

SESÉ GROUP- USA

General Terms & Conditions of Purchase | Raw Materials & Components

1. Definitions

- 1.1 For the purposes of these General Terms & Conditions of Purchase ("Terms & Conditions"), the terms indicated in this Section, whenever capitalized, will have the meaning given below:
- a. **Quality Compliance Agreement:** means the agreement reached between the Parties on the basis of the documentation of the End Customer that sets out the quality requirements which must be met by the Products.
 - b. **Campaign:** means the recall of any vehicles in which the Products are incorporated in order to check that such vehicles and/or the Products incorporated therein comply with all technical and legal specifications required for their use.
 - c. **End Customer:** means the Original Equipment Manufacturer (OEM) or manufacturer that has selected SESÉ GROUP as supplier of the Project.
 - d. **General Terms & Conditions of Purchase:** means the General Terms & Conditions of Purchase set forth in this document.
 - e. **Specific Terms & Conditions:** means those contractual terms and conditions other than the Terms & Conditions that are indicated in an Order or Contract.
 - f. **Contract:** means any supply contract entered into between SESÉ GROUP and the Supplier after acceptance by the Supplier of the Order issued by SESÉ GROUP.
 - g. **Contract Documents:** means the Terms & Conditions, the Specific Terms & Conditions, the Supplier Quality Manual, the Logistical Specifications, the Packaging Guidelines, the Project Planning of the End Customer and the Supplier Product Development Guide.
 - h. **Warranty:** means the warranty given by the Supplier in accordance with the terms of Section 14.
 - i. **SESÉ GROUP:** means any company belonging to the SESÉ business group, including without limitation companies organized and/or based in the US.
 - j. **Party/Parties:** means SESÉ GROUP and the Supplier.
 - k. **Order:** means any communication sent by SESÉ GROUP to the Supplier setting forth the terms of purchase of the Products in connection with the Project.
 - l. **Blanket Order:** means any Order including successive deliveries linked to a Delivery Schedule.
 - m. **Fixed Order:** means any Order linked to a single delivery of Products.
 - n. **Delivery Schedule:** means the documentation provided by SESÉ GROUP to the Supplier setting forth the deadlines for delivery of the Products that shall be met by the Supplier under and as part of a Blanket Order.
 - o. **Supplier:** means any natural or legal person or entity to which SESÉ GROUP issues an Order in connection with the Project.
 - p. **Mandated Supplier:** means the Supplier that has been selected directly by the End Customer. Notwithstanding the inclusion of specific references to the "Mandated Supplier" in these General Terms & Conditions, all references made to the "Supplier" shall also refer and apply to the "Mandated Supplier" when the Supplier is regarded as such.
 - q. **Project:** means the project that has been awarded to SESÉ GROUP by the End Customer and that will be indicated or identified by a reference number in each Order.
 - r. **Products:** means any of the goods, parts and/or components that shall be supplied by the Supplier under an Order.

2. Inclusion of the General Terms & Conditions

- 2.1 The Supplier (i) states that it has had access to these Terms & Conditions before entering into the Contract, either as part of an Order or by being made available to it at www.gruposese.com/es, and (ii) states that it has read them and knows and understands the content thereof, and expressly accepts their inclusion in the Contract and the Order accepted by the Supplier.
- 2.2 The acceptance of the Terms & Conditions does not prevent the Parties, as a result of an Order, from agreeing on the Specific Terms & Conditions that they deem appropriate, in which event both the Terms & Conditions and the Specific Terms & Conditions will constitute an integral and necessary part of such Order.

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2.3 The Order is limited to and conditional upon the Supplier's acceptance of these Terms & Conditions and Conditions of Purchase exclusively. The Order does not constitute an acceptance of any offer or proposal made by the Supplier. Any additional or different terms proposed by the Supplier, whether in the Supplier's quotation, acknowledgement, invoice or otherwise, shall be deemed a material alteration of these Terms & Conditions, and are hereby objected to and rejected by SESÉ GROUP; provided, that any such proposal or attempted variance shall not operate as a rejection of this Order if the Supplier accepts SESÉ GROUP'S offer by commencement of work, shipment of the Products, acceptance of the Order in writing or by other means acceptable to SESÉ GROUP, in which case an Order shall be deemed accepted by the Supplier without any additional or different terms or variations. Any modification of these Terms & Conditions must be expressly stated in the Order. References herein to "including" shall be deemed to mean "including, but not limited to," or "including without limitation" or such similar meaning.

