

GENERAL CONDITIONS AND TERMS OF PURCHASE (Version 2015/01) of Nematik Czech Republic s.r.o.

1/ The present General Conditions and Terms of Purchase (hereinafter referred to as the "Conditions and Terms", or "Terms") regulate the relationship set up under supplies of goods or provision of services (hereinafter referred to as "Supply") by entities in their capacity as sellers, contractors, shippers or lessors, or in a similar capacity (hereinafter referred to as "Supplier"), for Nematik Czech Republic s.r.o. (hereinafter referred to as "Customer") and are binding upon the legal relationships set up between the parties (hereinafter referred to as "Contract") and all business contacts between them. The legal relationships are and shall continue to be governed by Czech law. Any derogating arrangements made in writing between the Supplier and the Customer (hereinafter collectively referred to as "parties") shall prevail over the provisions of the present Conditions and Terms. The Conditions and Terms constitute business conditions in the sense of Section 1751 et seq., Act No. 89/2012 Coll., Civic Code. The Conditions and Terms are enacted as part of the Contract and shall prevail over the business practices set out under Section 558 of the Civil Code insofar as the determination of the rights and obligations resulting from or associated with the Contract is concerned. The parties hereby preclude the application of any general or commercial conditions and terms, payment terms or other conditions and terms of the Supplier unless stipulated otherwise in writing under the Contract.

2/ The Contract shall generally be deemed executed (concluded) between the Customer and the Supplier (i) following a written order placed by the Customer or its written acceptance by the Supplier, (ii) following a written order placed by the Customer and execution of such an order by the Supplier, (iii) following conclusion of a written contract between the parties. By concluding the Contract, regardless of the method applied, the Supplier declares to be familiar with and accept the present Conditions and Terms. The Conditions and Terms shall continue to apply until all rights and obligations between the Supplier and the Customer are fully cleared.

3/ The Customer shall generally place orders (hereinafter referred to as "Orders") in writing, by post, fax or e-mail. An Order is generally preceded by the Supplier's price offer or price quote provided against a non-binding enquiry placed by the Customer. An order must contain the following essentials: trade name (or company name), registered office and ID/VAT No. of the Customer, or any other contact data related to the Customer; trade name (or company name), registered office and ID/VAT No. of the Supplier; identification of the requested Supply, i.e. the deliverables and the quantity thereof (including--where relevant--any related services or related deliverables), delivery terms (e.g., place and date of delivery, or the time-limit for delivery), and name of the person responsible for the reception of the Supply, where relevant, and any other specific requirements for the Supply. The Supplier understands that the information or documentation required for the Supply to be effected may, in part, or in its entirety, be supplied in Czech, English or German by the Customer.

4/ Where the Supplier finds out that they will not be able to comply with the conditions of the Supply or any other conditions stipulated under the Contract, they must promptly inform the Customer thereof in writing and take any action to redress the situation and prevent or minimise any damage. The Supplier is liable to the Customer for any damage caused by their breaching of the Contract and/or non-compliance with the conditions of the Supply.

5/ The place of performance is the Customer's registered office unless stipulated otherwise under the Contract. The Supply shall be deemed completed once the Customer confirms its completion using an agreed-upon or a customary method. The Supplier is responsible for delivering the goods and/or providing the services in such a quantity and at such a level of quality and workmanship as has been determined under the Contract, and for ensuring the goods in transport are provided with appropriate packaging as specified under the Contract, or failing that, with regular packaging that is appropriate and adequate in terms of providing ample protection of the goods. The Customer may not take over a Supply that exhibits any defects or backlog. The Supplier must comply with all national or international or foreign legal regulations related to the subject of the Contract or Supply, as well as any technical regulations and norms in force and agreed-upon standards and technical specifications, safety regulations and recommendations related to the Supply, etc. The Supplier must provide the Customer with all information necessary for the Customer to take over, handle and use the Supply in accordance with the applicable legal and other regulations, standards and/or binding recommendations for using the goods and services, so that no infringement of any third party rights occurs. As part of the Supply, the Supplier must transmit to the Customer any documents required for the proper use and operation of the subject of the Supply (user instructions, declarations of conformity, certificates, attestations, etc.).

