

## GENERAL BUSINESS CONDITIONS - JTEKT HPI

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#### 1. DEFINITIONS

- a) CUSTOMER: legal entity which is a contractual partner of the Seller.
- b) PRODUCT: refers to any part, tooling, machine or service to be supplied to the Customer by the Seller.
- c) SELLER: refers to JTEKT HPI
- d) PARTY(IES): refers to the Seller and/or the Customer.

2. PURPOSE – SCOPE : The purpose of these conditions is to govern the relations between the Parties and constitute the sole basis of commercial negotiations. Unless otherwise agreed in writing, they shall apply to the exclusion of any other document issued by the Customer. Any amendment to these conditions must be made in writing. Any of the Customer's standard documents available online shall only be applicable after express acceptance of the Parties. No clause indicated on the purchase orders or correspondence sent to the Seller may change the preceding clauses, without the Seller's express written acceptance. The fact that the Seller does not require the application of one or more provisions of these General Business Conditions shall in no case constitute a waiver to assert its right.

3. OFFER - CONSULTATION PHASE By making its offer, the Seller undertakes to deliver the products to the Customer in the conditions contained in the offer. The initial order, or amended order after agreement between the Parties, marks the approval of this offer as it stands by the Customer. It therefore may not contain any reservation or new request. Unless otherwise provided, the Seller's offer is valid for one month.

4. ORDERS The order must comply with the offer issued by JTEKT and/or, where appropriate, with a subsequent agreement formalized in writing between the Parties. Any increase in the price of raw materials, labor and/or any modification of the exchange risk or legislative or regulatory constraints applicable to the Seller or its suppliers shall automatically give rise to a change of the price in force. Orders are deemed accepted either by a written acceptance or by their execution. In case of a written challenge of one or more elements of the order, its execution shall not presume the acceptance of these elements. Any modification of an element of the order must be the subject of a prior written agreement with the Seller, and will give rise to the establishment by the Customer of an amendment to the order, or to a new order. No firm order or delivery call may be cancelled. If the quantity of Products actually delivered deviates by more than or less than 15% of the forecast estimates communicated by the Customer having served as a basis for the determination of the price of the Products, the Parties shall find a solution in order to restore the balance of the contract. In the event of an upwards variation, JTEKT will make its best efforts to satisfy the Customer's request in quantities and time limits compatible with its capacities, in particular production, subcontracting, human and financial capacities. JTEKT may freely transfer all or part of the order to a third party.

5. TECHNICAL MODALITIES JTEKT undertakes to deliver Products that comply with the technical data contained in its offer in force on the day of delivery. Any technical modification of the Product, even minor, requested by the Customer, must be the subject of an agreement between the Parties providing for a lead time as well as the technical and economic conditions of this modification.

6. DELIVERY The Customer is obliged to take delivery of the Products made available to it and to pay the contractual price. The Products will be deemed made available in the Seller's factories. Except in case of prior written agreement between the Parties, the Customer must check the condition of the Products before taking delivery. The Seller will endeavor to comply with the time limits for delivery. Delays may not in any event justify the total or partial cancellation of an order, or give rise to penalties or damages, unless otherwise specified and accepted by the Parties.

7. TRANSFER OF RISK AND OWNERSHIP The transfer of the risks relating to the Product is carried out in accordance with the EXW 2010 INCOTERM, excluding packaging. Regardless of the destination of Products and payment terms, delivery is deemed to be made when the Products are made available in the Seller's factories or warehouses. JTEKT retains ownership of the Products until the actual payment of the full price by the Customer. In the event of facts of a nature to jeopardize the Seller's rights, the Customer undertakes to immediately inform the Seller. All Products bearing an identification plate or any other distinctive marking, even incorporated in the assemblies, shall not lose their individuality and are subject to this retention of title clause. The Customer undertakes to obtain the same commitments from its own customers.

8. PACKAGING All packaging and protections of the Products for transportation and storage are charged in addition. In the absence of any special indication, packaging are prepared by the Seller according to the nature of the Product, for the national road transport of goods. Packaging is not recovered.

#### 9. FORECASTS AND FIRM ORDERS IN PRODUCTION:

The Customer must provide the following items :

- forecasts per reference for the 12 coming months. These forecasts are for information purpose and does not lead to a volume commitment
- redefined forecasts per reference for the 12 coming weeks. These forecasts shall be binding on the customer under the following limits of quantities flexibilities :
  - > maximum quantities fluctuation of +/- 25% between 8 and 12 weeks
  - > maximum quantities fluctuation of +/- 15% between 6 and 8 weeks
  - > firm orders at 6 weeks at the latest
- any change of quantities out of the limits specified here-above shall require JHPI prior agreement
- any change of the requested delivery date (advance or postpone) compared to the forecasts shall require JHPI prior agreement
- without any forecast according to the rules written here-above, the delivery timing will be with a minimum of 12 weeks.

