

CONDITIONS OF PURCHASE of PRO-X AUTOMOTIVE AG

in relation to the contract signed on _____

between

PRO-X AUTOMOTIVE AG, Worbstrasse 50, CH-3074 Muri bei Bern

and

1. Placing of Order / Application of Conditions of Purchase

These conditions apply to all purchases made by PRO-X AUTOMOTIVE and are deemed to be accepted upon performance of the contract. Deviations from these conditions in individual cases must be validated by the express written declaration of agreement by PRO-X AUTOMOTIVE. No action need be taken by PRO-X AUTOMOTIVE against contradictory conditions of the supplier, such as general terms and conditions, in offers, order confirmations, invoices or product documentation, promotional material, and similar. No repeat reference to these conditions is necessary for these conditions to apply to further orders by PRO-X AUTOMOTIVE.

2. Performance of the contract

Place of performance for delivery is the address of the consignee listed in the order. Place of fulfilment for payment shall be Muri near Berne.

If the supplier does not contradict the order or the date of delivery indicated in the order within 2 working days after receiving the order, the order and the date of delivery are accepted as absolutely binding and compelling.

In case of contradiction to the date of delivery the supplier is obliged to propose a new absolutely binding date of delivery for an exact day. Without contradiction by PRO-X AUTOMOTIVE within 2 working days the proposed delivery date is considered as accepted.

In case of delayed performance, PRO-X AUTOMOTIVE, without obligation to give additional time for performance, reserves the right to freely choose between either (i) delivery and compensation for damages caused by delayed performance, (ii) claiming compensation for non-performance, (iii) terminate the contract and claiming compensation for damages. In every case, the supplier must advise PRO-X AUTOMOTIVE of any delays immediately they become evident, with details of the reasons and duration.

Partial delivery, delivery in excess or short of order is only permitted after agreement.

3. Delivery conditions

Where no alternative arrangements have been agreed in individual cases, deliveries are to be made free of carriage and charges to the place of performance as per preceding clause 2. Where delivery free of carriage and charges has been agreed to and the supplier is organizing the transport, the most cost-efficient route is to be chosen which allows proper performance of the contract, unless otherwise agreed. Consignments travel in every case at the supplier's own risk, unless otherwise agreed.

Unless otherwise agreed, the goods will be received by the consignee on workdays between 7 a.m. and 3 p.m. (Fridays till 11 a.m.) local public holidays at the place of delivery remain reserved. In every case, the supplier must arrange directly with the consignee the exact delivery time on the agreed date.

The supplier is to take back packing materials free of charge when requested by PRO-X AUTOMOTIVE. Packing costs are not reimbursed.

Additional expenses which arise through the inobservance of the above regulations, such as cartages, etc., will be invoiced to the supplier.

4. Prices

Unless otherwise indicated in the order, prices are fixed and subject neither to extra nor subsequent charges nor reservation. Should the prices be reduced in the period between order and delivery, the prices applying are those in force at the time of delivery.

PRO-X AUTOMOTIVE is not bound by any recommended prices for the supplied goods.

In all instances, price reservations of any kind involve the right of PRO-X AUTOMOTIVE to reserve acceptance of the goods. In the case of a rise in the prices agreed to be non-binding, PRO-X AUTOMOTIVE reserves the right to choose between a subsequent authorisation of the same and the termination of the contract. All price increases must in any case be advised with at least six weeks notice.

Invoice amounts are, except if otherwise agreed, to be understood including value added tax. Subsequent charges are excluded. Value added tax for intra-community trade is subject to the value added tax ID no. provided by PRO-X AUTOMOTIVE.

5. Payment Conditions

Where in individual cases no other agreement is made, PRO-X AUTOMOTIVE will pay supplier's invoices within thirty days upon receipt with 2%, or within twenty days upon receipt with a 3% discount.

Invoices are to be sent to PRO-X AUTOMOTIVE no later than the goods date of dispatch. One delivery note is to be sent to the consignee, and one is to accompany the invoice. The delivery note must include the order number.

6. Product Quality / Defects

Normally, product specifications are given in the "Technical Terms of Delivery" (TTD) document, exceptionally in Technical Data Sheets. The supplier is to ensure that his consignment conforms to the TTD or Technical Data Sheets by means of in-house inspections. He agrees to prepare records of the tests, conducted and store all test, measurement and inspection results and related records for ten years. PRO-X AUTOMOTIVE has the right to inspect these documents and make copies.

