

1. General

forteq Group is operating under the following legal entities:

forteq Management AG, Ipsachstrasse 14, CH-2560 Nidau, Switzerland (Headquarters)

forteq Italy S.p.A., Piazza Milano 12, I-24040 Ciserano-Zingonia, Italy

forteq Czech s.r.o., Kopisty 1, CZ-43401 Most, Czech Republic

forteq UK Ltd., Tandem Industrial Estate, GB-Huddersfield HD5 OQR, Great Britain

forteq North America Ltd., 150 Park Centre Drive, US-West Henrietta, NY 14586, United States

forteq Suzhou Ltd., No.4 Building Huayitianhe Estate, Suhong Zhong Road, Suzhou Industrial Park, CN-Jiangsu Province 215021, P.R.China

forteq Netherlands BV, Hulsterweg 82, NL-5912 PL Venlo, Netherlands (Sales Office)

2. Scope

These General Terms and Conditions of Purchasing ("**T&Cs**") apply to all legal transactions (offers, contractual negotiations, contracts) between the forteq Group or one of its Subsidiaries as listed under Clause 1 ("**FORTEQ**"), as purchaser, and its supplier ("**Supplier**"), as seller, regarding the purchase and delivery of items, which includes but is not limited to, raw materials, components, means of production, packaging materials, tools, equipment, software and services ("**Delivery Items**").

These T&Cs constitute an integral part of the legal relations existing between FORTEQ and the Supplier, in particular the purchase and delivery contracts, unless explicitly agreed otherwise. Provisions which deviate from these T&Cs are only legally binding if they are expressly offered by FORTEQ in writing or are accepted by FORTEQ purchasing team expressly and in writing.

By accepting an order from FORTEQ, the Supplier accepts and indicates its agreement with the fact that the sale and delivery of the Delivery Items will be governed by these T&Cs. Exceptions to this must be accepted in writing by FORTEQ. FORTEQ reserves the right to amend these T&Cs at any time. Amendments are valid as from the time of notification of the Supplier with respect to all offers, contractual negotiations, contracts and orders established thereafter between FORTEQ and the Supplier.

Where the Supplier transfers the manufacturing, packaging and/or delivery of the Delivery Items, in whole or in part, to a third party (e.g. sub-supplier, sub-contractor etc.), the Supplier shall be obliged to impose these T&Cs, and in particular the conditions contained therein, upon the third party, and the Supplier shall be responsible (as will such third party) for any breach hereof.

Unless expressly approved by FORTEQ, in writing, the Supplier's general terms and conditions and other contractual documents are expressly excluded. This also applies where the Supplier's general terms and conditions or other documents of the Supplier have been incorporated into an offer or order confirmation from the Supplier, or have been otherwise communicated to FORTEQ.

3. Conclusion of Contracts / Form

A contract between FORTEQ and the Supplier comes into effect with the written agreement of FORTEQ. Agreement takes place by way of a written order, written confirmation and/or signature of a written contract. Declarations in text form which are transmitted or recorded by way of electronic media (email, SMS and such like), are deemed to be written declarations by a party. The sender bears the burden of proving that such declarations have been received and accessed by the recipient. Such declarations are deemed to have been received from the moment that they can be accessed.

The Supplier is obliged to confirm orders for Delivery Items within two (2) working days of receipt of the order.

4. Cancellation

After an agreement between FORTEQ and the Supplier has taken place, until arrival of the whole shipment of Delivery Items at the place of performance (see Clause 7), FORTEQ shall be entitled to cancel orders subject to its refunding the Supplier for all reasonably incurred direct, out-of-pocket expenses (and expressly excluding any indirect, punitive, lost profit, consequential or similar damages or expenses) solely in connection with the cancelled order. The right to a refund only exists, however, insofar as the Delivery Items are not capable of being sold or used elsewhere by the Supplier. FORTEQ will only refund costs which the Supplier is able to substantiate by way of receipts.

In case the Supplier does not accept the order within two (2) weeks of its receipt, FORTEQ shall have the right to revoke such order.

5. General Obligations of the Supplier

The Supplier is obliged to manufacture, package and/or deliver the Delivery Items in accordance with the requirements and specifications which it receives from FORTEQ, including without limitation delivery in a timely manner. The Supplier can only undertake technical changes to products/specifications with the written approval of FORTEQ.