3. Contract Documents

- 3.1 The Specific Terms & Conditions indicated in a Contract or Order will prevail over the Terms & Conditions whenever they differ from or conflict with each other. If no Specific Terms & Conditions are indicated in the Contract or Order, the Terms & Conditions will be directly applicable.
- 3.2 The Supplier Quality Manual, the Logistical Specifications, the Packaging Guidelines, the Project Planning of the End Customer and the Supplier Product Development Guide, which are made available to the Supplier, are an integral part of the commercial relationship between the Supplier and SESÉ GROUP in connection with the Project and are Contract Documents.
- 3.3 Any amendment to the Contract Documents will be binding on the Parties only when made in writing and accepted by both Parties.
- 3.4 In the case of Suppliers with commercial agreements with the End Customer in connection with the Project, the terms of such agreements will control to the extent they conflict with the Contract with SESÉ GROUP.

4. Order and acceptance

- 4.1 Any Orders, whether Blanket Orders or Fixed Orders, will be issued to the Supplier in writing by e-mail or by any other means of communication providing confirmation of the sender and content thereof.
- 4.2 Within a period of eight (8) days from receipt of the Order, the Supplier shall notify SESÉ GROUP if it accepts or rejects the Order, using for such purpose the same medium used by SESÉ GROUP to send the Order. Only accepted Orders will be binding on SESÉ GROUP. Performance of the Order by the Supplier, either wholly or partially, will constitute the acceptance thereof (including, where applicable, the Delivery Schedule), as well as of the Terms & Conditions and any Specific Terms & Conditions included therein.
- 4.3 In the case of Blanket Orders, SESÉ GROUP will provide to the Supplier the Delivery Schedule.
- 4.4 Unless the Specific Terms & Conditions stipulate otherwise, the Delivery Schedule will set forth the amount and delivery date(s) of the Products for periods of six (6) months. However, only those volume and delivery date forecasts corresponding to the fourteen (14) days immediately after the date on which the Delivery Schedule is sent will be binding on the Parties.
- 4.5 The Delivery Schedule will be revised every fourteen (14) days and SESÉ GROUP will provide the revised version of the Delivery Schedule to the Supplier at least five (5) days before the end of the immediately preceding fourteen (14) day mandatory period of the Delivery Schedule.
- 4.6 Only in the event that changes are made to the Delivery Schedule in relation to the amount and delivery dates of the Products during the fourteen (14) day period after being initially provided to the Supplier, the Supplier may provide SESÉ GROUP with evidence of the cost it has incurred as a result of such changes and the Parties agree to use commercially reasonable efforts to address the handling of such costs.

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5. Delivery

- 5.1 In the case of Fixed Orders, the Supplier shall deliver the Products to the place and on the date(s) set forth in the Order. If no place of delivery is indicated, the Supplier shall deliver the Products to SESÉ GROUP at SESÉ GROUP'S premises on the delivery date set forth in the Order.
- 5.2 In the case of Blanket Orders, the Supplier shall deliver the Products to the place and on the delivery dates set forth in the Order and Delivery Schedule. If no place of delivery is indicated, the Supplier shall deliver the Products to SESÉ GROUP at SESÉ GROUP'S premises on the delivery date set forth in the Order.
- 5.3 If the Supplier reasonably anticipates problems in the manufacturing or procurement of materials, or if circumstances arise that could make it difficult to deliver the Products in accordance with the agreed deadline, date, quantity and quality, the Supplier shall (i) inform SESÉ GROUP of such problems or circumstances as soon as possible, (ii) carry out the necessary actions to minimize any negative impact, and (iii) bear any additional cost or damage resulting from such problems or circumstances and shall indemnify and hold harmless SESÉ GROUP from any loss, damage or cost related in any way to such problems or circumstances.
- 5.4 If SESÉ GROUP has reasonable grounds to determine that there is a risk of breach of the obligation to deliver as established in an Order, SESÉ GROUP may request that the Supplier proceed, at its own cost, in accordance with a performance assurance plan, which may include specific performance reporting requirements to ensure the correct performance of its obligation to deliver.
- 5.5 No partial deliveries will be permitted unless SESÉ GROUP has previously authorized them in writing.
- 5.6 The failure to deliver on schedule any Order, including, for the avoidance of doubt, deliveries under a Delivery Schedule, will entitle SESÉ GROUP to recover from the Supplier any damages, losses, costs and penalties that the delay in delivery may cause, including, in particular but without limitation, any costs or penalties for delay that may be imposed on SESÉ GROUP by the End Customer.
- 5.7 In any event, SESÉ GROUP will be entitled to reject any delivery made by the Supplier that is not of the quality or for the quantity set forth in the Order or the Delivery Schedule. Any Order or delivery that is rejected will be treated as an unmade Order or delivery for the purposes of Section 5.6 above.

