the **Supply**. The invoice must be sent in two (2) original copies to the billing address specified in the **Purchase Order**, and shall not be included with deliveries. The **Buyer** reserves the right to return all invoices submitted incorrectly. In this case, the **Supplier** shall at the earliest opportunity, return a correct version of the invoice, to be paid as quickly as possible.

23.4 Factoring

In the event that the **Supplier** uses factoring for the management of its invoices, the **Supplier** shall solely assign its receivables to the same factoring company for all **Contracts**. Should the **Supplier** assign such receivables to several factoring companies, the **Buyer** shall not be held liable for any late payment or any payment incorrectly made as a result thereof, and the **Supplier** shall indemnify and hold the **Buyer** harmless from and against any costs or damages resulting thereof. In no event this Article shall be construed as the acceptance by the **Buyer** of factoring and of the assignment by the **Supplier** of the debts owed by the **Buyer**, or as a waiver of any of **Buyer's** rights under the **Contracts**.

23.5 Payment terms

The **Supplies** will be paid in compliance with the legal requirements and in accordance with the payment terms and by the payment means set out in the **Purchase Order** provided that the **Supplies** are not reported as being non-compliant to the **Supplier**.

23.6 Late payment

Late fees in the event of late payment, as the case may be, shall be calculated based on an interest rate of three (3) times the legal interest rate in force. Such interest rate shall apply *pro-rata temporis* to the overdue amounts, without capitalisation, from the day following the day of the payment due. In such case, the standard penalty of recovery provided for in Article L.441-6 of the French *Code de commerce* (Commercial Code) is also due.

23.7 Set-off and joint or several liability

The **Parties** and/or their **Affiliated Companies** may at any time set off any reciprocal debts, notwithstanding the fact that the legal requirements for set-off pursuant to Article 1289 of the French *Code civil* (Civil Code) are not met.

These **Terms and Conditions of Supply** do not create in any way any kind of joint and several liability between any **Buyers**. No **Buyer** can be held liable and no claim can be brought against it for the acts or omissions of another **Buyer**.

24 WARRANTY

24.1 Scope

24.1.1 The **Supplier**, as an expert in its field, represents, warrants and covenants to the **Buyer** that the **Supply** shall be:

- in compliance with all applicable laws as defined in Article 12 "Compliance with laws" ;

