

General Conditions for Purchase of Goods and/or Service

1. SCOPE OF APPLICATION

These General Conditions for Purchase of Goods and/or Services apply to the purchase of materials, components, modules and systems by SECH SA (hereinafter SECH, Purchaser, Customer or Buyer). They are binding and form an integral part of any Purchasing or Service Contract entered into by SECH.

2. DEFINITIONS

In this document, the following terms shall have the following meanings:

“Contract”: A written contract, a written agreement and / or the Order for the purchase of Goods, Services and Work Products, which is accepted by Supplier (either expressly by written statement or impliedly by fulfilling an Order and/or the Contract in whole or in part), in any case including and incorporating the General Terms and Conditions for Purchase of Goods and/or Services by SECH.

“Customer”: SECH acting as Customer / Buyer / Purchaser ordering / purchasing Goods, Services and/or Work Products from Suppliers.

“Delivery”: Delivery completion of Goods and/or Work Products by Supplier according to INCOTERMS 2010 DAP, ramp SECH, 1690 Villaz-St-Pierre, Switzerland, unless agreed otherwise in the Contract.

“Goods”: The tangible movable items to be delivered by Supplier in accordance with the Contract.

“Order”: The Order issued by the Customer to the Supplier for the Purchase of Goods, Services and/or Work Products, as specified in the Order, which is subject to the General Terms and Conditions for Purchase of Goods and/or Services by SECH respectively the Contract.

“Party”: Either Customer or Supplier.

“Products”: Delivery items such as Goods, Work Products and Services

“Supplier”: The Party which delivers/provides Goods, Services and/or Work Products to the Customer according to the Contract.

“Work Product”: All materials, documents, or other items which are the result of Services provided by Supplier under the respective Contract in any form or media, including but without limitation to data, diagrams, drawings, reports, specifications and drafts.

3. GENERAL, ORDERS, CONCLUSION OF CONTRACT

3.1 These General Terms constitute an integral part of and shall govern the Purchasing, Service or Work and Services Contract, except if and to the extent otherwise expressly agreed in writing between Customer and Supplier. The Supplier's Conditions of Delivery are only valid if and to the extent to which they have been expressly accepted by SECH in the Contract.

3.2 If there are contradictions between these General Terms and Conditions for Purchase of Goods and/or Services and the Contract, the provisions set out in the Contract shall prevail.

3.3 In addition to the General Terms and Conditions for Purchase of Goods and/or Services and to the contractual provisions, the terms and conditions of the Swiss Code of Obligations (CO) shall apply.

3.4 Only written Orders by the Customer are valid. Electronic Orders are deemed to be in written form. Other Orders and Agreements require a written confirmation from the Customer to be binding.

3.5 Orders shall be confirmed by the Supplier within 3 working days, unless delivered immediately. Confirmation and a binding delivery date shall be provided to SECH within 3 working days, otherwise SECH is not bound by the Order.

3.6 Supplier shall deliver latest at the time of acceptance of the Contract the following minimum information (unless explicitly not required by Customer): Order number, date of Order, number of packages and content, the customs tariff numbers of the country of consignment and the countries of origin for all Goods and/or Work Products to be delivered.

3.7 Amendments to the Purchasing, Service or Work and Services Agreement must be mutually agreed in writing to become effective

4. CHANGES, CHANGES TO PRODUCTS

4.1 SECH may, at any time, in writing, request changes to the Order. If any such change will cause an increase or decrease in the cost of, or the time required for, Seller's performance of the Order, and equitable adjustment in the Order price or delivery schedule, or both, it shall be agreed to by both parties, and the Order shall be modified in writing accordingly. Unless otherwise directed or agreed to in writing by Purchaser, the parties shall reach agreement on such modifications at the time the change is made and prior to any further work being done on that portion of the Order which is affected by the change.

- 4.2 No changes shall be initiated by Supplier, including changes in design, material, schedule, costs, procurement sources for primary material or parts, manufacturing parts or manufacturing processes without Purchaser's prior written approval of a written change request. The Supplier must assume all costs incurred by Purchaser due to these changes, e.g. qualification costs, change costs, test costs, development costs, the costs for a renewed first sample release etc.
- 4.3 In no event Supplier shall suspend or delay the Delivery of any Goods and/or Work Products or the provision of any Services to Purchaser

