

1. GENERAL

1.1 The present buying terms and conditions shall apply to all contracts or Purchase Orders (P.O.) concluded with a third party - hereinafter to be referred to as the **SUPPLIER** - in respect of the delivery of (parts of) products, drawings or designs, hereinafter to be referred to as the **Products**, and/or the provision of services to **forteq Group** or its **Subsidiaries**, hereinafter to be referred to as **forteq**, as well as the carrying out of work to products made available by forteq or intended for forteq. Orders shall only be binding if they have been placed in writing by forteq by means of an order form or by fax.

1.2 Any deviating conditions shall only apply in so far as they have been expressly accepted by forteq in writing and shall only be valid for the contract / PO concerned.

1.3 These terms and conditions shall also apply to any follow-up orders placed with the same.

2. PRODUCT WARRANTY

2.1. The SUPPLIER warrants that PRODUCTS shall be:

- A) Fit and suitable for the purpose intended.
- B) Free from any defect in material and workmanship and (if not of FORTEQ's detailed written design) defects in design.
- C) In conformity with all applicable drawings, specifications, samples or other representations supplied by FORTEQ (in case of FORTEQ'S design) or Customer (in case of non-FORTEQ'S design).

2.2. FORTEQ may revoke its acceptance of PRODUCTS at any time, if a defect is found in the PRODUCTS, which could not have been discovered during FORTEQ's normal inspection procedures or which is not normally discoverable until the PRODUCTS are used. In that case the SUPPLIER shall immediately replace all defective PRODUCTS, at the SUPPLIER's expense, and pay all losses provoked by the defective PRODUCTS, such as line stoppages, rework, air freight and materials made obsolete.

2.3. At any and at all times the SUPPLIER shall be liable for any indirect or consequential damage, including but not limited to damage to FORTEQ and / or FORTEQ's final customer resulting from the sale, use, transportation or storage of the PRODUCTS, due to faulty materials or workmanship or - if applicable - design.

3. PRODUCT LIABILITY

3.1. The SUPPLIER shall safeguard FORTEQ against any claim made by third parties, which could result from claims based on product liability law or any other liability legislation. The SUPPLIER will also safeguard FORTEQ for lack or absence of instructions of use, information or warnings.

4. TOOLS & DIES

4.1. FORTEQ shall place a P.O. with the SUPPLIER for a tool/die or the tool/die shall be transferred from FORTEQ to the SUPPLIER. The SUPPLIER shall manufacture the tool/die in-house or have it manufactured by a subcontractor under the SUPPLIER's supervision in line with the requirements of FORTEQ's P.O. and the related designs, sketches, models or drawings, supplied by FORTEQ. If the SUPPLIER can not comply with the details shown in the P.O., FORTEQ, in addition to its other rights, may cancel the P.O. and debit to the SUPPLIER all costs incurred as a result of the aforementioned condition.

4.2. FORTEQ hereby reserves the explicit right to cancel a P.O. for the tool/die at any time by notice effective immediately prior to taking delivery of such tool/die. In such event FORTEQ shall compensate the SUPPLIER for verified actual direct material and labour cost spent and/or for verified irrevocable sub-commitments entered into in respect of such tool/die through date of the FORTEQs notice. FORTEQ shall have no further obligations versus the SUPPLIER in such event. Any hard and software so compensated for by FORTEQ shall become property of FORTEQ and be kept by the SUPPLIER pending FORTEQ's delivery or disposal instructions. For the purpose of the provisions herein, FORTEQ shall have the right to audit the Supplier's Books of Account and records insofar as relating to such tool/die P.O. and related costs concerned. In the event of a project restart (within twelve (12) months as of first termination of tool/die order concerned) by FORTEQ involving aforesaid tool/die, the SUPPLIER accepts that any compensation previously made by FORTEQ according to the foregoing shall be included by the SUPPLIER in case of revival of the Order concerned in any consequent tool/die cost estimate.

4.3. The aforementioned tools and dies shall remain FORTEQ's property, being the SUPPLIER its faithful depository. At receipt at the SUPPLIER's premises of tools or dies, transferred from FORTEQ to the SUPPLIER, both parties together shall open the package containing the transferred tools or dies. Furthermore, both parties shall confirm the quality and the quantity of the transferred tools or dies against the corresponding delivery note.