6. Packaging. Shipping Documents

- 6.1 The Supplier represents that it has experience and expertise in packaging and will be exclusively responsible for determining the best packaging, based on any instructions from SESÉ GROUP and characteristics of the Products. The Supplier will properly pack, mark, and ship Products according to the instructions and requirements of SESÉ GROUP, the involved carriers and the country of destination.
- 6.2 Each packaged unit of the Products shall include on the outside and in a legible manner all information required under the applicable transport legislation, and otherwise required by SESÉ GROUP, including any special storage and handling requirements and information regarding any hazardous or restricted materials.
- 6.3 The delivery shall be accompanied by a delivery note (in duplicate) that allows the Products to be identified and the quantity thereof to be checked, including without limitation, the bill of lading, shipment receipts, safety data sheet and other applicable documents.
- 6.4 Any damage (including without limitation breakage, loss, wear and tear) to the Products or cost of any kind relating to the packaging of the Products will be the responsibility of the Supplier and the Supplier will indemnify and hold SESÉ GROUP harmless for all such damage and cost.
- 6.5 If specific containers supplied by SESÉ GROUP are used, the Supplier will provide a detailed inventory of these containers at its premises, as well as the entry and exit thereof. If SESÉ GROUP does not receive such information on a monthly basis, the loss of such containers will be the responsibility of the Supplier.
- 6.6 If specific containers supplied by the Supplier are used, SESÉ GROUP will provide a detailed inventory of these at its premises, as well as the entry and exit thereof. If such information is not sent to the Supplier on a monthly basis, the loss of such containers will be the responsibility of SESÉ GROUP.

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7. Delivery Equipment

- 7.1. The equipment manufactured for the delivery of the Products that belongs entirely to SESÉ GROUP or to the End Customer and that is provided to the Supplier, will be subject to the following stipulations:
- a. The Supplier will be responsible for and bear the cost of maintenance, storage and replacement of such equipment.
 - b. The Supplier will purchase the necessary insurance policies, to the satisfaction of SESÉ GROUP, to insure the equipment provided at its replacement value. The Supplier will provide certificates evidencing such insurance and a copy of such insurance policies to SESÉ GROUP and will include SESÉ GROUP as a beneficiary thereof.
 - c. The equipment may not be disposed of or altered without the prior written consent of SESÉ GROUP. When requested by SESÉ GROUP, the Supplier shall indicate the location of such equipment, which shall be at the disposal of SESÉ GROUP at any time and be delivered to SESÉ GROUP when it so requests.
 - d. In the event of any proceedings against the Supplier by a third party seeking to impose an attachment or lien on the equipment, the Supplier shall promptly notify SESÉ GROUP of such proceedings and the Supplier will take the necessary action in defense of its and SESÉ GROUP'S rights and against the attachment or liens. The costs of the defense will be borne by the Supplier. Such equipment shall in no event be represented to be or be included in the assets of the Supplier, including in connection with any insolvency proceedings.

8. Quality

- 8.1. The Supplier shall ensure that the Products conform to the quality, cost and delivery/deadline requirements set forth in each Contract or Order. In particular, but without limitation, the Supplier shall meet all requirements stipulated in the Supplier Quality Manual of SESÉ GROUP, which the Supplier has reviewed, understands and accepts.
- 8.2. INTENTIONALLY DELETED – covered in Section 9.
- 8.3. In accordance with the Quality Compliance Agreement, the Supplier will use its best efforts to achieve the zero defects target set forth in such agreement and agrees to implement ongoing improvements in its manufacturing and supply processes to do so.
- 8.4. The Supplier shall implement and maintain an effective quality control system that evidences the capacity and quality of its production processes, which shall achieve at least the quality benchmark ISO 9001 in its most recent version.
- 8.5. The supplier shall implement specific automotive requirements according to VDA 6.1, QS 9000 or IATF 16949.
- 8.6. The Supplier shall implement a system that ensures the traceability of the Products and of the other products and materials supplied by its suppliers, with the goal of minimizing the negative impact of possible defects in the Products.
- 8.7. The Supplier will provide annually to SESÉ GROUP copies of quality certificates for the Products and all parts of the Products with respect to the quality requirements and goals referenced in this Section 8, validated by an official certification authority.
- 8.8. Before the first delivery of any Products the Supplier will take the necessary steps in accordance with all applicable laws, and in particular, where applicable, in accordance with the laws of the US and the European Union, for submission of the declaration of conformity (certificate of origin).
- 8.9. The Supplier undertakes to ensure that its suppliers meet the same requirements that SESÉ GROUP requires the Supplier to meet, in accordance with the Quality Compliance Agreement and these Terms & Conditions, as well as, where applicable, the Specific Terms & Conditions or any other conditions or undertakings agreed by the Parties in the Order or the Contract.
- 8.10. SESÉ GROUP will inform the Supplier of any defective or substandard Products that do not meet the required quality standards, by means of notice sent by e-mail or by any other electronic means agreed with the Supplier within forty-eight (48) hours from their detection.