- in compliance with the agreed specifications (i.e. drawings and all other documentation defining the **Supply** and its design features) and the state of the art ;
 - regarding specifications not explicitly set forth in the **Contract**, in conformity with the initial samples (IS) approved by the **Buyer** ;
 - merchantable and fit for the particular purposes for which the **Supply** are intended, and as safe as can reasonably be expected ;
 - free from any apparent or hidden defect of design (to the extent the **Supply** is designed by the **Supplier**), manufacture and operation ; and
 - free from any encumbrances, rights, and privileges and claims of any third party.
- 24.1.2** The warranty term shall continue for such period as set out in the **Purchase Order** or in the **Nomination Letter**. If no such period is set out, the warranty term shall continue:
- (i) for the warranty period offered by the **Buyer** to its customers for the products into which the **Supply** is incorporated ;
 - (ii) if the **Supply** is not designed to be incorporated into products of **Buyer's** customer but is dedicated to a specific vehicle (such as assembly means), for the lifetime of the vehicle ; or
 - (iii) in any other case as those described in paragraphs (i) and (ii) above, for no less than twenty four (24) months as from acceptance of the **Supply** in accordance with Article 22.1 "Acceptance of the **Supply**".
- 24.1.3** In the event of an extension of the contractual warranty given by the **Buyer** to its customer, the **Buyer** may, at any time, require a corresponding extension by the **Supplier** which will be freely negotiated between the **Parties**.
- 24.1.4** This warranty shall be in addition to any implied or statutory warranties at law or any other commercial warranty that may be provided by the **Supplier** to the **Buyer**.
- 24.2 Nonconformity**
- 24.2.1** In the event the **Supplies** do not conform to the foregoing warranty, the **Supplier** shall, at the request and at the **Buyer's** option of the **Buyer**, promptly repair or replace the **Product**, or promptly correct or perform again the **Services**, without cost or prejudice to the **Buyer's** right to terminate the **Contract** in accordance with Article 32 "Termination" or to any potential claim for damages.
- 24.2.2** The warranty period shall be extended by a period equal to that of the non-availability of the non-conforming **Supply**. If the **Supply** under warranty is repaired or replaced, a new warranty shall run for a period equal to the initial warranty period.
- 25 LIABILITY**
- 25.1** The **Supplier** is liable for all damages direct, indirect, incidental or consequential, losses, costs, and expenses incurred by the **Buyer**, its **Affiliated Companies**, and its customers or any third party arising out of or in connection with the defective **Supply** and/or the **Supplier's** failure to fulfill its contractual obligations (such as defective workmanship, failure to deliver conforming and non-defective **Supply** or to comply with the shipping and delivery requirements under the **Contract**), even if the **Supplier** has remedied its failure. The **Supplier** shall indemnify the **Buyer** for any expenses, costs, damages, actions and expenditures related to the recall campaigns, crisis situations initiated by the **Buyer** or its customer.
- 25.2** The **Supplier**, as an expert in its field shall have full responsibility for its technical decisions, regardless of the level of assistance provided by the **Buyer** in the performance of the **Contract**.
- 25.3** In case of non-compliance of the **Supply**, the **Supplier** shall participate, at its own expense, in any audit or testing procedure related to the **Supplies** initiated by the **Buyer** or its customer.
- 26 INSURANCE**
- 26.1** The **Supplier** agrees to procure and maintain, at its own costs and expense, throughout the term of the **Contract**, property, product liability and general commercial liability insurance policies, from a financially sound and reputable insurance company, which adequately cover **Supplier's** liability under the **Contract**. **Supplier's** insurance policy shall include a clause relating to recall campaign costs and expenses incurred by the **Buyer** or by its customer.
- 26.2** The insurance coverage shall not be construed or interpreted as a limitation to the **Supplier's** liability.
- 26.3** Before commencing performance of the **Contract** and afterwards from time to time upon first request of the **Buyer**, the **Supplier** shall furnish to the **Buyer** documents showing compliance with this Article.
- 26.4** The **Supplier** shall inform the **Buyer** immediately in the event of termination or modification of the insurance coverage for any reason whatsoever. If such termination or modification is likely to affect the **Supplier's** ability to pay compensatory damages as required by Article 25 "Liability", the **Buyer** shall be entitled to terminate all or part of the **Contract** in accordance with the provisions of Article 32.2 "Termination for breach".
- 27 TRANSFER OF TITLE**
- 27.1** Unless otherwise specified in the **Contract**, ownership of the **Supply** is transferred as it is being manufactured by the **Supplier**.
- 27.2** The **Supplier** agrees to conspicuously mark and to segregate, in the name and on behalf of the **Buyer**, the **Supply** as it is manufactured. The **Supply** shall not be commingled with the **Supplier's** own inventory or other supplies to be delivered to other customers.
- 27.3** The **Supplier** acknowledges that the **Buyer** is the owner of all samples, models, prototypes, **Tooling** produced by the **Supplier** for the performance of the **Contract**.
- 27.4** No reservation of title to the **Supply** shall have any effect against the **Buyer**. The **Supplier** shall ensure that no reservation of title claim can be asserted by its sub-contractors in respect of any part of the **Supply** so as to enable to transfer full ownership of the **Supply** to **Buyer**.
- 27.5** Neither the **Supplier** nor its subcontractors shall establish, perfect or pursue enforcement of any lien rights on the **Supply** whether statutory or otherwise.
- 28 TRANSFER OF RISKS**
- Transfer of risks shall occur upon delivery of the **Supply** in accordance with the Incoterm referenced in Article 20.1 "Delivery terms".