5. PROPERTY OF SECH / CONFIDENTIALITY

- 5.1 All documents data, drawings, objects such as moulds, tools, apparatuses, etc. provided by or on behalf of the Customer to Supplier or which Supplier has created or constructed for Customer at Customer's costs, are and remain Customer's property. Without Customer's written consent such documents, data, drawings or objects shall not be used, duplicated or made accessible to any third party. Work Products that are designed, created and/or manufactured by means of Customer's property, Customer's information or significant involvement of Customer during its development, shall not be delivered and/or made available to any third party without Customer's prior written consent.
- 5.2 Tools and apparatuses, which were paid or delivered by Customer and are stored at Supplier's premises or in Supplier's custody, remain Customer's property. Supplier ensures the proper maintenance and full functionality of Customer's property, at no costs for the Customer. Customer is entitled, at any time, to collect and relocate any objects stored at Supplier's premises or elsewhere in Supplier's custody.
- 5.3 Disclosure by Seller to third parties of data and/or information concerning the Order or the Work to be performed hereunder may result in the disclosure of information which Customer considers to be proprietary or confidential. Seller shall not, without the prior written consent by Customer, publish or otherwise disclose to third parties (unless and to the extent otherwise directed in writing by Customer), any information concerning the Order, including the fact of its existence, the terms thereof, prices, quantities, specifications, time of delivery or any other matter whatsoever. Furthermore, Seller shall not, without the prior written consent by Customer, publish or otherwise disclose to third parties any information concerning Purchaser and/or its premises including, but not limited to, processes, equipment, personnel, production capacity or commitments, workload or any other matter whatsoever, which may be disclosed to or observed by Seller as a result of Seller's access to Customer or its and its affiliates' and/or business partners' premises.

6. PACKING, STORAGE, SHIPMENT

- 6.1 Prices in Supplier's offer include packing and transportation costs.
- 6.2 Readiness for shipment shall be notified to Customer in writing. If shipping of material or Products has to be postponed beyond the contractual delivery date at the Customer's request, Seller undertakes to store the equipment or Products in his factory or at another suitable location for a period of up to six months free of charge.
- 6.3 Unless specifically agreed otherwise between Seller and Customer, the Goods and/or Work Products shall be delivered in accordance with INCOTERMS 2010 DAP, to Customer's site. The risk, benefit and title of the Goods and/or Work Products shall pass from Supplier to Customer at the provisional acceptance of the Goods by Customer.
- 6.4 The packing of the Goods and/or Work Products shall be recyclable to ensure an environmentally responsible disposal of the packing. Otherwise, the Supplier can be billed for disposal and additional expenses.
- 6.5 The Customer is entitled to define the mode of shipment and the carrier. In the absence of a Customer instruction Supplier is obliged to choose the mode of shipment most favourable to Customer.

7. DELIVERY, DELAYED DELIVERY

- 7.1 Supplier guarantees to comply with the contractually agreed terms of delivery. The Goods and/or Work Products shall be delivered during Customer's business hours on the delivery date at the place of destination in accordance with Customer's Order.
- 7.2 Upon Delivery, Supplier (or its appointed carrier) shall provide Customer, together with a delivery note and all relevant ex-factory testing reports and protocols, any other required export and import documents. In the event that Customer has approved partial delivery, such delivery note shall also include the outstanding balance remaining to be delivered.
- 7.3 Supplier shall immediately notify to Customer in writing any recognisable delays in delivery, specifying the estimated delay of delivery.
- 7.4 If the Delivery of Goods and/or Work Products or the Provision of Services does not comply with the agreed date(s) then, without prejudice to any other rights which it may have, Customer shall have the right to (i) terminate the Contract in whole or in part, (ii) refuse any subsequent delivery of the Goods and/or Work Products or provision of Services which Supplier attempts to make, (iii) recover from Supplier any expenditure reasonably incurred by Customer in obtaining the Products in substitution from another Supplier, (iv) claim damages for any additional costs, loss or expenses incurred

by Customer which are reasonably attributable to Supplier's failure to deliver the Products on the agreed date, and (v) claim additional compensation for liquidated damages as agreed in the Contract.

7.5 Any Delivery prior to the agreed delivery date and time requires the Customer's prior written consent.

7.6 Purchaser shall not be deemed to have accepted any Goods, Services and/or Work Products. Any obligation of Purchaser to inspect the Goods, Services and/or Work Products, shall be limited to quantity and type, and visible defects or damages resulting from transport.

8. INVOICE

8.1 The original invoice in duplicate, covering Goods, Services or Work Products of one Order, shall be submitted to Customer by mail or email and shall not be enclosed at Delivery.

8.2 Payment of an invoice does not constitute provisional or final acceptance of Goods, Services or Work Products.

8.3 The Order number and, if available, the Customer's item number shall be indicated on all packing lists, containers, invoices and correspondence relating to the Order.