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- 8.11. The Supplier undertakes to respond to the notice referenced in Section 8.10 above within a period of twenty-four (24) hours from receipt thereof, by means of 8D format or any other format expressly accepted by SESÉ GROUP.
- 8.12. The Supplier will implement the necessary contingency measures until the corrective measures are implemented in full and will ensure the quality of the Products, and will be responsible for all costs related to such measures.
- 8.13. If the Supplier detects a deviation in or other issue relating to the metrics of its production processes or the functionality of the Products, it will immediately inform SESÉ GROUP.
- 8.14. Before implementing any change in production processes, materials or components, the Supplier will inform SESÉ GROUP of such proposed change in writing, so that SESÉ GROUP may examine the effects of such changes and object or otherwise comment as it deems appropriate.

9. Compliance with Laws

- 9.1. The Supplier, including all Supplier personnel, sub-suppliers, subcontractors, and affiliates, and any Products supplied by the Supplier, are in compliance with and will comply with all applicable laws, including rules, regulations, orders, conventions, ordinances and standards, including without limitation (i) in relation to the manufacture, labeling, transport, import, export, licensing, permitting, approval or certification of the Products, and (ii) laws relating to environmental matters, hiring, wages, hours and conditions of employment, immigration, worker documentation and permits, international prohibitions on child labor, sub-supplier or subcontractor selection, discrimination, occupational health or safety, and motor vehicle safety. The Order incorporates by reference all Sections required by these laws. All materials used by the Supplier in the Products or in their manufacture will satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations that apply to the country of manufacture, sale or destination. Neither the Supplier nor any of its personnel, sub-suppliers, subcontractors or affiliates will utilize slave, child, prisoner or any other form of forced, involuntary or illegal labor, or engage in abusive worker treatment or corrupt business practices in the sale of Products or provision of services under these Terms & Conditions. At SESÉ GROUP'S request, the Supplier shall certify the Supplier's and its sub-suppliers', subcontractors' and affiliates' compliance with the foregoing and SESÉ GROUP reserves the right to check at any time the qualifications and performance of any personnel of the Supplier or its sub-suppliers, subcontractors or affiliates.

10. Audit and inspection

- 10.1. SESÉ GROUP reserves the right to audit at the premises of the Supplier compliance with and the fulfillment of the requirements of SESÉ GROUP and the End Customer. The audit may cover the systems, processes, products, samples and such other matters as SESÉ GROUP may deem necessary or appropriate.
- 10.2. The Supplier shall grant access to its premises to the audit team of or appointed by SESÉ GROUP, without prior notice, and will also ensure the audit team's access to the premises of the Supplier's subcontractors.
- 10.3. The Supplier shall provide, without cost, the facilities and assistance required for carrying out the audit and inspection work.
- 10.4. SESÉ GROUP will decide at its sole discretion on the form, place and date of the audit.
- 10.5. SESÉ GROUP will use its best efforts to ensure that the audit does not unnecessarily interfere with the Supplier's business operations.
- 10.6. If due to an inspection SESÉ GROUP concludes that certain Products are defective or do not meet the established quality or other requirements, it may reject them without cost.
- 10.7. No audit or inspection will release the Supplier from any liability for any warranty, defects, fault, misconduct, negligence or other actions.

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10.8. If SESÉ GROUP finds that the materials or goods supplied to the Supplier do not meet the necessary quality requirements, SESÉ GROUP may request that the Supplier audit and inspect its suppliers.

11. Ongoing improvements

11.1. The Supplier shall have statistical control procedures in place across its entire production process to verify the capacity of such process and to ensure that it meets the established quality targets, as well as the zero defects strategy.

11.2. The Supplier shall maintain at least the following indicators regarding its production processes and agrees to improve its results and processes on a permanent basis:

- a. PPM;
- b. Delivery performance;
- c. Communication; and
- d. Customer complaints.

12. Price and method of payment

12.1. The prices indicated in an Order are fixed and unalterable, unless otherwise agreed by the Parties. Such prices will include any expense required to be incurred by the Supplier for the purposes of delivering the Products to SESÉ GROUP.

12.2. The price indicated in an Order, unless otherwise expressly indicated (in which case it will be itemized), will not include value added tax or any other similar tax.

