**General Terms of Purchase**

1. **Scope**

   Unless otherwise agreed upon in writing with Valeo's Purchasing Department (the "Purchasing Department"), these General Terms of Purchase shall apply to all purchases made by Valeo whether they be for tools, machines or equipment, parts, raw materials, other materials, or services (the "Supply" or the "Supplies").

2. **Orders**

   2.1. **Purchase Order**

       Supplies must always be the subject of a purchase order (the "Order"), valid either for an unlimited period of time (the "Open Order") or for a limited period of time (the "Closed Order"). Orders shall be made by mail, fax, or any electronic means that has been agreed upon. Time shall be of the essence in the performance by the supplier (the "Supplier") of the Order.

   2.2. **Acceptance of the General Terms of Purchase**

       The General Terms of Purchase shall be deemed accepted upon receipt of the acknowledgment of receipt attached to the Order, which is to be returned to the Purchasing Department by the supplier (the "Supplier") by mail, fax, or any electronic means that has been agreed upon, at the latest within eight (8) business days from the Order date. These General Terms of Purchase shall prevail over the Supplier's terms of sale and contain all the terms of the contract between Valeo and the Supplier to the exclusion of all other terms, whether written or oral. In the absence of an acknowledgment of receipt, the beginning of the performance of the Order shall be deemed an express acceptance of these General Terms of Purchase and shall automatically entail the Supplier's waiver of its own terms and conditions.

       Acceptance of these General Terms of Purchase shall automatically mean that the Supplier undertakes to comply with the Valeo Production System and the Valeo Quality System, as well as any other quality control procedure(s) that may be implemented during the Order.

   2.3. **Supplier's Specific Obligations**

       2.3.1 The Supplier, a professional in its field, is perfectly aware of the demands and requirements of the automobile industry, in particular in terms of quality, cost, and deadlines. The Supplier shall deliver the Supplies in compliance with the automobile industry's standards and customary practices, as well as with all laws, regulations and standards in force concerning health, safety, environmental protection, and labor laws, in particular in each of the countries where the Supplies are manufactured, and the vehicles on which the Supplies used are sold. The Supplier shall hold harmless and defend Valeo from and against any claims arising out of a breach of these provisions and shall bear all the direct and indirect consequences thereof, in such a way that Valeo shall never be troubled.

       2.3.2 The Supplier shall deliver the Supplies in compliance with the documents that govern the relations between Valeo and the Supplier in connection with the Supply and that are complementary to these General Terms of Purchase, in particular these include the drawings, specifications, list of requirements, etc (the "Documents"). In particular, the Supplies shall have to be compliant with environmental requirements specified under ISO 14001.
2.3.3 At Valeo’s request, the Supplier undertakes to make any modification to the Supply or the Order, to provide any and all information about the Supplies or the Order, and to attest to the country of origin of the Supplies and the composition of all material used in the Supplies.

2.3.4 The Supplier shall not without Valeo’s prior approval modify the Supplies in any way, in particular by changing the components, materials, the process(es) used, or the place of manufacture within the meaning given in the Valeo Quality Procedures or by customary rules and practices in the automobile industry.

2.3.5 The Supplier undertakes to stock and if requested, deliver for a period of ten years after the sale of the last vehicle of the model(s) in the range on which the particular Supplies, the subject of the Order, were used, spare parts in respect of such Supplies.

2.3.6 In order to permanently maintain the competitiveness of both the Supply and the Valeo products in which said Supply is used, the Supplier agrees to implement measures to increase productivity continuously. The minimum level of annual productivity for the Supply shall be established by mutual agreement.

2.3.7 Acceptance of the Order shall automatically bind the Supplier to strictly comply with the delivery deadline shown either on the Closed Order or on the delivery schedule sent by EDI, WebEDI, or by fax in the event of an Open Order. No early delivery shall be accepted without prior agreement and expenses therefor shall be borne by the Supplier.

The Supplier shall indemnify and compensate Valeo for all direct and indirect costs resulting from any failure to meet any delivery deadline, in particular a failure that results in shutdowns of production or assembly lines at Valeo's facilities or those of its customer(s). Furthermore, Valeo shall have the option of canceling the Order in accordance with Article 13.2 herein. Any extra cost incurred by Valeo in sourcing substitute Supplies from a third party as a result of such delay shall be borne by the Supplier.

3. **Intellectual and Industrial Property Rights**

3.1 The Supplier shall be responsible for the validity of its intellectual and industrial property rights related to the Supplies, as well as the free use of the Supplies and the Supplier warrants that the marketing, sale or use of the Supplies do not and will not infringe upon any copyright, patent, trademark, trade secret or other proprietary or intellectual property right of any person.