9. SECURING OF SUPPLY

9.1 If the Products are goods specially developed for SECH and in particular if SECH has directly or indirectly made a contribution to the costs of development and/or for the manufacturing materials, the Supplier warrants to supply SECH with the Products according to SECH's needs and to accept orders from SECH as long as SECH requires the Products. The Supplier shall not have the right to demand the purchase of a specific quantity of Products by SECH.

9.2 For securing the production of spare parts at SECH, the Supplier hereby undertakes to ensure the supply of the Products required in connection with the production under this Agreement for at least two (2) years (unless otherwise agreed in writing) after the end of series manufacturing of the end customers products into which the Products are assembled.

10. WARRANTY

10.1 Supplier warrants that the Products are new and unused at the date of Delivery, are free from defects and rights of third parties and comply with the contractually agreed specifications and requirements as well as quality requirements regarding materials, workmanship and generally accepted practices, procedures and standards of the respective industry and are fit for the purposes for which Goods, Services or Work Products of the same description or the same or similar type would ordinarily be used, and keep the functionality and performance as expected by Customer according to Supplier's information, documentation and statements.

10.3 Unless otherwise agreed in the Contract, the warranty period shall be forty-eight (48) months from initial operation of the Product or the acceptance of the Services. The warranty period for repaired Products commences anew and lasts for thirty-six (36) months after remedy of the defect and acceptance, or, until expiration of the initial warranty period, whichever occurs last.

10.4 In case of breach of any warranty or if Supplier otherwise fails to comply with any of the terms of the Contract, Customer shall give notice in writing to Supplier of such breach and provide Supplier an opportunity to remedy it. Customer shall be entitled to determine (at its sole discretion) the details of the remedial actions to be undertaken by the Supplier after consultation with the Supplier.

10.5 If Supplier has not successfully remedied such breach within a remedy period reasonably set by Customer or agreed to in writing between the Parties, Customer shall be entitled to any one or more of the following remedies at its own discretion and at Supplier's expense:

(i) to give Supplier another opportunity to carry out any additional work necessary to ensure that the Contract is fulfilled;

(ii) to carry out (or to instruct a third party to carry out any additional work necessary to make the Goods, Services and/or Work Products comply with the Contract;

(iii) to obtain prompt repair or replacement of the defective Goods, Services and/or Work Products by Goods, Services and/or Work Products conforming with the Contract without defects;

(iv) to refuse any further Goods, Services and/or Work Products, but without exemption from Supplier's liability for the defective Goods, Services and/or Work Products provided by Supplier;

(v) to claim such damages as may have been sustained by Customer as a result of Supplier's breaches of the Contract;

(vi) to terminate the Contract; in such event Customer shall have no obligation to compensate Supplier for the already provided but unpaid parts of the Goods, Services and/or Work Products, and Supplier shall be obliged to pay back to Customer any remuneration received from Customer for the Goods, Services and/or Work Products, and to take back the Goods and/or Work Products at Supplier's own cost and risk.

10.6 Should the non-compliant performance or defective Good(s) and/or Work Product(s) result in increased costs for Customer in meeting its own delivery deadlines and obligations (for instance costs of sorting out defective Products, increased inspection effort, costs in manufacturing, etc.), these costs shall be borne by the Supplier.

- 10.7 Customer shall be entitled to return defective Products at the cost of the Supplier or, after previous agreement with the Supplier, to sort out the defective Products and, if necessary, scrap them at the cost of the Supplier.
- 10.8 Should a recurrent failure make it necessary to replace a whole series of Products or end customer products into which the Products have been assembled, for instance because an analysis of defects in each individual case is not economical, not possible or not reasonable, the Supplier shall bear the above-mentioned costs, including costs related to the part of the affected series that does not show any technical defects.

11. LIABILITY

- 11.1. Should Customer or a third party incur damages due to a defect of a Product, or the breach of this Contract by the Supplier, or any claim made by a third party (including employees of Supplier), the Supplier shall compensate/indemnify Customer in full for/from all damages and losses in connection with the Goods, Services and/or Work Products. Should Customer be obliged to compensate claims, e.g. product liability claims, to third parties pursuant to applicable statutory provisions and resulting from the Products or their use, Customer shall be entitled to recover such compensations in full from Supplier.
- 11.2 The Supplier shall be liable for measures undertaken by Customer or its customers for preventing damage (e.g. a product recall campaign) if such measures have to be undertaken due to Supplier's breach of this Contract.
- 11.3 The Supplier undertakes to maintain in force, and upon request provide evidence of, an adequate product liability insurance policy with reputable and financially sound insurers. Such insurance coverage shall be appropriate for the risks involved in the automobile industry for damages to property and injury to persons including insurance coverage for the costs of recall campaigns. Nothing contained in this Clause 11 shall relieve Supplier from any of its contractual or other legal liabilities. The insured amount cannot be considered nor construed as limitation of liability.