6/ The Customer may, but is not obligated to, take over Supplies that exhibit defects and/or backlog. Taking over a Supply with defects/backlog shall be without prejudice to any default by the Supplier. The Supplier shall provide the Customer with quality warranties in respect of the Supplies. The warranty term is 24 months unless the parties agree otherwise in writing. The warranty term shall start on the day the Supply is completed (once the supplied goods or work are taken over, services provided, etc.). Where the Supplier removes any defects in the Supplies, the Supplier shall provide a quality warranty in respect of the repairs or replacement goods used, any replacement parts and other items provided as part of the repairs and items used when removing any defects, as well as in respect of the work they

completed while removing the defects, etc., subject to the same scope as was the case for the quality warranty in respect of the entire Supply.

7/ The Supplier must allow the Customer, at the latter's request, to check/verify the conditions under which the Supply is prepared and implemented, i.e. the production process for the goods required, the conditions and course of the work, etc. If this obligation is breached, the Customer may claim a contractual penalty amounting to CZK 5,000 per occurrence. If regular or repeated Supplies are envisaged, the Supplier must, at the Customer's request and to the extent appropriate and at their own expense, provide a trial supply to the Customer sufficiently in advance.

8/ The Supplier must indicate in the invoice, whether the Supply includes returnable packaging. The price of the returnable packaging shall be invoiced to the Customer. The Supplier must promptly buy such returnable packaging back from the Customer, at the latter's request furnished within 18 months of the handover of the Supply concerned, at a price identical to that previously invoiced to the Customer, or--where relevant--reduced by the value of any wear-and-tear, unless such wear-and-tear has been provided for under any written contract concluded. The Supplier must advise the Customer of each specific Supply and of the delivery in advance (by providing an advance note). The Supplier must duly identify each Supply with the exact name and full address of the Customer, Contract Reference (Order Reference, for in respect of which the Contract has been concluded) on the outer side of the packaging. In all documents and correspondence (waybills, advice notes, dispatch notes, delivery notes, etc.), the Supplier must always give the full name (trade name) and full address of the Customer, their ID No. and Contract/Order Reference, based on which the Contract has been concluded. If the Supplier pools clusters goods that are to be supplied under several separate Contracts with the Customer within a single consignment, they must give a separate prior notice for each Supply, but charge them all via a single aggregate invoice unless agreed otherwise. The Supplier must deliver to the Customer all documents required for the proper take-over of the goods supplied (delivery note, packing note, bill of lading, etc.) at the latest along with the Supply of the Goods. If the Customer uses any of the INCOTERMS terms in the Order without any further specification, i.e. if they apply any of the commonly occurring abbreviations, such as EXW, FCA, or similar, the reference shall be to the relevant clause of the INCOTERMS 2010 rules of interpretation drafted by the International Chamber of Commerce in Paris, even if the Customer does not expressly state so. Unless stipulated otherwise under the Contract, each Supply shall be deemed subject to DDP registered office of the Customer.

9/ The Supplies shall be subject to the prices indicated in the Contract, or those figuring in the Supplier's standard pricelists, as in force on the day of delivery of the Customer's Order to the Supplier. If neither of them are available, the usual prices at the given place and time apply. Unless expressly stipulated otherwise, each price includes all costs incurred by the Supplier in association with the Supply (i.e., transport expenses, taxes and fees, packaging fees, etc.).