4.4. The SUPPLIER shall keep the tools and dies in perfect conditions for usage, and is responsible for the maintenance duties, namely:

- A) Handle the tools and dies in a suitable way (technically and materially), making adequate maintenance plans and upkeep into careful consideration.
- B) Do any necessary repairs in a correct way (technically and materially) as fast as needed. The SUPPLIER shall keep up to date records of all maintenance interventions either of preventive or curative kind.
- C) Any damage on the tools or dies must be immediately reported by the SUPPLIER to FORTEQ.

4.5. Responsibilities for the maintenance of the tools or dies:

- A) The SUPPLIER shall be responsible for the maintenance and the necessary rework on tools or dies, by the SUPPLIER's expense. Also the tools or dies shall be kept insured by the SUPPLIER, with loss or destruction payable to FORTEQ.
- B) FORTEQ shall bear the charges incurred by replacement of a tool or die due to the end of its normal life. The SUPPLIER shall inform FORTEQ in advance when a tool or die ends its normal life period and needs replacement.

4.6. Modifications to the tools or dies any changes to drawings or specifications by FORTEQ shall be confirmed in writing, and must be subject to mutual agreement. Modifications to a tool/die requested by FORTEQ, shall be paid by FORTEQ. Prior to the commencement of these tool/die changes, both the costs and the contents of the modifications have to be approved in writing by an authorised representative of FORTEQ.

4.7.

- A) The SUPPLIER shall use clear marks identifying all tools or dies under this agreement, as belonging to FORTEQ.
- B) The SUPPLIER shall refuse any intervention in FORTEQ's property from a third party, and inform FORTEQ immediately in case there is a third party claiming a right of the tools or dies.
- C) The SUPPLIER shall use the tools and dies exclusively in the production of PRODUCTS required by FORTEQ's order instructions. It's absolutely forbidden to use the tools or dies for the production of products for any other destination, without prior written consent of FORTEQ.
- D) Such property shall be subject to FORTEQ's disposition at any and at all times, and upon demand it shall be returned immediately to FORTEQ, at the SUPPLIER's expense.

4.8.

- A) The SUPPLIER is responsible for the complete safety of tools and dies, as far as placement, adjustment and upkeep is concerned. It is the SUPPLIER's responsibility to enforce the accident prevention rules required by its activity. In case the SUPPLIER is not able to eliminate safety deficiencies or to adjust the tools and dies according to the safety rules, FORTEQ shall be informed. In any case FORTEQ is excused from any responsibility incurred owing to deficiencies in safety of tools and dies, therefore the SUPPLIER shall not claim on FORTEQ any damage or loss which eventually occurs.
- B) The SUPPLIER shall allow FORTEQ's personnel to enter its premises without any restriction, to evaluate the progress of the tools or dies under construction and to check whether the tools or dies are being correctly used.

4.9. Tooling payment terms: The tooling payment plan shall be according to the following schedule - One hundred (100) % end of month following after product approval by FORTEQ. In case of non-approval of the initial samples, it shall be the SUPPLIER's responsibility to support all the costs incurred on reworking or making new tools/dies to get sample approval.

4.10. If the SUPPLIER cannot comply of the aforementioned condition: If the SUPPLIER cannot keep up with the agreed tooling completion lead time shown in the P.O., FORTEQ has the right to charge a fine of one (1) %, of the total tool cost, per day with a maximum of twenty (20) %.

5. PURCHASE ORDERS

5.1. For each purchase of PRODUCTS, FORTEQ shall send a P.O. to the SUPPLIER at least 3 weeks prior to the requested delivery date / with the request to deliver the PRODUCTS in accordance with the ordering lead time agreed upon between both parties.

5.2. All P.O.'s placed by FORTEQ and accepted in accordance with sub clause 5.3. by the SUPPLIER for the PRODUCTS, are subjected to this agreement and shall be deemed to incorporate the terms and conditions of this agreement. All P.O.'s shall contain the information necessary for the SUPPLIER to fulfil it. Such information shall include the address to which the PRODUCTS are to be delivered, the address to which the SUPPLIER's invoices are to be sent, the availability date, and a description including specification and quantity of the PRODUCTS. FORTEQ shall at least order one (1) standard pack size, except if sample quantities are required for PRODUCT approval or in case the final customers' requirements have not yet reached mass production volumes.