The Supplier shall indemnify and hold Valeo harmless from any complaint and/or claim made by a third party.

In the event that a third party initiates proceedings requesting that the use, marketing, or sale of the Supplies be forbidden, limited, or modified, the Supplier shall be solely liable to Valeo for the consequences resulting from these proceedings that may give rise to payment of damages, including damages for any negative effect such proceedings might have on Valeo's corporate reputation. The Supplier shall indemnify and compensate Valeo for all damage sustained as a result of the partial or total failure to perform any contract(s) binding Valeo to its customer(s) in relation to the Supplies, including any damages payable by Valeo to its customer(s) for failing to fulfill its commitments and the extra cost caused by any modification needed for the Supplies and/or the tools involved.

Furthermore, Valeo shall have the option of canceling the Order in accordance with Article 13.2 herein.
If an Order is cancelled for any reason whatsoever, the Supplier hereby authorizes Valeo to manufacture, or arrange for a third party to manufacture, all necessary tools, equipment and components required to construct the Supplies, and/or the Supplier authorizes Valeo to manufacture or arrange for a third party to manufacture, the Supplies the subject of the Order, notwithstanding any intellectual and/or industrial property rights which the Supplier may claim. In consideration of the entry by Valeo into this Agreement, which the Supplier hereby acknowledges, the Supplier hereby gives Valeo or any third party mandated by Valeo a license to use such intellectual property or industrial property rights as are required to be used under this clause 3.2. Furthermore, the Supplier shall, at Valeo’s request, provide all drawings, technical documents and know-how related to the tools, equipment, and/or parts.

4. **Prices, Invoicing, and Payment Terms**

4.1. **Prices**

Applicable prices shall be those shown on the Order. The prices shall be fixed and may not be revised and shall be understood "Delivery Duty Paid", or "DDP" (as defined in Incoterms 2010 or any subsequent Incoterms that may be substituted for Incoterms 2010) applies. The price may not be modified in any way whatsoever without the express agreement of both parties. Neither of the two parties may suddenly stop performing the Order. In circumstances where a party proposes an amended pricing structure and the amended price proposal is refused after negotiations in good faith between the parties, that party may terminate the Order subject to the conditions set forth herein, but in the event of termination by the Supplier, Valeo must be able to ensure the continuation of the performance of its obligations to its customer(s) until manufacture of the Supply that is the subject of the terminated Order begins once again at another supplier's facilities.

4.2. **Invoicing, Payment Terms and Interest Rate**

All the details shown on the Order that allow the Supplies to be identified and checked shall be shown clearly on the invoice. The invoice must mandatorily be sent to the address shown on the face of the Order.

Unless stipulated otherwise, all the Supplies shall be payable by a bank to bank transfer. The term of payment shall be within ninety (90) days from the date of delivery of the Supplies. Valeo shall have the option of offsetting amounts owed to it by the Supplier for any reason whatsoever in connection with the Order. Unless expressly authorised by Valeo, the Supplier may not assign by any means whatsoever its credits against Valeo.

If either party fails to pay any amount due on time, the other party shall be entitled to charge and receive interest at a rate of 2% per annum above the base lending rate of the European Central Bank at the due date, such interest shall accrue from the due date until the date of payment and shall be calculated on a daily basis. Accordingly, to the extent that they are otherwise agreed and specified in this clause 4.2 each of the provisions of the European Communities (Late Payment in Commercial Transactions) Regulations 2012 (SI No. 580/2012) which imply certain terms into a contract unless they are otherwise agreed or specified, shall not apply to these General Terms of Purchase.

5. **Packaging and Shipping Documents**

The Supplier shall deliver the Supplies in packaging that is appropriate to the type of Supplies involved, the way they are shipped, and the way they will be stocked, in order to deliver them in perfect condition.
Each packaging unit must legibly show on the outside the notices required by the applicable shipping regulations, as well as any instructions for special conditions required for stocking. These notices shall show the Order number, the batch number, the exact name of the Supplies, the sender and recipient's exact names and addresses, the quantity delivered, and the gross and net weight. Two (2) exact copies of the delivery slip shall accompany the delivery and shall enable the Supplies to be identified, checked as to their quantity, and if applicable, shall include any material safety information.

The Supplier shall be financially responsible for any damage (breakage, missing items, partial damage, etc.) to the Supply as a result of inappropriate or inadequate packaging.