10. CONFORMITY OF PRODUCTS - WARRANTY The Seller guarantees that the Products conform to the plans, specifications and initial samples validated by the Parties and are free of any manufacturing and material defect. The Seller guarantees the Products for six months from their date of delivery. The Customer must notify any defects in writing within a period of 8 clear days from their appearance and return the Products DDP, within a period of 3 clear days, to the site designated by the Seller, and in good condition. Otherwise, the Customer shall lose its right to the warranty. The warranty does not apply if the equipment is not returned to the Seller in the condition it was in when it failed, or if it has been previously unsealed, disassembled, repaired or altered, either by a third party, or by the user or by the Customer. Returns are only accepted if they have been previously authorized in writing by the Seller. The Seller's warranty can only be implemented if the Customer establishes that the defect appeared in conditions of use normally provided for this type of Product and during normal use. The warranty is strictly limited to the equipment sold by the Seller. It is not extended to the performance of equipment in which the Product is not incorporated by the Seller. The warranty is limited, at the Seller's choice, to the repair or replacement by the Seller or the reimbursement of the price of the defective part. After having been duly notified of the defect in the Product, the Seller will correct this defect in the shortest possible time, reserving the right, where appropriate, to modify all or part of the equipment, in order to fulfill its obligations. The Parties agree that the Customer will bear the costs of labor, disassembly and reassembly of the Product outside of the Seller's establishments, the costs for transferring the defective equipment or the replaced or repaired equipment and the travel and accommodation costs of the Customer's technicians. This warranty is granted to the exclusion of any other guarantee of any kind whatsoever, in particular the one provided for in Article 1641 et seq. of the Civil Code.

11. FINANCIAL CONDITIONS Payment shall be made no later than 60 clear days from the date of the invoice. Prices are calculated net, and without any discount. If, on the date indicated on the invoice, the Customer has not made its payment, the Seller will be entitled to the payment of default interest at a rate agreed between the Parties and a minimum recovery fee of 40 Euros (art. L 441-6 & L441-5 of commercial law). In the absence of an agreement, the default interest rate will be 10 points above the refinancing rate of the European Central Bank in force on the contractual date of payment. Any offsetting is strictly prohibited without the Seller's prior written agreement. In case of late payment or payment which does not comply with the agreement of the Parties, after formal notice sent to the Customer which remains without effect for 5 business days, the Seller may suspend the performance of the contract, until complete payment. No payment may be deferred without the Seller's prior written agreement.

12. INTELLECTUAL PROPERTY Each Party remains the owner of the rights and elements of intellectual property belonging to it prior to the relationship between the Parties. Unless with the Seller's prior written agreement, the rights and elements of intellectual property obtained within the framework of this relationship are the property of the Seller. JTEKT grants the Customer a right to use the rights and elements of intellectual property necessary to deliver the Products, for the entire duration of deliveries by the Seller. Any other use must be the subject of a written agreement between the Parties, in particular the use of the JTEKT trademark. The Customer shall hold the Seller harmless against any court or out-of-court claim made against the Seller in any place whatsoever, by third parties, based on any intellectual property rights the Customer has made available to the Seller for the realization of the Product. On its part, the Seller only guarantees the Customer, within the limit of the warranty granted by its own supplier, if the Product is not associated with another product not supplied by the Seller and on the condition that the Customer notifies the complaint it has received to the Seller within 5 business days and sends it all elements necessary for the Customer's defence, which will be conducted in full agreement with the Seller. The Customer undertakes to communicate to the Seller the up-to-date list of the States in which the Product will be marketed. The price of the Product does not include the assignment of intellectual property rights.

13. CONFIDENTIALITY Each Party is obliged to maintain the secrecy of the information provided to it by the other Party or which it has access to within the framework of the relationship between the Parties, and to take all steps to ensure observance of this confidentiality and to prevent the disclosure of any such information.

14. TERMINATION In the event of the non-performance by a Party of any one of its essential contractual obligations, prior to exercising their right of termination for fault, the Parties undertake to search for an amicable solution which can be rapidly implemented. In the event of the serious or repeated breach by one of the Parties of its obligations, the other Party reserves the right to terminate the business relationship by registered letter with acknowledgement of receipt, in accordance with the legal provisions in force, and after sending formal notice which remains without effect after a period of 30 days from receipt of this formal notice. The termination may take effect immediately in case of gross negligence or willful misconduct.

15. FORCE MAJEURE Each Party will be entitled to suspend the performance of its obligations under the contract to the extent this performance is prevented or rendered unreasonably costly due to circumstances affecting one of the Parties or one of its suppliers, such as : labor disputes, fire, war, general mobilization, insurrection, requisition, seizure, embargo, energy restrictions and non-delivery or late delivery in supplies from subcontractors caused by such circumstances... The Party who requests the application of force majeure must notify the other Party without delay and in writing, at the beginning and at the end of the force majeure event.

16. CUSTOMER'S OBLIGATION OF INFORMATION TOWARDS THE SELLER The Customer is bound by a general obligation of information towards the Seller. The Customer shall communicate to the Seller any information likely to be useful for the smooth conduct of their relationship. In particular, the Customer shall inform the Seller of the use for which the Product is intended, and shall refrain from using the Products for any other use.

The Customer is informed that the Seller shall not be held responsible for the non-conformity of the Products ordered in case no plan, specification or initial samples are not communicated by the Customer, nor validated between the Parties before the order.

If the Customer chooses to buy a "product-catalog", the Customer had asked for all the information needed to Seller and acknowledges such product fit for the purpose of Customer. In such a case, the Seller is only bound by the technical characteristics as set in the catalog at the date of the order

17. ATTRIBUTION OF JURISDICTION AND APPLICABLE LAW The Parties declare that their constant objective is to maintain the quality of their business relationship and its continuation. Consequently, for any dispute, the Parties undertake to search for an amicable solution which can be rapidly implemented. The relationship between the Seller and its Customer, and in particular any dispute relating to the interpretation of these conditions, shall be governed by French law, under exclusion of its conflict of laws rules and under exclusion of the Convention on the International Sale of Goods (Vienna 1980). In the absence of an amicable agreement between the Parties, any dispute will be brought exclusively before the Commercial Court of Lyon, including in case of summary proceedings and when there are several defendants.