5.3. The SUPPLIER shall give FORTEQ a confirmation of receipt of the P.O. within two (2) working days and of acceptance of the P.O. within five (5) working days of the P.O. date. In the event that FORTEQ is not given such notice by the SUPPLIER within five (5) working days of the P.O. date, the P.O. shall be regarded as accepted by the SUPPLIER. All order acknowledgments shall confirm the data and conditions of the P.O., i.e.:

- (A) FORTEQ's P.O. number
- (B) SUPPLIER's part number
- (C) FORTEQ's part number
- (D) quantity to be delivered
- (E) availability date

5.4. FORTEQ has the right to amend, change or cancel the order without any charge or penalty by a notice to the SUPPLIER, if such notice is received by the SUPPLIER no later than ten (10) working days prior to the agreed upon availability date. However, if the SUPPLIER, by a notice to FORTEQ, makes any objection to such amendment, change or cancellation within three (3) working days after receiving such notice, the parties shall negotiate with each other for the handling thereof.

5.5. In case of an emergency P.O., the SUPPLIER shall do its utmost to comply with FORTEQ's request.

5.6. FORTEQ may provide a forecast of its prospective purchase of the PRODUCTS under conditions to be negotiated with the SUPPLIER for the handling thereof. FORTEQ shall during the term of this agreement not be obliged to order from the SUPPLIER any particular quantities of PRODUCTS or to order PRODUCTS at any particular time(s).

5.7. The SUPPLIER shall comply with all governmental safety constraints on restricted, toxic and forbidden substances relative to all PRODUCTS and manufacturing processes.

6. DELIVERY

6.1. The PRODUCTS shall be delivered to FORTEQ DELIVERY CONDITION, one hundred (100) % in line with quantities, timing and locations specified in the P.O. and in accordance with FORTEQ's shipping instructions.

6.2. When the SUPPLIER does not deliver the PRODUCTS as requested in the P.O. and as confirmed by the SUPPLIER, FORTEQ has the right to

- A) return the PRODUCTS, delivered after its due date, at the SUPPLIER's expense;
- B) charge a fine of ten (10) % of the value of the PRODUCTS ordered in the P.O. related to the delay and this for each day delay or cancel the P.O. or any part thereof. This fine shall be automatically withheld from the invoices.

6.3. The SUPPLIER shall only ship the PRODUCTS in the quantities shown on the P.O., considering that FORTEQ shall order the PRODUCTS using the standard pack sizes, as agreed between both parties.

6.4. FORTEQ shall have the option of returning any over shipments to the SUPPLIER, at the SUPPLIER's expense, even without the SUPPLIER's prior consent.

7. SAMPLE INSPECTION REPORTS AND INITIAL SAMPLES

7.1. The SUPPLIER undertakes to issue per PRODUCT in supply to FORTEQ and per design level a Sample Inspection Report accompanied with the relevant product drawings. Timing for the issue of the aforementioned documentation is negotiated between FORTEQ and the SUPPLIER.

7.2. Initial samples shall be provided to FORTEQ, free of charge, under the following conditions:

- A) Introduction of transferred and new tooling, equipment or processes
- B) Raw material changes
- C) Design level changes
- D) Process or equipment changes

7.3. Before preparation of each sample, the SUPPLIER shall review all documents received from FORTEQ. The SUPPLIER shall obtain the necessary specifications, which are not in its possession by mistake, or omission.

7.4. The SUPPLIER shall manufacture the samples with the definite means and processes after getting the initial sample; the SUPPLIER shall deliver to FORTEQ the sample together with a completed Sample Inspection Report. The relevant product shall be clearly marked "SAMPLE".

8. PACKAGING

8.1. All PRODUCTS shall be packed in blank cardboard boxes and marked with A5 size labels detailing the following information:

- FORTEQ's order number
- FORTEQ's part number
- Engineering change level
- Description
- Quantity packed
- Production date
- Production lot number

Whenever an engineering change occurred, the next three (3) separate deliveries have to be identified with an extra orange label, specifying the "New Initial Sample Inspection Report Number". Whenever a Quality concern has occurred, the next three (3) separate "O.K." deliveries have to be identified with an extra green label, specifying the "Good Parts Assurance Date".

8.2. All PRODUCTS shall be packed in accordance with the packaging and handling specifications agreed upon by both parties.

