

General Terms of Purchase-Thailand

1. Scope

Unless otherwise agreed upon with Valeo's Purchasing Department (the "**Purchasing Department**"), these General Terms of Purchase shall apply to all purchases made by Valeo entities from Suppliers 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 ("**Open Order**") or for a limited period of time ("**Closed Order**"). Orders shall be made by ordinary post, e-mail, EDI or any electronic means that has been agreed upon.

2.2. Acceptance of the General Terms of Purchase

The General Terms of Purchase shall be deemed accepted when the supplier (the "**Supplier**") confirms its acceptance at the latest within eight (8) business days from the date of issuance of the Order. In the absence of an acknowledgment of receipt, the beginning of the performance of the Order by Supplier shall be deemed an acceptance of the Order and these General Terms of Purchase. The Parties have agreed that these General Terms of Purchase and the Order shall take precedence over the Supplier's general terms of sale.

Acceptance of these General Terms of Purchase shall mean that the Supplier will comply with the "Valeo Production System" and the "Valeo Quality System" which have been communicated to Supplier, as well as other applicable quality control or other procedure(s) that apply or may be implemented during life of the Order.

2.3. Supplier's Specific Obligations

The Supplier, a professional in its field, is perfectly aware of the demands and requirements of the automotive industry, in particular in terms of quality, cost, delivery and deadlines.

The Supplier shall deliver the Supplies in compliance with the contractual undertakings and the international automotive industry's standards and customary practices, as well as with laws, regulations and standards in force concerning health, safety, environmental protection, and labor laws and the vehicles on which they are to be used and sold. The Supplier shall hold harmless and defend Valeo from and against any claims arising out of 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 all of the documents that govern the relations between Valeo and the Supplier in connection with the Supply that may be in complement to these General Terms of Purchase, in particular the drawings, specifications, list of requirements, Valeo Requirements Files and the like (the "**Documents**").

2.3.3 Supplier shall not make any changes or modifications, including but not limited to its components, materials, processes or place of manufacture, in relation to the Supplies without the prior written approval of Valeo.

Notwithstanding anything contained elsewhere, following the purchase of the Supplies and transfer of ownership, the proprietary rights relating to any changes, modifications or improvements done to the Supplies, their raw materials or sub-components shall always vest in Valeo, irrespective of whether they are registered or unregistered and the Supplier shall have no objection to such vesting.

2.3.4 Upon Valeo's request, the Supplier shall:

- make the appropriate modifications to the Supply(ies)
- provide any and all information about the Supplies or the Order
- attest to the country of origin of the Supplies and the composition of what is used in making the Supplies

within 7 days of the receipt of any such a request.

2.3.5 The Supplier shall deliver the Supply for the OES and IAM requirements of Valeo and its customers for a period of fifteen (15) years after the end of mass production of the vehicles concerned.

2.3.6 In order to permanently maintain the competitiveness of both the Supplies and the Valeo products in which said Supply is used, the Supplier agrees to implement measures to continuously improve technical and other productivities. 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, by fax or other means for an Open Order. No early delivery shall be accepted without prior agreement and expenses relating thereto shall be borne by the Supplier.

The Supplier shall strictly adhere to the delivery deadlines and shall deliver the supplies within the specified delivery deadlines.

The Supplier shall indemnify and compensate Valeo for all direct or indirect costs resulting from a failure to respect the delivery deadline, including but not limited to those related to 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 as per Article 13.2 below.

3. Intellectual and Industrial Property Rights

3.1 The Supplier warrants that the sale and use of the Supplies do not infringe any patent, trade mark, industrial design, copyright or other intellectual property right of a third party, or require payment of royalties to any third party. The Supplier shall be personally responsible for the validity of the intellectual and industrial property rights related to the Supplies, as well as the freedom to use of the Supplies with respect to the intellectual and industrial property rights of any third party. The Supplier shall hold harmless and indemnify Valeo against any complaint, infringement proceedings, and/or claim made by a third party.

3.2 In the event a third party or any authority initiates proceedings requesting that the use, marketing, production or sale of the Supplies be forbidden, limited, seized or modified, the Supplier shall be solely liable for the consequences resulting from such proceedings, including but not limited to the payment of damages and in relation to any negative effect they might have on the reputation of Valeo or its customers. The Supplier shall indemnify and compensate Valeo

and its customers for all damages incurred as a result of the partial or total failure to perform any contract(s) binding Valeo to its customer(s), including any damages that Valeo may owe to its customer(s) for failing to fulfill its commitments and the extra costs and expenses resulting from any modification required for the Supplies and/or the tools involved.