12.3. The invoices for each Order or Delivery Schedule shall be sent by the Supplier in accordance with the applicable laws.

12.4. After each delivery of Products, the Supplier will issue an invoice, which will include (i) a detailed description of the Products indicating their reference number; (ii) the number and date of the delivery note; (iii) identification, name and address of the Supplier and of SESÉ GROUP; (iv) number of the Order; (v) payment terms and bank details; (vi) identification of the carrier (if different from the Supplier); (vii) country of origin; (viii) currency in which the sale was made; (ix) shipping terms; and (x) price.

12.5. The invoice will be accompanied, where applicable, by a signed bill of lading and/or receipt showing receipt of the shipment.

12.6. Payment of the price of each Order will be made within a period of sixty (60) days from acceptance of the Products or from the delivery of the Products in the absence of express acceptance of the Products. The payment period will not begin if SESÉ GROUP has issues with the invoice, which issues shall be made known to the Supplier and promptly remedied by the Supplier.

12.7. The payment of an invoice will not constitute acceptance of the Products by SESÉ GROUP.

13. Risk of Loss

13.1 Unless otherwise stipulated in the Order or the Specific Terms & Conditions, the risk of loss of and damage to the Products shall be borne by the Supplier until they are delivered to SESÉ GROUP or to the person or entity designated by SESÉ GROUP at the place of destination agreed in the Order.

13.2 Place of destination will mean the place where the Products shall be delivered to, or as directed by SESÉ GROUP, in accordance with the Order.

14. Warranty

14.1. The Supplier warrants that upon delivery and during the warranty period specified below, all of the delivered Products (i) meet the requirements set out in the Contract; (ii) are free from defects in materials, workmanship and design, even if the design has been approved by SESÉ GROUP; (iii) conform to the designs, quality requirements and specifications provided or required by SESÉ GROUP and/or the End Customer; (iv) are merchantable and fit for their intended purposes; (v) comply with all applicable technical specifications and applicable laws, regulations and standards; (vi) are free and clear of liens, encumbrances and rights of third parties; and (vii) do not infringe

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- industrial or intellectual property rights of third parties or involve or violate any trade secret or confidential information of any third parties.
- 14.2. The Warranty will be valid from the date of delivery of the Products to SESÉ GROUP and will remain in force until the end of the warranty period granted by SESÉ GROUP to the End Customer in relation to the vehicles in which the Products are incorporated. For the avoidance of doubt, but without limitation, the Warranty will remain in force irrespective of the manufacturing and marketing status of the vehicles in which the Products are incorporated and will expressly include the Campaigns and any actions, costs, damages and expenses of any kind resulting therefrom.
 - 14.3. The Warranty will continue to be valid even though the Products have been delivered to the SESÉ GROUP, verifications, audits or inspections of the Products have been carried out and payment has been made for such Products.
 - 14.4. The Warranty is deemed to be given cumulatively without prejudice and in addition to any other warranty available at law.
 - 14.5. The Supplier warrants its technical and supply capacity. In particular, the Mandated Supplier warrants its technical and supply capacity agreed with the End Customer in its selection for the Project.
 - 14.6. In the event that SESÉ GROUP does not accept or rejects the Products, in its discretion, it may require that such Products be repaired (by the Supplier or, at the cost of the Supplier, by a designated third party expressly accepted by SESÉ GROUP), replaced, withdrawn or corrected by the Supplier.
 - 14.7. All costs of repair, replacement or correction of the Products will be borne by the Supplier, who will also be liable for any related damages, costs and expenses, either direct or indirect, that may have been incurred by SESÉ GROUP and the End Customer, including, without limitation, costs of removal, disassembly and analysis of defects and their isolation, the cost of returns and costs for recycling, storage, waste management, destruction, replacement, reinstallation, reconditioning and inspection. The Supplier will indemnify and hold SESÉ GROUP harmless from all losses, damages and costs, including any claims, damages and penalties made or imposed, arising out of or related to any breach of Warranty.
 - 14.8. The Products that have been repaired by the Supplier will be warranted for a new warranty period, the term of which will be established in accordance with Section 14.2 above (for the avoidance of doubt, the warranty period of the repaired Products will begin and be measured from the date of the repair and will not end when the warranty period of the original Products ends).
 - 14.9. The Supplier shall not delegate or subcontract the performance, wholly or in part, of the Orders or the Contracts without the prior written consent of SESÉ GROUP. In the event of such consent, the Supplier, jointly and severally with the subcontractor(s), will continue to be directly liable to SESÉ GROUP for the performance of the obligations under the Order and/or the Contract, and shall include the obligation to perform all of the obligations arising out of these Terms & Conditions and, where applicable, of the applicable Specific Terms & Conditions, in its agreements with any subcontractors. These obligations of the Supplier continue and will remain in effect regardless of any rights or actions the Supplier may have or take against the subcontractors.
 - 14.10. For the avoidance of doubt, the Supplier will also be liable in accordance with the terms of the Warranty in the event that the Products have been manufactured, produced, modified or marketed by third parties for the Supplier or have been repaired by a third party designated by the Supplier, notwithstanding the actions that the Supplier is entitled to take against such third party.