12. ASSIGNMENT, SUBCONTRACTING

- 12.1 Supplier shall neither assign nor transfer or encumber the Contract, nor any parts thereof (including any monetary receivables from Customer), nor any rights or obligations arising under the Order or any interest therein or claims hereunder and shall not subcontract any portion of the work to be performed without the prior written consent of Customer.
- 12.2 Customer may at any time assign, transfer, encumber, subcontract or deal in any other manner with all or any of its rights under the Contract to any of its own Affiliates.

13. ORIGIN OF GOODS, PREFERENCES

- 13.1. Supplier shall enclose a notation of Origin of Goods (Origin of Goods and customs tariff number) to the invoice or has the Origin of Goods authenticated by a Chamber of Commerce.
- 13.2. Supplier is liable for damages arising to Customer or any third party from the absence of a notation of Origin of Goods including foreign import duty investigations, fines and the like.

14. DATA PROTECTION

- 14.1 The parties shall adhere to the relevant provisions of the Data Protection Act at all times. The parties shall be entitled within the scope of the respective agreement to collect, process, use and disclose data of the staff, managers and other employees of the contractual partner for all purposes in connection with contractual performance. Consent also includes the use for marketing purposes. Furthermore, the parties shall mutually and expressly authorise each other to process data regarding the other party in any form and to disclose such data to any group company or third parties abroad. Such recipients can also be located in countries which may not have an equivalent data protection law in place. The parties expressly agree to data transmission in such countries. In such cases, data protection shall be ensured with the group companies or third parties through contractual standardised data protection clauses pursuant to Art. 46 Abs. 2 lit. c of the EU Basic Data Protection Act.
- 14.2 The parties expressly declare that such consent is on hand; each party shall be entitled to request the declaration of consent from the other party at any time.

15. BUSINESS ETHICS

- 15.1 Supplier hereby warrants that it will not, directly or indirectly, and it has no knowledge that other persons will, directly or indirectly, make any payments, gifts or other commitments to its customers, to government officials, office-bearers or employees/bodies, agents, directors or officers of Customer or any other parties in a manner contrary to applicable law (including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act). Supplier shall comply with all relevant laws, regulations and arrangements regarding bribery and corruption.

- 15.2 Nothing in these General Terms and Conditions for Purchase of Goods and/or Services shall render Customer liable to reimburse Supplier for any such payments or commitments.
- 15.3 Supplier warrants that its Products do not contain Conflict Minerals according to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (Conflict Minerals Act), which originate from mines and mining operations that support conflicts in the Democratic Republic of Congo or in bordering states.
- 15.4 The Supplier's violation of any provision in this section (Business Ethics) entitles Customer to terminate the Contract with immediate effect and without prejudice to any further right or remedies on the part of the Customer under this Contract or applicable law. Supplier shall indemnify Customer for all liabilities, damages, costs and expenses incurred as a result of any such violation to the above-mentioned obligations and termination of this Contract.
- 15.5 Supplier shall ensure that it timely receives a copy of the Customer's Code of Conduct. Supplier is aware that Customer's Code of Conduct can be downloaded from Customer's Internet Homepage (www.sechsa.com). Supplier shall perform, and ensures that all of its employees, agents, directors and subcontractors perform, its contractual obligations in accordance with high ethical standards and best practice, which essentially correspond to Customer's Code of Conduct.

16. FINAL CLAUSES

- 16.1 The invalidity or unenforceability of any term or of any right arising pursuant to the Contract shall not adversely affect the validity or enforceability of the remaining terms and rights, and the Contract shall be given effect as if the invalid, illegal or unenforceable provision had been deleted and replaced by a provision with a similar economic effect to that of the deleted provision if this can be achieved by another provision.
- 16.2 Any amendments to the Contract shall be in writing to become effective.

17. PLACE OF FULFILMENT, PLACE OF JURISDICTION AND APPLICABLE LAW

- 17.1 Place of fulfilment for Deliveries and Services is the location named by Customer, and for Payments the domicile of the Supplier.
- 17.2 The contractual relationships between the Parties shall be exclusively governed by Swiss Law. The application of the United Nations Sales Convention on Contracts for the International Sale of Goods (UN Sales Convention, in force since 1 March 1991), conflict of laws rules and principles and any other treaties are expressly excluded in full.
- 17.3 The Parties agree to Fribourg/Switzerland as the exclusive place of jurisdiction.
- 17.4 Differences of opinion do not entitle the Supplier to interrupt the work or to refuse to perform any work or deliveries pursuant to the Contract. Likewise, the Customer is not entitled to withhold due payments.