6. **Delivery**

6.1 Supplies shall be delivered to the place of delivery shown on the Order.

6.2 Valeo reserves the right to refuse the Supplies by ordinary letter, fax, or any other electronic means agreed upon in the event the delivery deadline is not met or delivery is incomplete or contains more Supplies than ordered or does not comply with the Order and/or the Documents.

6.3 Any Supply that is refused shall be returned to the Supplier at its own expense and risks within eight (8) days from the date of the notice of refusal of delivery.

The Supplier shall indemnify and compensate Valeo for any extra cost related to its failure to perform its obligation to deliver Supplies that conform exactly to the Order (rejects, stocking, sorting, interim costs, re-work, breakage of tools, breakdowns, and/or line stoppage at Valeo or its customer's facilities, yard campaigns, penalties, ordering Supplies or tools from a third party, etc.).

Valeo shall have the option of canceling the Order in accordance with Article 13.2 herein.

7. **Warranties**

7.1 The Supplier, an expert in its field, is bound by an absolute and determinate result as regards the Supplies and in connection with this, assumes full responsibility and liability for the Supplies, their design, the manufacturing processes used to produce them, the technical choices to be implemented for their production, and their fitness for the particular purpose for which they are intended. The Supplier warrants that it is perfectly aware of this, no matter what assistance Valeo may have provided during the development stage of the Supplies.

The Supplier warrants the Supplies shall conform to the Order and/or the Documents from the time of delivery, and be of merchantable quality and free from defects whether latent or patent and whether such defect is the result of an error in design, materials, or manufacturing.

7.2 Should Valeo, its customer(s), or competent authorities decide to recall a Supply or a product in which any Supplies have been used, the Supplier shall indemnify Valeo for all damage, loss or expense incurred by Valeo in recalling such Supplies.

7.3 The Supplier shall hold Valeo harmless from any loss, personal injury, material, consequential and incidental damages, including any damage to Valeo's reputation, and shall indemnify Valeo against any direct and indirect costs arising out of breach of Supplier's obligation to deliver Supplies free from defect, and if applicable, out of any related breach of Valeo’s obligations to its customer(s) (reimbursement or free replacement of the defective Supplies, labor expenses, sorting, interim costs, exceptional shipping, line stoppage at Valeo or at the facilities of its customer(s), yard campaigns, recalls, penalties, cost of ordering Supplies from a third party, including tools, etc.). Any provision that might limit or decrease this liability is null and void.

8. **Insurance**
The Supplier shall take out insurance policies with a reputedly solvent insurance company, in compliance with Valeo conditions and shall provide proof thereof upon Valeo's request. This insurance shall in no event constitute a limitation of the Supplier's liability.

9. **Assignment and Subcontracting**

9.1 The Supplier may not sell or transfer all or any part of the Order, even free of charge, without Valeo's prior, express authorization.

9.2 If direct or indirect control of the Supplier is changed or its business is sold or transferred, Valeo shall have the option of canceling the Orders in progress in accordance with Article 13.2 herein.

9.3 No Order may not be subcontracted by the Supplier, whether in full or in part, directly or indirectly, without Valeo's prior, express authorization.

Should the Supplier be authorized to subcontract all or any part of an Order to a third party, the Supplier shall remain solely and fully responsible and liable to Valeo for performance of the Order and these General Terms of Purchase. The Supplier shall compensate and hold Valeo harmless from any claim from subcontractors.

10. **Confidentiality**

10.1 All information provided to the Supplier by Valeo or one of its affiliates or representatives, including, but not limited to, technical, industrial, commercial, or financial information, no matter how said information may have been provided (orally, in writing, or other), including but not limited to the designs, drawings, descriptions, specifications, reports, microfilms, computer disks, software and documentation related thereto, samples, prototypes, etc. shall be confidential (the "Information").

The Information shall also include information of which the Supplier's employees or agents, suppliers, subcontractors, representatives, and/or permanent or temporary collaborators may become aware during the Order.

10.2 The Information may only be used in connection with the Order. The Supplier shall take all measures to ensure that no Information is disclosed or revealed to a third party.

Any failure to comply with this obligation of confidentiality shall result in the application of Article 13.2 herein.

10.3 This obligation of confidentiality shall remain in effect for a term of five (5) years after termination of the Order for any reason whatsoever. Once the Order is finished, the Supplier shall, at Valeo's request, return to Valeo all documents related to the Order, whether confidential or not, without keeping any copy unless Valeo has granted its prior, express authorization to do so.