8.3. In the case that packaging and handling instructions are not clearly specified, the SUPPLIER shall pack all PRODUCTS in a manner that will provide for efficient handling and avoid the possibility of damage. The SUPPLIER shall be responsible for any loss or damage to the PRODUCTS resulting from the SUPPLIER's failure.

8.4. No charge for packaging shall be allowed, unless approved in writing by any authorised representative of FORTEQ.

8.5. After mutual agreement returnable containers shall be introduced in order to achieve cost reductions, and to save natural resources contributing for a better environment.

9. PRICES AND COST IMPROVEMENTS

9.1. The SUPPLIER shall quote prices for each PRODUCT only to FORTEQ and not to any other third party. At any time FORTEQ may request adjustments of the prices of the PRODUCTS. Either party may submit documents and/or reveal circumstances justifying the adjustments; the new prices shall be by mutual consent of both parties.

9.2. The SUPPLIER shall, annually, issue a cost reduction program for each product to FORTEQ. At same time the SUPPLIER shall advise FORTEQ the results achieved during the previous program.

10. COMPONENT PAYMENT TERMS

10.1. The full price for each shipment of PRODUCTS delivered by the SUPPLIER to FORTEQ, in accordance with this agreement, shall be due and payable by FORTEQ at the end of month following invoice date / sixty (60) days after Invoice date, ninety (90) days after Invoice date, except if otherwise specified and mutually agreed between both parties.

11. QUALITY**11.1. Quality Assurance**

- A) The SUPPLIER shall maintain adequate and updated inspection and test reports, affidavits and certifications relating to the processes performed, including all test and inspection reports obtained from raw material inspections until product expedition. Such records shall be retained in accordance with ISO/TS 16949 or ISO 9001 Quality System Requirements and they shall be available to FORTEQ upon request.
- B) The SUPPLIER shall guarantee that the Quality Control Procedures that will operate within its facilities during the term of this agreement shall be in accordance with the above mentioned requirements.
- C) The PRODUCTS shall be made by the SUPPLIER in accordance with the following - (a) all applicable international, national, regional and local legislation, including for manufacturing, quality control, storage and transport; (b) the requirements of FORTEQ as defined in hereafter.

11.2. Inspection and acceptance of PRODUCTS

- A) FORTEQ may inspect all PRODUCTS ordered, at any time, including during their manufacturing stage.
- B) The SUPPLIER shall permit FORTEQ or its designee's access to its facilities, after previous notification, and provide the requested information.
- C) All PRODUCTS shall be subject to incoming inspection at FORTEQ's premises. The SUPPLIER acknowledges that FORTEQ may reduce its incoming inspection procedures in reliance upon the SUPPLIER's Quality Control procedures.
- D) FORTEQ may reject at any time any PRODUCTS, which do not meet the agreed specifications. Payment for delivered PRODUCTS shall not constitute acceptance thereof.
- E) The SUPPLIER shall reimburse FORTEQ for any packaging, handling and transportation costs, including, but not limited to, costs for expedient routing (via air freight or any other means) which FORTEQ incurs, as a result of rejected PRODUCTS or their return to the SUPPLIER.
- F) The SUPPLIER shall communicate to FORTEQ the causes of product non-conformance and countermeasures taken to avoid recurrence.

11.3. Inconsistency

In the event of inconsistency between this agreement on above conditions 11.1. and 11.2. and the specific quality assurance procedures agreed by Quality Departments of both parties, the quality assurance procedures shall prevail.

12. SUBCONTRACTING

12.1. The SUPPLIER agrees to refrain from using any subcontractor without the prior written consent by an authorised representative of FORTEQ.

13. CONFIDENTIALITY

13.1. The SUPPLIER shall consider all information furnished by FORTEQ, including drawings, know-how, samples and specifications or other documents, to be confidential and proprietary to FORTEQ. The SUPPLIER shall not disclose such information to any other person, or use them for any other purpose other than performing FORTEQ's P.O., unless the SUPPLIER obtains FORTEQ's prior written permission. The SUPPLIER shall ensure that all its employees, agents, subcontractors, etc. shall respect this obligation of confidentiality. This article shall survive the termination of the present agreement.

13.2. FORTEQ shall have free disposal of this information at any and at all times, and upon demand they shall be returned to FORTEQ.