29	INTELLECTUAL PROPERTY RIGHTS	30.2	However, information shall not be considered as confidential if such information:
29.1	Results		<ul style="list-style-type: none"> ▪ is already known by the receiving Party or has been developed by the receiving Party independently from its access to the information; ▪ has been legally obtained by the receiving Party from a third party not subject to a confidentiality obligation with the disclosing Party; or ▪ is already or becomes public knowledge without fault of the receiving Party.
29.1.1	The Results shall be the exclusive property of the Buyer .	30.3	The receiving Party shall not be liable for the disclosure of confidential information where such Party is under a legal or regulatory obligation to make such disclosure (including but not limited to if such disclosure is made to a competent judge or tax authorities), but limited to the extent of that legal or regulatory obligation.
29.1.2	Therefore, the Supplier shall transfer exclusively to the Buyer the ownership of the Results , irrevocably and for the whole duration of the protection of the intellectual property rights, in the entire world, without scope or purpose limitations. Such transfer shall occur progressively, as the Results are being obtained.	30.4	Except as otherwise specified in Article 29 "Intellectual Property Rights" above, the receiving Party undertakes not to claim any intellectual property rights whatsoever based on the confidential information.
29.1.3	The price of the Supply includes the remuneration of the Supplier for such transfer of ownership.	30.5	The Parties undertake to comply with these obligations of confidentiality and non-disclosure, and shall ensure that their employees and agents do the same, throughout the duration of the Contract and for a further period of five (5) years after expiry or termination of the Contract .
29.2	Pre-existing rights	31	TERM OF THE CONTRACT
29.2.1	To the extent required for the use of the Results by the Buyer , the Supplier shall grant a non-exclusive, fully paid-up, irrevocable, worldwide license of its Pre-existing Rights .	31.1	The Contract shall enter into force on the date specified in the Contract , or if no date is specified, when the Purchase Order is accepted by the Supplier in accordance with Article 4 "Purchase Orders".
29.2.2	Such license shall include a right to use, represent, reproduce, adapt and modify the Pre-existing Rights , as well as the right to sublicense to others and/or to transfer or assign such license.	31.2	For Closed Orders , the Contract shall remain in force until the date specified in the Contract or the date of acceptance of the Supply in accordance with Article 22.1 "Acceptance of the Supply ", whichever applicable. Blanket Orders are concluded for an unlimited period. In any event, the Contract may be terminated in accordance with the provisions of Article 32 "Termination" below.
29.2.3	The price of the Supply includes the remuneration of the Supplier for the grant of such license.	31.3	The Releases issued under a Blanket Order and any document resulting therefrom shall remain governed by present the Terms and Conditions of Supply until completion of such Releases . Except otherwise agreed, any termination in accordance of the provisions of Article 32 "Termination" shall also not affect any Nomination Letter including those issued by a Buyer to a Seller during the notice of termination, and all Contracts arising out of or in connection with such Nomination Letter shall be governed by the Terms and Conditions of Supply until their completion. Likewise any Closed Order outstanding at the date of termination including those issued during the notice of termination shall remain in force and governed by the present Terms and Conditions of Supply until their completion.
29.3	Infringement	32	TERMINATION
29.3.1	Drawings, documents, plans, patterns and samples communicated to the Supplier remain the exclusive property of the Buyer .	32.1	Termination of a Blanket Order
	The Supplier will take due care of any third party intellectual property rights and will pay any royalties, charges or claims due, relative to the use of those rights in the Supply or caused by measures taken subsequently to maintain any rights.		Each Party shall be entitled to terminate any Blanket Order in whole or in part, upon a prior written notice which cannot be shorter than three (3) months. Termination shall be effective at the date mentioned in the notice of termination and shall be without liability of any nature whatsoever to the other Party
	The Supplier will defend and compensate the Buyer in the event of action by a third party claiming intellectual property rights on all or part of a Supply designed and/or made by the Supplier , including in case of expenses, costs and claims for damages resulting from an (established or alleged) infringement or unfair competition action .		
29.3.2	In the event that the Buyer or its customers or suppliers are obliged to cease the use of all or part of the Supply and/or the Results , then without prejudice to any other claim or right that the Buyer may have under the Contract or at law, the Supplier undertakes to immediately implement one of the following remedies, at its sole expense and at the choice of the Buyer :		
	<ul style="list-style-type: none"> ▪ obtain for the Buyer and its customers and suppliers the right to continue to use the Supply and/or the Results without restrictions and at no additional expense ; or ▪ replace or modify the Supply and/or the Results so that it will no longer be infringing but it remains in full compliance with the requirements of the Contract. 		
30	CONFIDENTIALITY	32.2	
30.1	The Parties undertake to keep strictly confidential and secret all information (including but not limited to business or financial or technical information), belonging to, or held by of one of the Parties and disclosed to the other Party , or to which the latter has access to, in connection with the Contract . Such confidential information shall not be used for any other purpose than carrying out the Contract .		

or payment of any compensation except for:

- The payment by the **Supplier**, upon Buyer's presentation of proofs, of a) the revalidation costs, b) the costs related to the transfer of the **Tooling(s)** and c) any additional costs consequently incurred by the termination by the **Supplier**.
- The payment by the **Buyer** of (i) the price of the completed work pursuant to the **Contract**; (ii) the cost of ongoing work authorized by the **Buyer** provided that the sum of the amounts due under (i) and (ii) does not exceed the cost of the work in progress on which the **Parties** agreed; (iii) the balance of the cost of the **Tooling(s)** and (iv) any compensation on specific capacity investments that cannot be used for third parties, subject to the justifications communicated to the **Buyer** on each of these amounts.