10/ The price of the Supply is payable upon delivery, against an invoice to be issued by the Supplier. After a documented take-over of the Supply, the Supplier may issue an invoice to charge the price of the Supply; each invoice must contain the essentials of a proper accounting and tax document as specified under the relevant legal regulations of the Czech Republic. The payment term is 30 days from invoice delivery unless a longer payment term is stipulated. The Supplier must attach to each invoice a copy of the takeover certificate related to the Supply, undersigned by the Customer, and indicate in the invoice the Contract/Order Reference, based on which the Contract has been concluded and which relates to the invoiced price of the Supply, as well as the relevant bank details, i.e. name and address of the bank including the country, Swift (BIC) code and IBAN for payments in foreign currencies; otherwise the invoice shall not be deemed compliant; where specified by the Customer, this obligation may be deemed complied with if only some of the above data are provided. An incorrect or incomplete invoice may be returned by the Supplier for a revision/addition. If an invoice is returned for a legitimate reason, the Customer is not obligated to make the invoiced payment; the Customer is not and will not be deemed in default and the new payment term shall start upon delivery of a revised/added-to invoice to the Customer. If the Customer occurs in default of payment of any invoice, the Supplier may request interest on late payment as provided for by the law. The Supplier may send their invoices electronically, but must do so to the following address: invoicescz@nemek.com. An invoice sent to a different e-mail address shall not be deemed duly delivered.

11/ Under no circumstances may the Supplier retain, or establish a lien or any other securing right (whether in favour of themselves, or of any third party) to, the Supply (the goods comprising the Supply) or any other items pertaining to the Customer, which the Supplier keeps for any reason whatsoever, or items that have been entrusted to the Supplier by the Customer, or items which the Customer has authorised the Supplier to use, or items the Supplier may handle in any other way for any reason whatsoever, due to the existence of any receivables from the Customer. Any mutual receivables the parties may have between them shall be settled by a bank transfer; the validity of and the possibility to set off any mutual receivables as a form of payment shall be conditional upon the Customer's written consent in any specific case. Any receivables from the Customer must not be assigned or pledged unless a prior written consent is obtained from the Customer.

12/ Any information on the organisational, commercial, personnel and production situation of the Customer, which the Supplier may acquire in the course of and in association with the Supply process, is identified by the Customer as confidential and regarded as part of the Customer's business secret as provided for under Section 504 of the Civil Code; the Supplier to whom such information is disclosed must therefore refrain from passing such information on to any third parties or misusing such information for their own or any third party's benefit in a manner inconsistent with the purpose of such disclosure. Unless stipulated otherwise in writing by the Customer, the Supplier may only use such confidential information with a view to properly executing the Contract and the Supplier's obligations inherent therein in a timely fashion. The Customer may request that the Supplier subject their employees and subcontractors to the same confidentiality obligation in respect of the confidential information they come across and that the Supplier provide documentary proof to that effect.

13/ In case of any doubts regarding the content of the Contract or specific parts thereof, which may not be removed otherwise, such legal action will be interpreted with an account taken of the purpose of the Contract and of the business practices normally applied by the Customer, unless the present Conditions and Terms imply otherwise. The parties undertake to do their best to settle any disputes or discrepancies amicably in the first place. Unless an amicable agreement is reached, the dispute shall be referred to arbitration. The parties agree that any disputes that may arise out of the Contract and/or the present Conditions and Terms, or in association with them, shall be conclusively resolved by a senate consisting of three members under arbitration held at the Arbitration Court attached to the Chamber of Economy of the Czech Republic and the Chamber of Agriculture of the Czech Republic, with its seat in Prague, in accordance with the Arbitration Court's Code and Rules of Procedure, provided that the conditions stipulated under Act No. 216/1994 Coll., on arbitration and enforcement of arbitral awards are met. The parties undertake to comply with all obligations imposed upon them under the arbitral award within the time limits set therein. The agreement on the arbitration clause contained in the present paragraph shall be without prejudice to the right of either party to enforce their own claims from the other party under proceedings held before general courts. Whether any specific claim will be enforced under arbitration or under proceedings held before general courts shall be decided by the party enforcing the claim and initiating the proceedings with their submission.