The Supplier is obliged to deliver Delivery Items which are of perfect quality and suitable for the agreed purpose.

Suppliers of automotive parts must guarantee the supply of spare parts for a period of 15 years after End of Production (“EOP”). Components must be supplied at serial price during the first three years following EOP.

6. Dispatch / Packaging

All shipments of Delivery Items shall contain a delivery note indicating, in particular, the FORTEQ order number, number of items, item codes, Production lot number, description, delivery date, ordering unit and sender.

FORTEQ is entitled to return the packaging material invoiced by the Supplier to the latter at the same price. The transport costs for the return shipment shall be borne by the Supplier.

The supplier is not allowed to use packaging that is not approved by FORTEQ or packaging that is considered harmful to the environment beyond international accepted regulations. In cases this is unavoidable based on technical reasons, the Supplier is obliged to take back the packaging material free of charge where it cannot be disposed of easily as a result of being harmful to the environment.

7. Delivery Date / Partial Delivery

Delivery dates are binding. Compliance with the delivery date is determined by the date on which the Delivery Items are delivered to the place of performance (see Clause 8).

FORTEQ reserves the right to store shipments which arrive before the agreed delivery date, at the cost of the Supplier, or to return them at the cost of the Supplier.

Where the Supplier fails to effect performance on the contractually agreed delivery date, FORTEQ may, after granting a grace period and irrespective of any fault on the part of the Supplier, rescind the contract, in whole or in part, and claim compensation or uphold the contract and claim compensation in lieu of performance, and this shall be without prejudice to FORTEQ's right to insist instead upon continued performance and claim damages for default or delay.

In the event of delayed delivery, the Supplier shall in any case grant FORTEQ, for each week of the delay, a reduction of one percent (1%) of the agreed contract price excluding VAT, but limited to a maximum of ten percent (10%).

Where, in the individual case, a fixed date has been agreed upon, FORTEQ may, in the event of a failure to effect delivery on time, rescind the contract, in whole or in part, without granting a grace period and irrespective of any fault on the part of the Supplier, and claim compensation, or uphold the contract and claim compensation in lieu of performance. FORTEQ is however entitled to insist on performance of the respective contract, irrespective of any fault on the part of the Supplier, and claim default damages provided the Supplier is notified of this in writing within fourteen (14) days of expiry of the delivery deadline.

FORTEQ reserves the right to postpone agreed delivery dates. Notification of postponement of the delivery date must take place no later than seven (7) days before the agreed delivery date. The Supplier undertakes, in this case, to reserve the shipment for FORTEQ for up to six months with no effect on the cost. The provisions on invoicing under Clause 13 shall remain applicable.

The Supplier is not entitled to effect partial delivery without the express approval of FORTEQ. In the absence of approval, FORTEQ is not obliged to accept such partial delivery. All additional costs arising as a result of the partial delivery, particularly shipping costs, shall be borne by the Supplier. A partial delivery agreed in the individual case must be indicated as such on the delivery note by the Supplier.

Where, as a result of force majeure - e.g. natural disaster, epidemic, strike and other operational disruption arising through no fault of either party, lasting longer than three (3) consecutive weeks - the Supplier is temporarily unable to effect performance, FORTEQ shall be entitled to rescind the respective contract, in whole or in part, and, in such case, the Supplier shall have no claim to compensation, damages or expenses of any kind (direct or indirect including any punitive, lost profit, consequential or similar damages or expenses) . In any event Supplier shall use best efforts to cause the event of force majeure to cease as promptly as possible.

8. Place of Performance, Benefit and Risk

Delivery of the Delivery Items shall take place exclusively at the delivery address designated in the purchase order ("Place of Performance") and subject to the delivery conditions referred to therein, including the INCOTERMS set forth in the order.

The benefit and risk shall not pass until handover of the Delivery Items to FORTEQ at the Place of Performance.

9. Documentation of Origin

In the case of cross-border transactions, the Supplier must provide with the Delivery Items the applicable proof of origin (movement certificate, declaration of origin on the invoice etc.) that is required for preferential import customs clearance in the country of destination.