- 3.3 Furthermore, Valeo shall have the option of canceling the Order as per Article 13.2 below in the event of failure by the Supplier to comply with the foregoing obligations.
- 3.4 In the event the Order is cancelled for any reason whatsoever, the Supplier hereby authorizes Valeo to complete or cause to be completed the tools and equipment already delivered in order to ensure or cause to be ensured their maintenance and/or to manufacture the parts for which they are intended, notwithstanding any intellectual and/or industrial property rights which the Supplier may claim in relation thereto. The Supplier shall not use against Valeo, or any third party mandated by Valeo, any intellectual property rights in connection with the aforesaid tools and equipment. Furthermore, the Supplier shall, at first request, also provide all drawings, technical documents and know-how related to the tools, equipment, and/or generally the Supplies.

4. Prices, Invoicing, and Payment Terms

4.1. Prices

Applicable prices shall be those shown in an Order. They shall be firm and non-modifiable. The applicable incoterm shall be: "**Free Carrier**", or "**FCA**", (as defined in ICC Incoterms 2010), unless otherwise specified by Valeo, which shall be reflected in the price.

4.2. Invoicing and Payment Terms

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 be sent to the Valeo address shown on the face of the Order, except if indicated otherwise by Valeo.

Unless stipulated otherwise, the Supplies shall be payable by bank-to-bank transfer ninety (90) days from the end of the month of the invoice on the 10th of the following month.

Valeo shall have the option of offsetting amounts owed to it by the Supplier for any reason whatsoever in connection with the Order. Valeo shall inform Supplier in such a case.

5. Packaging and Shipping Documents

The Supplier shall deliver the Supplies in packaging that is adapted to the type of Supplies concerned, the manner in which they are shipped, and the way they will be stored, in order to deliver them in perfect condition.

Each packaged item must legibly show, on its exterior, the notices required by applicable packaging and labeling laws, regulations and usages as well as those required by Valeo or its customer and those required by the applicable shipping regulations, by any other mode of carriage as well as any instructions for special conditions required for travel or storage. The notices shall include 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, with their quantity verified, and if applicable, shall include any material safety data information sheets.

Supplier shall pack and ship the Supplies in accordance with Valeo's instructions and shall apply labeling and hazardous materials instructions as required under the relevant laws and regulations. Even if Valeo has not provided packing or shipping instructions, Supplier shall pack and ship the Supplies in accordance with sound commercial practices and as per the requirements provided under the specific conditions of the transport and delivery.

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 may specify the mode of transportation, the type and number of packing slips and other Documents to be provided with each shipment.
- 6.3 Valeo reserves the right to refuse the Supplies by ordinary letter, e-mail, EDI or any other electronic means agreed upon in the event the delivery deadline is not respected or if the delivery is incomplete, contains an excess of Supplies than ordered or does not comply with the Order and/or the Documents.
- 6.4 Any Supply that is refused shall be returned to the Supplier in the same manner as it was supplied at Supplier's own expense and risks within eight (8) days from the date of the notice of refusal of delivery.

7. Warranties

- 7.1. The Supplier, an expert in its field, is bound by an absolute result in relation to the Supplies and assumes full responsibility and liability for the Supplies, their design, the manufacturing processes used to produce them, the technical choices implemented for their design and manufacture and their fitness for the particular purpose for which they are intended. The Supplier warrants that it is perfectly aware of its liability and its liability shall not be reduced even if Valeo may have provided assistance during the development stage of the Supplies.

The Supplier warrants the Supplies against any defect or non-conformity with the General Terms of Purchase, the Order and/or the Documents as of the moment of delivery, whether the defect/non-conformity is the result of an error in design, materials, or manufacturing, or, more generally, is an obvious or latent defect.

- 7.2 Should Valeo, its customer(s), or the competent authorities decide to recall a Supply or a product in which any Supplies have been used, the Supplier shall indemnify Valeo for all damages incurred by Valeo, its customers or third parties, of whatever nature they may be.
- 7.3 The Supplier shall indemnify, hold Valeo harmless and defend Valeo, its customers and third parties from any economic loss, personal injury, costs, expenses, material, consequential and incidental damages or any third-party claims, 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 the Supplies free from defect or non-conformity, and if applicable, out of related breach of Valeo's obligations to its customer(s) (reimbursement or free replacement of the defective Supply, 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 part, including tools, etc.). These listed damages are not exhaustive. Any provision that might limit or decrease this liability is null and void.

8. Insurance

The Supplier shall take out an insurance policy with an internationally renowned insurance company approved in advance by Valeo, in compliance with Valeo conditions and shall provide proof thereof upon Valeo's first request. This insurance shall in no event constitute a limitation of the Supplier's liability toward Valeo or any third parties.

9. Non-transferability/Subcontracting

- 9.1 The Supplier may not assign or transfer all or any part of the Order, even free of charge, without Valeo's prior express written authorization.
- 9.2 In the event 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 as per Article 13.2, below.
- 9.3 The Order may not be subcontracted by the Supplier, whether in full or in part, directly or indirectly, without Valeo's prior express written authorization.