32.2 Termination for breach

In case of termination for breach, howsoever caused such termination shall take place as of right without having to request any court consent.

32.2.1 In the event that either **Party** fails to perform the **Contract** in accordance with its terms, the other **Party** may terminate the **Contract**, without liability of any nature whatsoever to the defaulting **Party** or payment of any compensation, if the defaulting party fails to remedy such breach within one (1) month after receipt of a formal notice sent in writing by registered letter with acknowledgement. Termination shall take effect at the date mentioned in the notice of termination.

32.2.2 Should the **Supplier** repeatedly fail to perform the **Contract**, provided that the seriousness of these failures, or should the **Supplier** threaten to stop deliveries, the **Buyer** shall be entitled to terminate the **Contract** with immediate effect and without liability of any nature whatsoever to the **Supplier** or payment of any compensation; by notice in writing sent by registered letter with acknowledgement of receipt. The termination shall take effect 10 (ten) business days after sending of the formal notice.

32.3 Miscellaneous

The provisions above shall be in addition to any other rights of the **Buyer** to terminate the **Contract** in accordance with Articles 9.3, 34.4 and 35.6.

The termination of a **Contract** shall in no event affect the performance of other possible remaining **Contracts** which shall remain valid.

33 EFFECTS OF TERMINATION OR EXPIRATION OF THE CONTRACT

33.1 After termination or expiration of the **Contract** for any reason, those terms of the **Contract** which by their nature are to survive termination shall remain in full force and effect.

33.2 Upon termination or expiration of the **Contract** for any reason, the **Supplier** shall:

- Deliver the **Tooling** to the **Buyer**, in accordance with Article 18.5 "Return";
- upon request of the **Buyer**, transfer the ownership of the work in progress and in particular deliver to the **Buyer** inventories of raw materials and parts (at their purchase price), work-in-process (at their cost price) and/or

finished **Products** (at the price set out in the **Contract**); and

- deliver to the **Buyer** all **Results**, models, prototypes and any other items owned by the **Buyer** under the **Contract**.

33.3 Any termination or expiry of the **Contract** however arising shall be without prejudice to any rights, claims or obligations and duties of either **Party** which may have accrued prior to, or become due at the date of expiry or termination.

FORCE MAJEURE

34.1 Any delay or failure of either **Party** to perform its obligations pursuant to the **Contract** or delay in performing same shall not constitute a breach of the **Contract** will be excused if and to the extent that

a) the **Party** is unable to perform due to a force majeure event strictly limited to war, mutiny, national unrest, expropriation or confiscation for public needs, embargo, discontinuation of public transportation or supply of energy, or natural disaster beyond the control of the **Party** so affected, and

b) provided that the **Party** prohibited or delayed in the fulfillment of its obligations due to the force majeure has forthwith, and in any event at the latest forty-eight (48) hours after the commencement of the relevant force majeure circumstance, informed in writing the other **Party** of such force majeure occurrence.

34.2 The change in cost or availability of materials, components or services based on market conditions, supplier actions, labor disruptions or contract disputes shall not be considered as Force Majeure.

34.3 Throughout the duration of the force majeure occurrence, the **Buyer** may at its option:

(i) purchase **Supplies** from other sources and reduce its **Releases** and other to the **Supplier** by such quantities, without liability of any nature whatsoever to the **Supplier** or payment of any compensation ;

(ii) require the **Supplier** to deliver to the **Buyer** at **Buyer**'s expense all finished goods, work in process and parts and materials produced or acquired for work under the **Contract** ; or

(iii) have the **Supplier** provide **Supplies** from other sources in quantities and at a time requested by the **Buyer**, at the price set forth in the **Contract**.

34.4 If requested by the **Buyer**, the **Supplier** shall, within ten (10) calendar days following **Buyer**'s request, provide adequate assurances that the delay shall not exceed thirty (30) calendar days. If the delay lasts more than thirty (30) calendar days or the **Supplier** does not provide adequate assurance that the delay will cease within thirty (30) calendar days, the **Buyer** may terminate the **Contract** in its entirety or in part, without liability of any nature whatsoever to the **Supplier** or payment of any compensation, by mail with proof of receipt. Termination shall be effective at the date mentioned in the notice of termination.