The Supplier shall be responsible for the accuracy and completeness of the information contained in all proofs of origin. The Supplier is obliged, irrespective of any fault, to compensate FORTEQ or FORTEQ's customers for all loss (including, but not limited to, all duties, taxes, fees and other additional costs) incurred as a result of the preferential origin not being accepted by the competent authority in the country of destination because proof is lacking or incorrect.

10. Quality and Inspection

Regarding its deliveries, each Supplier of production materials or services shall comply with FORTEQ's Supplier Quality Agreement (<http://www.forteq-group.com/company/downloads/>) which can be revised from time to time.

The Supplier will participate in FORTEQ's supplier quality and development program(s) and comply with and meet all engineering release and validation requirements and procedures, including full requirements of FORTEQ's production part approval process and product qualification batches, as specified by FORTEQ.

Supplier will permit FORTEQ and its representatives and consultants to enter Supplier's facilities at reasonable times to inspect such facilities, Goods, inventories, materials, machinery, equipment, tooling etc. No such inspection will constitute acceptance by FORTEQ of any raw materials, components, work-in-process or finished Goods.

FORTEQ inspects incoming goods only with respect to externally apparent defects and externally apparent deviations in identity or volume. However, FORTEQ reserves the right to conduct additional inspections of incoming goods.

If defects are discovered, FORTEQ shall be entitled to return the entire shipment.

11. Tools

Unless expressly otherwise agreed in written form, FORTEQ shall receive full ownership or co-ownership of tools to the extent FORTEQ has contributed the proven costs for tools used in the manufacture of the Delivery Items. Such tools must be marked as property of FORTEQ. The Supplier shall require FORTEQ's consent to dispose of the tools, to move location of the tools or to disable the tools permanently.

The Supplier shall keep the tools in good condition and perform maintenance, repair and replacement and shall bear all costs related to such activity.

The Supplier must use tools (co-)owned by FORTEQ exclusively for the purpose of manufacturing the Delivery Items. After the end of the delivery, the Supplier must, upon FORTEQ's request, immediately turn over the tools to FORTEQ. This obligation shall apply also in case of an insolvency application with respect to the Supplier and in case of long term interruptions of the supply relationship. For co-owned tools, FORTEQ shall reimburse the Supplier for the then present value of the Supplier's co-ownership, following hand over of tools.

The Supplier shall insure the tools within the agreed upon scope or, absent such agreement, with the customary scope.

12. Prices

The agreed contractual prices are firm prices exclusive of VAT which contain all the costs incurred by the Supplier in connection with delivery. This includes, in particular, the cost of transport, insurance and packaging as well as taxes, customs duty and charges relating to the import of the Delivery Items into the country of destination and/or delivery of the Delivery Items. FORTEQ only bears such costs as are expressly designated as being its responsibility in the purchase order.

In the absence of any provision to the contrary in the purchase order, the price is "Delivered Duty Paid" (DDP) FORTEQ location as per Incoterms 2010.

13. Invoicing / Payment Terms / Set-off

The invoice must indicate the date on which the Delivery Items were dispatched as well as the order number and must be sent separately to FORTEQ immediately after the Delivery Items have been dispatched.

Unless otherwise expressly agreed, the agreed price shall be due for payment within ninety (90) days after proper delivery to the Place of Performance and after receipt of the invoice. Compliance with the payment deadline is determined by the date on which FORTEQ carries out the payment transaction.

Payment of the invoice shall not constitute confirmation that the delivery is free of defects or that it is complete.

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The Supplier is only permitted to set off counter-claims which are undisputed or res judicata. In no case the Supplier shall have any right of retention or other withholding rights. FORTEQ shall be entitled to set off the Supplier's claims against claims of companies belonging to the forteq Group, in compliance with their respective value date.

Where the delivery is defective, FORTEQ shall be entitled to withhold payment until proper performance has been carried out.

14. Warranty

The Supplier warrants that Delivery items shall be (a) fit and suitable for the purpose intended and (b) free from any defect in material and workmanship and (if not of FORTEQ's detailed written design) defects in design and (c) in conformity with all applicable laws and regulations and with all drawings, specifications, samples or other representations supplied by FORTEQ (for purposes of these T&Cs, the term "defective" or "defect" means or refers to any breach of the foregoing warranties of the Supplier).