15. Liability; Indemnification

- 15.1. The Supplier will be liable to SESÉ GROUP for any and all claims, losses, damages and costs, including reasonable attorneys' fees and costs, arising out of or related to, directly or indirectly, the breach of any obligation of the Supplier under the Order or Contract.
- 15.2. To the fullest extent permitted by law, the Supplier will indemnify and hold harmless SESÉ GROUP from and against any and all claims, damages, losses and costs, including without limitation reasonable attorneys' fees and costs, arising out of or related to any failure to comply with the Order or the Contract, including any Contract Documents, breach of Warranty, defective Products,

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Campaigns, and any other actions of the Supplier. Such losses shall include any costs, damages or penalties of any kind that the End Customer imposes on SESÉ GROUP. Damages will also include, without limitation, any damages related to stoppages in the production line by SESÉ GROUP or the End Customer and any damages related to the withdrawal from the market of defective products whose components include components and parts that are supplied by the Supplier which have design, quality or manufacturing defects.

- 15.3. The Supplier's obligation to defend and indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise. The Supplier has the right to be represented by and participate through its own counsel in the defense and resolution of any indemnification matters, at the Supplier's expense. The indemnification obligations of the Supplier, including, but not limited to, under this Section, are independent of and in addition to any insurance and warranty obligations of the Supplier. Indemnification by the Supplier shall apply to direct and third party claims.
- 15.4. The actions, indemnification and other rights to which SESÉ GROUP is entitled may be assigned to and/or enforced by the End Customer. In such case, the End Customer may claim compensation from the Supplier for all losses, claims, damages and costs that the End Customer incurs arising out of or relating to any failure of the Supplier to comply with any obligation hereunder, including without limitation defective Products and delays in delivery.
- 15.5. SESÉ GROUP may set off the amount of any losses, damages or costs for which the Supplier is liable against any amounts that the SESÉ GROUP owes to the Supplier.

16. Insurance

- 16.1 The Supplier will have insurance policies with an insurance company of recognized international standing that covers any damage to persons and goods, including liability for defective Products, for an amount and with coverages which are in amounts sufficient to cover all risk and circumstances relating to each Order and Contract and which amounts and coverages are approved by SESÉ GROUP.
- 16.2 The amounts of the coverages of the insurance purchased in accordance with this Section will not be regarded as a limitation or performance of the Supplier's obligation to pay compensation.

17. Suspension of work

- 17.1 In the event that the End Customer suspends its operations due to causes beyond the control of SESÉ GROUP, the latter may, by means of prior written notice and without cost, request that the Supplier suspend the manufacturing of all or part of the Products under an Order for a period of up to 90 days or for any longer period agreed by the Supplier and SESÉ GROUP.
- 17.2 In the event that the End Customer resumes its operations, either wholly or partially, SESÉ GROUP may terminate the period of suspension of work stipulated in Section 17.1 above and the Supplier shall resume its work.
- 17.3 The Supplier may resume its work in relation to the Order only when the period of suspension of work is terminated by SESÉ GROUP or expires.

18. Force Majeure

- 18.1 Any delay or failure of either Party to perform its obligations will be excused if and to the extent that the Party is unable to perform due to an event or occurrence beyond its reasonable control and without its fault or negligence, such as: acts of God; restrictions, prohibitions, priorities or allocations imposed or actions taken by a governmental authority (whether valid or invalid); epidemics; pandemics; embargoes; fires; floods, earthquakes, explosions; natural disasters; riots; wars; sabotage; or court injunction or order. The Supplier's inability to perform as a result of, or delays caused by, the Supplier's insolvency or lack of financial resources or manufacturing or supply issues are deemed to be within the Supplier's control and do not constitute force majeure. The change in cost or availability of materials or components based on market conditions, supplier actions, or