11. **Transfer of Ownership/Risks**

11.1 Ownership of the Goods shall pass on inspection and acceptance by Valeo of the Supplies, such Supplies being delivered in accordance with the Order. Any stipulation of any nature reserving to the Supplier directly and/or indirectly ownership rights of the Supplies until full payment of the price of the Supplies shall be null and void. The Supplier hereby waives any and all claims with respect to such stipulation. The Supplier hereby agrees to use all means to individualize said Supplies.

11.2 During the Order and prior to delivery, Valeo reserves the right to audit all manufacturing processes for the Supplies and the Supplies themselves on the Supplier's premises or those of its subcontractors, if applicable. The Supplier hereby agrees to grant Valeo free access to its
premises at any time and to ensure that Valeo has free access to its subcontractors' premises and affords to Valeo the possibility of testing the Supplies without said testing limiting in any way the Supplier's liability or warranties.

11.3 Risks of loss of the Supplies shall be transferred when delivery of the Supplies is accepted, no matter what delivery conditions may be shown on the Order.

12. **Molds, Tools, and Other Specific Equipment**

12.1 All molds, tools, and other specific equipment provided by Valeo for the needs of the Supplies (the "Equipment") shall remain Valeo's exclusive property. The same shall be true for Equipment created at Valeo's request and on its behalf, as it is created, including the related industrial or intellectual property rights.

In all cases, the Equipment shall be deemed to have been left on deposit at the Supplier's premises for the purpose of the Order, even in the absence of any specific loan agreement or deposit slip. The Equipment may only be used in conjunction with the performance of the Order and may not be lent, made available to a third party, reproduced, or copied. At the Supplier's expense, the Equipment shall be marked by an easily visible non removable identity plate that shall state 'Property of Valeo – may not be sold, transferred, or pledged and it may not be pledged and/or granted as security. The Equipment may be taken back by Valeo at any time.

12.2. As bailee of the Equipment, the Supplier shall warrant its perfect servicing, safe-keeping, verification, and maintenance so as to prevent in particular any deviations in the manufacturing process or breakdown in supply, and shall provide a precise and detailed inventory of Equipment at Valeo's request and as often as necessary. Likewise, the Supplier shall be responsible for replacing the Equipment in the event of loss, theft, destruction, or premature wear and tear. In connection with this, the Supplier shall take out all necessary insurance policies covering risks and damage that the Equipment may cause to third parties and shall provide proof of said insurance at Valeo's request.

Upon termination of the Order for any reason whatsoever, the Equipment shall be returned to Valeo at Valeo's request.

13. **Termination - Cancellation**

13.1. **Termination**

13.1.1 The Open Order is placed for an unlimited period of time and the quantities for which Valeo commits itself shall be those shown on the delivery schedules. Valeo may terminate the Open Order at any time by giving three (3) months' notice in writing of such termination of the Supplier. The notice period may be reduced by express agreement of the parties. During the notice period, the Order must be performed in accordance with the contractual terms and conditions that are in effect at the time the notice of termination is sent, in particular regarding price. Termination of the Order shall not give rise to any indemnity or compensation being owed to the Supplier for any reason whatsoever.

13.1.2 The Closed Order is placed for a limited period of time and may not be renewed.

13.2. **Cancellation**

The Order shall be terminated upon Valeo’s notice in writing by way of notice in writing to the Supplier if the Supplier fails to perform or observe any of its contractual obligations, provided that the Supplier fails to remedy in part or in total such breach within eight (8) days of receipt of such notification requiring it to do so. Valeo shall have the right to pursue any and all remedies for such breach as are permitted by applicable law.
14. **Miscellaneous**

14.1 If any of the provisions of these General Terms of Purchase shall be held invalid or unenforceable, the remaining provisions shall remain in full force and effect.

14.2 Failure by Valeo at any time to exercise any of its rights under these General Terms of Purchase, the Order and/or the Documents shall not be deemed a waiver thereof, nor shall such failure in any way prevent Valeo from subsequently asserting or exercising such rights.

14.3 The Supplier shall make no reference to its commercial relations with Valeo without Valeo's prior, express authorization.

14.4 In the event of a dispute, Irish law shall be the governing law and exclusive jurisdiction shall be granted to the Irish Court. The Vienna Convention of 1980 on the International Sale of Goods shall not apply.

14.5. Data relating to a physical person who is a supplier will be integrated into a data base. The purpose of this data base is to manage orders and payments. The data contained in this data base may be transferred to any company in the Valeo Group. Any Supplier who is a physical person may have access to his/her data in order to verify, correct or cancel any such personal data by a registered letter with acknowledgement of receipt to Valeo.

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