Should the Supplier be authorized to sub-contract all or any part of the Order to a third party, the Supplier shall remain solely and fully responsible and liable to Valeo for performance of all Orders and these General Terms of Purchase shall apply mutatis mutandis. The Supplier shall hold harmless and indemnify Valeo from any claim from the subcontractors or any liability relating from the subcontractor's performance.

10. Confidentiality

- 10.1 All information provided to the Supplier by Valeo or any 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 termination of an Order as per Article 13.2, below.

- 10.3 This obligation of confidentiality shall remain in effect for a term of eight (8) years after termination of the Order for any reason whatsoever. Once the Order is finished, the Supplier shall, upon its first request, return to Valeo all Information and 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 Title/Risks in the Supplies/Audit of processes and Supplies

11.1 Transfer of title - Materials

As soon as raw materials, sub-components or semi-finished goods (the "Materials") to be used in the production of the Supplies are identifiable, the Materials shall become the exclusive

property of Valeo. Any stipulation by the Supplier reserving ownership rights is rejected as null and void. The Supplier shall thus use all means necessary to identify and separate the Materials.

11.2 Transfer of title - Supplies

When Supplies are supplied with a short transit time (1-2 days from Supplier location or external warehouse), transfer of title occurs at the moment the Supplies are unloaded at Valeo's reception dock. When Supplies are supplied with a long transit time (more than 2 days from Supplier's location) a consignment stock agreement shall be agreed by the Parties. In such a case, transfer of title will occur upon removal of the Supply from the consignment warehouse by Valeo or its agent. The maximum ageing period between FCA date of delivery of the Supplies and the actual transfer of title is defined in the Documents.

11.3 Transfer of risks

Risks of loss of the Supplies shall be transferred when delivery of the Supplies shall occur at the moment of delivery as per the FCA Incoterm or as provided in the applicable Order.

11.4 Audits

During the performance of the Order, Valeo reserves the right to audit all manufacturing processes used for the Supplies and the Supplies themselves on the Supplier's premises or those of its subcontractors, if any. The Supplier hereby agrees to grant Valeo free access to its premises at any time, upon reasonable notice, and to ensure that Valeo has free access to its subcontractors' premise.

Supplier shall also give Valeo the possibility of testing the Supplies without such testing limiting in any way the Supplier's liability or warranties.

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.

In addition, any Equipment designed and manufactured at Valeo's request and on its behalf shall become Valeo's property as the Equipment and its components and sub-systems are created, including the industrial or intellectual property rights therein.

The Equipment shall be deemed to have been left on deposit at the Supplier's premises for the purpose of performing an Order, even in the absence of any specific loan agreement or deposit slip. The Equipment may only be used for the needs 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 the Equipment may not be pledged and/or granted as security. The Equipment may be retrieved by Valeo at any time.

12.2. As bailee of the Equipment, the Supplier shall guarantee that the Equipment is secured, is serviced, kept up, verified, and maintained so as to ensure a perfect output and prevent any deviations in the manufacturing process, slow down or interruption in supply. Supplier shall provide a precise and detailed accounting of any Equipment in its possession or under its control upon a first request by Valeo and as often as necessary.

Supplier shall be responsible for replacing the Equipment in the event of loss, theft, destruction, or premature wear and tear. Supplier shall take out all necessary insurance policies covering risks to the Equipment and its production and in relation to any damage that the Equipment may cause to third parties. Supplier shall provide proof of said insurance coverage upon Valeo's first request.

Upon termination of an Order for any reason whatsoever, the Equipment shall be returned to Valeo upon Valeo's first request and at Supplier's cost, risk and expense.

13. Termination - Cancellation

13.1. Termination

13.1.1 The Open Order is placed for an unlimited period of time. There is no obligation for Valeo to purchase any specified volumes as the volumes mentioned in an Open Order are forecasted volumes only. The quantities of Parts to be delivered are those contained in a specific delivery instruction.

Valeo may terminate the Open Order at any time by giving three (3) months written notice. Any such termination is without prejudice to any of rights and remedies available to Valeo. During the notice period, the Order must continue to be performed with no change in price.

Termination of the Order shall not give rise to any indemnity or compensation being owed to the Supplier for any reason whatsoever.

Supplier shall not terminate an Order, Open Order or Closed Order at any time without the prior written approval of Valeo.

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 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.

Valeo shall also 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 The competent courts of Bangkok, Thailand shall have exclusive jurisdiction over any disputes arising under these GTPs or any Order.

The law of Thailand shall apply. The Vienna Convention of 1980 on the International Sale of Goods is hereby expressly excluded.

Valeo also reserves the right to pursue the Supplier before any competent court, worldwide.

- 14.5 Any notice or other communication required or permitted under the General Terms of Purchase must be in writing and shall become effective on the date of actual receipt of the Notice. The sending party must prove receipt.