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contract disputes or any labor strike or other labor disruption applicable to the Supplier or any of its subcontractors or sub-suppliers, will not excuse the Supplier's performance (under theories of force majeure, commercial impracticability or otherwise), and the Supplier assumes these risks. As soon as possible (but no more than one (1) full business day) after the occurrence, the Supplier will provide written notice describing such delay and the anticipated duration of the delay and the time within which the delay will be cured. During the delay or failure to perform by the Supplier, SESÉ GROUP may at its option: (a) purchase Products from other sources and reduce its schedules to the Supplier by such quantities, without liability to the Supplier; (b) require the Supplier to deliver to SESÉ GROUP at SESÉ GROUP's expense all finished goods, work in process and parts and materials produced or acquired for work under the Order; and/or (c) have the Supplier provide Products from other sources in quantities and at a time requested by SESÉ GROUP and at the price set forth in the Order. In addition, the Supplier will provide advance written notice of any anticipated labor disruption or expiration of any of the Supplier's labor contracts, and the Supplier at its expense will take all necessary actions to ensure the supply of Products to SESÉ GROUP for a period of at least thirty (30) days during any anticipated labor disruption or resulting from the expiration of any of the Supplier's labor contracts. If upon request of SESÉ GROUP, the Supplier fails to provide within ten (10) days (or such shorter period as SESÉ GROUP requires) adequate assurance that any delay will not exceed thirty (30) days, or if any delay lasts longer than thirty (30) days, SESÉ GROUP may terminate the Order without liability and the Supplier shall reimburse SESÉ GROUP for costs associated with the termination.

19. Industrial and intellectual property

- 19.1 The Supplier accepts that the trade name of SESÉ GROUP and all of the distinctive marks distinguishing its Products are the property and will continue to be the property of SESÉ GROUP.
- 19.2 The Supplier will not take any action or measure that may affect the validity of the distinctive marks of SESÉ GROUP and will ensure the protection of the goodwill associated with such distinctive marks. In particular, the Supplier undertakes not to register or request the registration of any name, internet domain name, trademark, symbols or distinctive marks of SESÉ GROUP (or others which are similar that they cause or may cause confusion with its activity, services, products or establishments).
- 19.3 The name, trademark and any distinctive marks of SESÉ GROUP may not be used by the Supplier except, where applicable, when strictly necessary for the packaging and marketing of the Products.
- 19.4 The Supplier agrees not to use for its benefit any information relating to the businesses, operations, premises, financial accounts or financial position of SESÉ GROUP or in connection with its manufacturing procedures, methods, transactions, know-how or any other aspect related to its activities or operations.
- 19.5 SESÉ GROUP may use the Supplier's distinctive marks when necessary for performing its obligations.
- 19.6 The Supplier warrants that (i) the distinctive marks, (ii) patents, (iii) utility models and (iv) know-how used in its Products, other than those stipulated in Section 21, are correctly registered in its name, are effective and enforceable against third parties and are up to date in the payment of any taxes and charges. The Supplier indemnifies and holds SESÉ GROUP harmless from any claim made by third parties for infringement of industrial or intellectual property rights belonging to such third party.
- 19.7 The Supplier shall have and assumes the same obligations set out in the foregoing provisions of this Section 19 in relation to the distinctive marks and, in general, any industrial and intellectual property rights, belonging to the End Customer, agreeing to indemnify and hold SESÉ GROUP harmless from any claim of the End Customer or any third party for infringement of the industrial and intellectual property rights of the End Customer.

20. Termination

- 20.1. The Contract and the Order may be terminated by SESÉ GROUP in the following events:

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- a. Any breach by the Supplier of its obligations to SESÉ GROUP which is not remedied within a period of fifteen (15) days or, if such breach may not be remedied within such fifteen (15) day period, the Supplier has initiated its best efforts to remedy such breach and such breach is remedied within a period of thirty (30) days.
 - b. In the event of the initiation or application for bankruptcy or insolvency proceedings or any similar proceedings by the Supplier or its creditors or the assignment for the benefit of the Supplier's creditors or the insolvency or inability of the Supplier to pay its debts when due.
- 20.2. In the event of a breach by the Supplier of its obligations, if at such time there are Orders pending, SESÉ GROUP will be entitled to terminate the Contract or any of the Orders pending at such time.
- 20.3. In the event of termination, SESÉ GROUP may request that the Supplier transfer title to and possession of the finished Products that have not been delivered to SESÉ GROUP, which shall be paid for at the price of such Products, and/or terminate any undelivered Order by means of notice provided to the Supplier seven (7) days in advance.
- 20.4. In the event that the End Customer notifies SESÉ GROUP of its intent to terminate its agreement with SESÉ GROUP and/or with the Supplier, SESÉ GROUP has a right to terminate any Order or Contract with the Supplier and upon such termination, will be immediately released from any obligation to the Supplier.