13.3. The SUPPLIER shall not advertise or publish this agreement or its contents (including each P.O.) to any other party without FORTEQ's prior written consent, except as necessary for the purpose on a need-to-know-basis.

14. INTELLECTUAL PROPERTY RIGHTS

14.1. The SUPPLIER will hold harmless FORTEQ for any infringement of any intellectual property right of any third party.

15. CANCELLATION

15.1. If any of the following events occur:

- A) The SUPPLIER fails to deliver the PRODUCTS at the time specified in the P.O.
- B) The SUPPLIER fails to perform any other obligation mentioned in this agreement and does not cure such failure within a period often (10) days after receipt of a notice from FORTEQ specifying such failure.
- C) The SUPPLIER becomes insolvent, makes an assignment in favour of credits, enters bankruptcy or any kind of dissolution procedure or transfers, in whole or in part, the assets of the SUPPLIER in favour of a creditor.
- D) The SUPPLIER is merged into another company and/or expropriated or nationalised.
- E) The SUPPLIER, in any way, transfers the rights and obligations under the present agreement, without the prior written consent of FORTEQ, including but not limited to, transfer of shares or commerce; FORTEQ may, upon notification to the SUPPLIER, at its sole judgment, terminate with immediate effect and without giving notice this agreement and/or cancel the whole or any part of the P.O. to the SUPPLIER, even during the term stipulated in clause seventeen (17), without any liability, except for payment due for the PRODUCTS already delivered and accepted. The SUPPLIER shall indemnify FORTEQ for any damages, which FORTEQ suffers from above termination and/or cancellation. Even after expiry or termination of this agreement under preceding paragraph, the provisions of clause two (2) (Product Warranty); clause three (3) (Product Liability), clause four (4) (Tools & Dies), clause eleven (11) (Quality), clause thirteen (13) (Confidentiality) shall remain in effect.

16. FORCE MAJOR

16.1. FORTEQ may delay delivery or acceptance of PRODUCTS due to forces beyond its control. The SUPPLIER shall hold any delayed PRODUCTS at the disposal of FORTEQ and shall deliver them when the cause of the delay has been removed.

16.2. Neither party shall be liable to the other party for failure to perform in due time its obligations hereunder due to the occurrence of any event beyond the reasonable control of such party including, without limitation:

- A) Governmental regulations or orders
- B) Outbreak of a state of emergency
- C) Act of God
- D) War and warlike conditions
- E) Hostilities
- F) Civil commotion
- G) Riots, epidemics
- H) Fire
- I) Other similar causes. Strikes are not considered as force major.

16.3. If such an event of force major continues for more than three (3) months, the party who is not claiming force major may, with immediate effect and without giving notice, terminate this agreement.

17. TERM and TERMINATION

17.1. This agreement shall take effect on the date first above written and remain effective for one (1) year and shall be extended automatically for successive period of one (1) year each, unless either party hereto gives the other party a notice to the contrary not later than three (3) months prior to the expiration of the original term or any extended term.

18. GOVERNING LAW - JURISDICTION

18.1. FORTEQ and the SUPPLIER shall perform this agreement with sincerity. Any questions arising in connection with this agreement, which are not resolved by the clauses of this agreement shall be promptly resolved through good faith discussion between both parties.

18.2. This agreement is to be governed by, and interpreted in accordance with the laws of Switzerland or the ordering FORTEQ site. The district court of Zurich or the equivalent institution within the country of the ordering site shall be responsible to resolve conflicts that may arise due to non-fulfilment or interpretation of this agreement.

19. VIENNA TREATY

19.1. The UN convention on Contracts for the International Sale of Goods (Vienna Treaty) will not be applicable to the present agreement and its mutually agreed additional terms and conditions.

20. INDEPENDENCE OF THE CLAUSES

20.1. If any of the clauses or provisions contained in the present agreement should be declared null and void, this nullity shall not affect the other provisions or clauses thereof.

21. WAIVER OF RIGHTS

21.1. Any non-insistence, in whole or in part, on any obligation shall not constitute a waiver of rights.

22. ADJUSTMENTS TO THE PURCHASE AND SUPPLY CONDITIONS

Any adjustments to these Supply and Purchase Conditions, agreed upon between the SUPPLIER and FORTEQ, shall be stipulated in a separate Attachment. These adjustments shall prevail over the contents of the clauses, stipulated in this document.