Where the delivery is defective, FORTEQ may, without prejudice to any additional rights (e.g. compensation for damages due to defect, default or delay) and irrespective of any fault on the part of the Supplier, claim subsequent performance (remedy of defects or replacement delivery). Subsequent performance is deemed to have failed after one unsuccessful attempt within a reasonable period. Following failure of subsequent performance, FORTEQ may, irrespective of any fault on the part of the Supplier, opt either for a price reduction or rescind the respective contract. Where loss is incurred due to the defect, FORTEQ shall have the right to require replacement, return and/or claim compensation in every case, irrespective of any fault on the part of the Supplier. FORTEQ's remedies are cumulative. If repair or replacement, such shall be at Supplier's sole cost including cost of return and shipping. FORTEQ's costs as to a defective Delivery Item, for which Supplier is liable, includes costs to sort and assess the defect.

Without limitation, the Supplier shall reimburse FORTEQ's and its Customer's cost incurred in situations leading up to or arising in connection with liability for defects to the extent such cost have been incurred for the purpose of avoiding, preventing or mitigating damages (e.g. recalls). The Supplier shall reimburse all costs FORTEQ is obliged to bear as a matter of statutory liability vis-à-vis its customers to the extent such costs are arising from defects of the shipments delivered by the supplier.

The limitation period for claims arising due to defective Delivery Items shall be three (3) years ("**Warranty Period**") starting on the date of delivery of the Delivery Items to the Place of Performance, unless defects were fraudulently concealed in which case the Warranty Period begins on the date on which FORTEQ became aware of the defect. If longer limitation periods are provided by statute, then these limitation periods shall be deemed to be agreed, also in relation to Supplier. The running of the limitation periods shall be interrupted for the duration of Supplier's attempts of subsequent performance.

FORTEQ shall be entitled to claim in respect of defects in the Delivery Items for the entire duration of the Warranty Period.

15. Liability

The Supplier shall, irrespective of any fault, be liable for any direct or indirect damages or losses caused to FORTEQ by the delivery of a defective product or resulting from any other break of the Agreement with FORTEQ by the Supplier.

Without limitation, the Supplier is obliged, irrespective of any fault, to fully indemnify and hold harmless FORTEQ from any Liability or Loss (including without limitation costs, expenses and attorneys' fees) it incurs from any and all claims, suits, demands or proceedings (collectively referred to as "claims") brought against it by third parties insofar as the cause is as a result of a breach of these T&Cs (including a breach of the warranties herein) or otherwise falls within the Supplier's sphere of control and organizational responsibility. In addition, the Supplier shall indemnify FORTEQ, irrespective of fault, against all costs including expenditure in respect of recalls and the cost of legal proceedings (e.g. defense, settlements, attorneys' fees and court costs). In other respects the statutory provisions apply.

The Supplier is obliged to take out and maintain product liability insurance with a reasonable minimum amount of cover. FORTEQ is entitled to request the Supplier to provide proof of such insurance.

16. Rights of Use / Third-party Rights

Where intellectual property rights arise or are acquired by the Supplier, particularly copyrights and other intellectual property rights, in respect of the Delivery Items which are specially and exclusively manufactured, packaged and/or delivered for FORTEQ by the Supplier, all rights to use and exploit such intellectual property rights shall pass to FORTEQ irrevocably, immediately and exclusively and shall be unrestricted as to content, location and time.

The Supplier is obliged to manufacture, package and/or deliver the Delivery Items unencumbered by third-party rights, in particular copyrights and other third-party intellectual property rights, which impair and/or prevent attainment of the contractually agreed purpose. The Supplier fully indemnifies FORTEQ in this regard against all third-party claims, including the cost of litigation, resulting from the breach of intellectual property rights due to FORTEQ's use of the Delivery Items manufactured, packaged and/or delivered by the Supplier.

17. Confidentiality / References

The Supplier is obliged to treat all legal relationships between FORTEQ and the Supplier and all commercial and technical details relating thereto, all findings arising from the collaboration with FORTEQ ("**Information**") and all information passed to the Supplier by FORTEQ in physical form such as technical documentation, drawings, plans and other materials ("**Documents**") as trade secrets and therefore as absolutely confidential. In particular, the copying of Documents is not permitted nor the use of Documents or Information for any purpose other than as required under these T&Cs.