21. Confidentiality

- 21.1. Any information to which the Supplier has had access or which has been provided to the Supplier by SESÉ GROUP in the context of the Project or by any of its representatives, including, without limitation, information of a technical, industrial, commercial or financial nature, irrespective of the form or means of communication, including, without limitation, designs, diagrams, descriptions, specifications, reports, microfilms, disks, software, samples, prototypes and any documents relating to the Project, will be treated as confidential information and will not be disclosed to any other person or entity.
- 21.2. Any information that the Supplier and its suppliers, subcontractors, agents or permanent or temporary staff may know as a result of the Project will also be treated as confidential information and will not be disclosed to any other person or entity.
- 21.3. Any rights arising out of the confidential information belong exclusively to SESÉ GROUP and, where applicable, to the End Customer. SESÉ GROUP has the exclusive right to obtain, maintain and renew, in its own name or to its benefit, patents, copyrights, registrations or other appropriate protection, and the Supplier hereby waives any interest in such intellectual property and confidential information.
- 21.4. The confidential information may not be used by the Supplier for any purpose other than the performance of the Orders or Contracts in accordance with these Terms & Conditions and may not be disclosed to third parties. The Supplier shall take the appropriate measures so that the confidential information is not disclosed or made available to third parties.
- 21.5. The Parties will not disclose or communicate to any third party the terms of these Terms & Conditions or of the Orders or the performance of any of the Parties under these Terms & Conditions, Order or Contract, unless they have the express written consent of the other Party.
- 21.6. If, with the prior consent of SESÉ GROUP, the Supplier provides confidential information to a third party, the Supplier will ensure that such third party is bound by confidentiality obligations identical to those set forth herein and the Supplier will continue to be liable to SESÉ GROUP and the End Customer for the breach of the confidentiality obligations by any such third party.
- 21.7. Any confidential information will be returned to SESÉ GROUP promptly upon its request.

22. Severability

- 22.1 The illegality, invalidity or unenforceability of any of the provisions of these Terms & Conditions will not affect the enforceability of the remaining Sections, provided that the rights and obligations of the Parties arising out of these Terms & Conditions, of any Contract or Order of which they form part are not materially affected. Such rights and obligations will be deemed to be materially affected when any

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situation occurs that is significant and adversely affects the interests of any of the Parties or the terms of one (1) or more Orders. Such provisions shall be replaced or completed with others that are legally valid and enforceable and reflect the purpose of and are consistent with the replaced provisions.

23. Severability; No Implied Waiver

23.1 If any term of the Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, the term will be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with applicable law. The remaining provisions of the Order will remain in full force and effect. The failure of either Party at any time to require performance by the other Party of any provision of the Order will not affect the right to require performance at any later time, nor will the waiver of either Party of a breach of any provision of the Order constitute a waiver of any later breach of the same or other provision of the Order.

24. Claims by the Supplier

24.1 Any legal action or arbitration proceeding by the Supplier under any Order must be commenced no later than one (1) year after the breach or other event giving rise to the Supplier's claim occurs, or the Supplier becomes aware of the existence (or facts and circumstances giving rise to the existence) of such claim, whichever occurs first.

25. Battle of the Forms Not Applicable

25.1 The Parties have agreed and it is their intent that the battle of the forms described in Section 2-207 of the Uniform Commercial Code shall not apply to the Order or these Terms or to any invoice or acceptance form of the Supplier relating to the Order. It is the Parties' intent that the Order and these Terms shall exclusively control the relationship of the Parties, and in the event of any inconsistency between any invoice or acceptance or other form or document sent by the Supplier to SESÉ GROUP and the Order, the Order shall control.

26. Interpretation

26.1 SESÉ GROUP and the Supplier agree that the Order and Contract were negotiated by the Parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring provisions to be construed or interpreted against any Party as having been drafted by it will not apply.

27. Waiver of Jury Trial

27.1 SESÉ GROUP AND THE SUPPLIER ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH OF SESÉ GROUP AND THE SUPPLIER, AFTER CONSULTING (OR HAVING THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY ORDER OR OTHER DOCUMENT PERTAINING TO ANY ORDER.

28. Governing Law; Jurisdiction

28.1 These Terms & Conditions will be governed by the laws of the State of Tennessee and the United States of America. The provisions of the United Nations Convention on Contracts for the International

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Sale of Goods, and any conflict-of-laws provisions that would require application of another choice of law are excluded.

28.2 Any dispute or legal proceeding relating to these Terms & Conditions shall be subject to the exclusive venue and jurisdiction of and shall be initiated and resolved in the courts of Hamilton County, Tennessee or the U.S. District Court for the Eastern District of Tennessee, as applicable.