14/ Unless the tax administrator has disclosed, in a manner that allows remote access, the account numbers determined to be disclosed by the Supplier in accordance with the VAT Act, Customer's obligation to pay the VAT shall be deemed complied with once the VAT amount is credited to such a disclosed account. In the event the conditions under Section 109 of the VAT Act are met (e.g. the Supplier has not earmarked an account to be disclosed, or has become an unreliable payer, etc.), the contracting parties have agreed, in the spirit of Section 109a of the VAT Act, that the Customer shall/may pay the corresponding amount of VAT on the price charged for the subject of the Supply to the tax administrator's account and pay the tax base to the account of the Supplier, whereupon their obligation to pay the price (fee) for the services shall be deemed duly complied with. When paying the VAT, the Customer shall proceed in keeping with the provision under Section 109a of the VAT Act.

15/ The Customer brings the Supplier's attention to the fact that they have a vested interest in ensuring the required deadlines, time limits and times for the proper delivery of the Supply are complied with and that any delay or improper performance by the Supplier may lead to damage to Customer's property in association with and as a result of sanctions imposed upon the Customer by their business partners (contractual fines, etc.), as well as to the fact that the Customer may claim compensation in respect of any such and other damage from the Supplier. The Customer must take any action to ensure each Supply is properly delivered on time.

16/ The contractual relationship established by virtue of, but not regulated under the Contract shall be governed by the present Conditions and Terms and by the rules for external companies operating within the Customer's site ("the Rules") available at http://www.nemak.com/media/27407/rules_nemak_and_starcam.pdf

17/ The Supplier undertakes to train their employees and workers they will task to meet the Supplier's obligations under the Contract, or third parties they will assign to the Customer in accordance with the requirements inherent in the Rules.

18/ The Customer informs the Supplier that they have promulgated the following policy: NIMS: http://www.nemak.com/docs/Library/NIMSPolicy_CZ.pdf. The Customer informs the Supplier that they have set up a transparency line, at which it is possible to report any infringements of the rules of transparency under the Customer's relationship with other entities or employees. For details go to: http://www.alfa.com.mx/CONT/transparencia_ce.htm

19/ The Supplier must meet the obligations, conditions and requirements stipulated under the ISO TS 16 949 standard. The Supplier must notify the Customer in advance as soon as they find out they will not be able to properly complete any Supply, or complete it on time, regarding the reasons of the expected delay/default, regarding the date, by which they will realistically be able to deliver the Supply, and regarding all circumstances related thereto, and take any action to prevent damage on the part of the Customer. The Supplier's notification obligation under the previous sentence

shall be without prejudice to their obligation to properly execute the Supply on time and to their liability for the proper and timely delivery of the Supply, for any default in the delivery of the Supply and the ensuing consequences. The Supplier shall further inform the Customer of the amount of any extra costs the Supplier has had to incur in order to provide for the proper and timely delivery of the Supply whenever their failure to expend such extra costs could jeopardise the originally set delivery date and, by inference, the Customer's production cycle. Unless expressly stipulated otherwise and except for where such extra costs become necessary due to reasons demonstrably and exclusively attributable to the Customer, the Supplier shall not be entitled to any compensation for such extra expenses and the extra expenses shall be borne by the Supplier in their entirety.

20/ If the Supplier is in default of delivery of any Supply, the Customer may charge to the Supplier a contractual penalty equivalent to 0.05% of the price of the Supply for each day of the default. The provision on contractual fines shall be entirely without prejudice to the Customer's right to compensation for any damage incurred. In the event of (i) repeated defaults on the part of the Supplier in meeting their obligations under the Contract, (ii) defaults in delivery of Supplies for more than 5 business days, (iii) default on the part of the Supplier in delivering a Supply where the Customer notified the Supplier at the time of concluding the related Contract that they will not be interested in any Supplies delivered with a delay, (iv) where expressly stipulated under the Contract or elsewhere under the present Conditions and Terms, the Customer may withdraw from the Contract.

The present Conditions and Terms of Purchase come into force **on 15 August 2015**.