All Documents and any items provided by FORTEQ to supplier must be returned by the Supplier immediately upon request by FORTEQ, which may be made at any time; and must be returned in any case, without request, no later than the end of the legal relationship. The Supplier shall have no right of retention with regard to the Documents or Information and other items provided by FORTEQ to supplier.

Advertising using FORTEQ names and/or brands or other reference details is only permitted with the prior written agreement of FORTEQ.

The Supplier is obliged to conclude agreements corresponding to this Clause 17 with its own employees and agents (e.g. sub-suppliers, sub-contractors etc.) or to impose obligations to that effect upon them. Supplier shall be liable for any failure by the Supplier's employees or agents to comply with the obligations under this Clause 17.

18. Corporate Responsibility / Compliance with laws

The Supplier shall comply at all times during the relationship with FORTEQ, with FORTEQ's Supplier Code of Conduct (<http://www.forteq-group.com/company/downloads/>) which can be revised from time to time.

The Supplier undertakes to comply with the respective statutory rules on dealing with employees, protecting the environment and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment.

The Supplier, and any Goods or Services supplied by Supplier, shall comply with all applicable laws, rules, regulations and standards of the countries of origin and destination. Hazardous substances must be clearly labeled as such and Supplier shall be responsible for suitable packaging, handling and transportation. Supplier shall furnish to FORTEQ and all carriers sufficient written warning and notice of any hazardous material that is an ingredient or a part of any of the Delivery Items, together with all special instructions, safety measures and precautions as may be necessary to comply with applicable law and to prevent bodily injury or property damage during handling, transportation, warehousing and processing.

The Supplier shall take and implement suitable measures to ban the procurement and use of conflict commodities. In the event that the Supplier uses columbite-tantalite (coltan), cassiterite (tin ore), gold, wolframite and their derivatives (according to Dodd Frank Act section 1502) in the manufacture of the Delivery Items, it shall provide FORTEQ with proof, on an annual basis, that it has not violated the ban on the use of conflict commodities.

FORTEQ has undertaken to implement all transactions without the use of blackmail, bribery or other unlawful, unethical or fraudulent activities. The Supplier undertakes to comply with all applicable law and regulations.

In connection with transactions with FORTEQ, the Supplier shall not offer, promise, authorize, give, demand or accept any gift, loan, commissions, consideration or other advantage from or to any person as an inducement to commit a dishonest or illegal act or a breach of contract, in order to obtain, keep or procure an order, or to secure any other unfair advantage.

19. Data protection

The parties hereby expressly consent to the processing of personal data, in particular name, address, contact and professional data, of the persons acting on their behalf and intervening vis-à-vis the companies of the respective other party for the purpose of contract fulfilment, order processing as well as for the fulfilment of the relevant legal requirements and accounting obligations. Furthermore, the parties consent to the transfer of this personal data to affiliated companies of the respective other party for the purpose of order processing and contract fulfilment, always considering the potential risks related thereto.

By giving such consent, the parties also warrant to obtain corresponding declarations of consent by the respective data subjects, and upon first request to indemnify each other from all disadvantages related to any breach of the foregoing warranty.

20. Severability

Where individual provisions of these T&Cs are considered, by a competent arbitration tribunal, official court of law or competent authority, to be invalid or ineffective, this shall have no effect on the validity of the other provisions or on the T&Cs as a whole. The Parties will endeavor to replace the invalid provision with a valid provision which comes as close as possible to the legal and economic purpose of the invalid one.

21. Governing Law and Jurisdiction

All legal relationships between the Supplier and FORTEQ shall be governed according to the laws of the country (and state or province, if applicable) of the location of the concerned legal entity of FORTEQ as shown by the issuing address as set forth on the cover page of this T&Cs. The Vienna Sales Convention shall not apply.

The exclusive place of jurisdiction shall be the place where the concerned legal entity of FORTEQ has its registered office. However, FORTEQ shall also be free to apply to the court located in the place where the Supplier has its registered office.

22. Waiver

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