SUBCONTRACTING – ASSIGNMENT – CHANGE OF CONTROL

35.1 The **Supplier** shall not subcontract, in whole or in part, the performance of the **Contract** to any third party without the prior written consent of the **Buyer**. Such consent shall be given in accordance with

the provisions of the French law n°75-1334 dated 31st December 1975 on sub-contracting. Even if such consent is given, the **Supplier** shall be solely liable for the complete performance of the **Contract** in accordance with its terms and shall cause its subcontractors to comply with the **Contract**.

35.2 If the **Supplier**'s subcontractor brings legal action directly against the **Buyer**, in particular under the law dated 31st December 1975 or under article L.132-8 of the French Commercial Code, for payment of services carried out as part of the **Contract**, the **Buyer** expressly reserves the right to offset the amounts claimed by the said subcontractor against any amounts owed to the **Supplier** under the **Contract**, in accordance with Article 23.7 "Set-off and joint or several liability" above.

35.3 The **Supplier** shall not transfer or assign in whole or in part its rights and obligations arising under the **Contract** for any reason whatsoever without the **Buyer**'s prior written consent.

35.4 The **Buyer** may transfer or assign in whole or in part its rights and obligations arising under the **Contract** to any of its **Affiliated Companies** or to a third party acquiring all or part of the **Buyer**'s business (further to a merger, split-off, asset transfer or by any other means).

35.5 The **Supplier** shall immediately notify the **Buyer** in the event of change of control, which means occurrence of one of the following events:

- the shareholder(s) owning more than fifty percent (50%) of the voting shares of the **Supplier** or its effective control, at the effective date of the **Contract** subsequently hold(s) less than fifty percent (50%) of the voting shares or shall lose the effective control of the **Supplier**;
- the **Supplier** enters into an agreement of merger or consolidation pursuant to which the majority shareholding of the **Supplier** is changed
- the sale by the **Supplier** of a substantial part of its assets used to perform the **Contract**.

35.6 In the event of such change of control, the **Buyer** shall be entitled to terminate the **Contract** in whole or in part, without liability of any nature whatsoever to the **Supplier** or payment of any compensation, by sending a written notice by registered letter with acknowledgement of receipt. Termination shall take effect at the date mentioned in the notice of termination.

36 JURISDICTION – APPLICABLE LAW

36.1 The **Contract** shall be governed by the laws of France but excluding conflicts of laws principles. The **Parties** expressly waive the application of the United Nations Convention on International Contracts for the Sale of Goods concluded in Vienna on April 11, 1980.

36.2 Any claims or disputes arising out of or relating to the **Contract** or a breach of the **Contract** shall be settled in the competent courts sitting in Nanterre (France), even in the event of joinder or multiple defendant(s).

37 MISCELLANEOUS

37.1 Entire agreement

The **Contract** constitutes the entire agreement between the **Parties** with respect to the matter contained in the **Contract**, and it supersedes all prior oral or written representations and agreements. Any modification or variation of the **Contract** shall be

binding between the **Parties** only if it is part of a subsequent agreement executed by the duly authorized representatives of the **Parties**.

37.2 Independence of the Parties

The **Contract** has been concluded between independent **Parties** and none of its provisions shall be interpreted as giving either of the **Parties** the right or mandate to act on behalf of the other **Party** nor as implying any association, partnership or society between them.

37.3 Severability

If any term(s) of the **Contract** is (are) invalid or unenforceable under any statute, regulation or other rule of law, such term(s) shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation or rule, and the remaining provisions of the **Contract** shall remain in full force and effect. In such a case, the **Parties** undertake to renegotiate such invalid or unenforceable term(s) in order to restate valid and enforceable provision(s) as nearly as possible to the original intention of the **Parties**.

37.4 No implied waiver

The failure of either **Party** at any time to require performance by the other **Party** of any provision of the **Contract** shall not be considered as constituting a waiver of any such provision or of any other provision. Any waiver by either party of a breach of any term, provision or condition of the **Contract** shall not constitute a waiver of any subsequent breach of the same or any other term, provision or condition of the **Contract**.

37.5 Rights and Remedies

The rights and remedies described in the Master present **Terms and Conditions of Supply** and/or in the **Contract** shall be cumulative and in addition to any other rights or remedies provided by law or in equity.

37.6 Language

The **Terms and Conditions of Supply** are written in English and in French. The French version shall prevail over the English version.