The consignment must conform to the properties warranted, and in particular conform to the TTD or if applicable the Technical Data Sheets and recognised state of the art. The supplier is liable to ensure that no patent or other intellectual property rights of a third party or parties are infringed by his delivery to PRO-X AUTOMOTIVE and the use of the delivered goods, and fully indemnifies PRO-X AUTOMOTIVE against any claims made by any third party or parties in this respect. The goods to be supplied must be in accordance with the safety and environmental regulations currently in force in the country of production and of destination. The supplier bears full responsibility for providing these and complying with such regulations.

PRO-X AUTOMOTIVE reserves the right, unless otherwise provided in the TTD, at any time to serve a notice of non-conformity or to return the non-conforming goods, in derogation from the provisions of Articles 201, 367, and 370 of the Swiss Civil Code (OR). PRO-X AUTOMOTIVE has also the right to appoint an independent surveyor (such as SGS). The supplier agrees to waive objection to delayed notices of non-conformity. In amendments to Articles 210 and 371 (OR), the period of limitation will be extended to 5½ years.

7. Liability

In cases of a whole or partly non-conforming consignment, PRO-X AUTOMOTIVE is free to choose between (i) returning the goods against repayment of the price, (ii) reduction in the purchase price, (iii) replacement of the consignment, and (iv) remedial work whereby in each case PRO-X AUTOMOTIVE reserves the right to compensation for damages, including consequential damages. Where claims are submitted against PRO-X AUTOMOTIVE by a third party due to a supply non-conforming to specifications, PRO-X AUTOMOTIVE reserves the right of recourse towards the supplier for a period of five and a half years subsequent to the date of delivery.

The supplier indemnifies PRO-X AUTOMOTIVE unlimited in time for any and all claims arising from laws concerning product liability or similar noncontractual claims unless the supplier proves that he has not set any of the causes of the defect of the product or of a failure to warn. PRO-X AUTOMOTIVE' orders are made on the assumption that the supplier is covered for possible product liability beyond that of his normal business liability insurance. PRO-X AUTOMOTIVE may request proof of cover through presentation of the relevant insurance policies.

In additional cases, the applicable law is binding.

With regards to all due and not due claims existing between PRO-X AUTOMOTIVE and the supplier, PRO-X AUTOMOTIVE is empowered to offset or put forward the right of retention.

8. Force Majeure

In the case of strike, lock-out, fire, explosion, natural disasters, epidemics, labour or transport difficulties, plant interruptions of every type and cause, war, uprising, mobilisation, governmental measures, or other circumstances, which do not lie within the power of PRO-X AUTOMOTIVE to influence, and which have a direct effect on PRO-X AUTOMOTIVE' capacity to accept and/or process the ordered goods, PRO-X AUTOMOTIVE is entitled to terminate the purchasing agreement without any liability for damages, provided the supplier is informed immediately.

9. Confidentiality

All models, samples, and drawings are to be handled with confidentiality, may only be used for the purposes of fulfilling the contractual requirements of PRO-X AUTOMOTIVE, and must not be copied under any circumstances. The products produced from data, drawings, samples, etc. supplied by the customer of PRO-X AUTOMOTIVE may be neither delivered to nor made available to third parties without written assent. This also applies when equipment of all types for the fabrication of these parts is manufactured at the supplier's cost. This obligation to maintain confidentiality continues, even should no further orders be made.

All models, samples, and drawings remain the property of the customer of PRO-X AUTOMOTIVE, and must be returned in usable condition at the latest with the final delivery.

All orders from PRO-X AUTOMOTIVE and work resulting therefrom are to be handled with confidentiality. The supplier may only make reference to business connections with PRO-X AUTOMOTIVE when PRO-X AUTOMOTIVE grants express written consent.

10. Tooling

All tools, dies, patterns etc. („the Tooling“) produced by the Supplier or any subcontractor of the Supplier pursuant to a purchase order of PRO-X AUTOMOTIVE or against PRO-X AUTOMOTIVE' participation to the costs shall become PRO-X AUTOMOTIVE' customers sole property and shall be marked accordingly. The customer of PRO-X AUTOMOTIVE shall acquire the possession of the Tooling by the agreement that the Supplier keeps the Tooling free of charge for customer of PRO-X AUTOMOTIVE at its premises. The Supplier shall also retain the Tooling in good conditions at its own costs and the Tooling shall be delivered on first demand.

11. Miscellaneous Terms and Conditions

The Supplier is fully liable for compliance of its supplies with the Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (hereinafter "REACH-Regulation"), if the products are delivered into the European Union (EU) or the EU is intended to be the final destination. Namely, the Supplier is liable that the substances contained in the products supplied by it have been registered if required under the REACH-Regulation, and that safety data sheets in accordance with the REACH-Regulation and the information as per section 32 of the REACH-Regulation shall be provided. To the extent the Supplier is supplying articles as defined by section 3 of the REACH-Regulation, the Supplier is namely liable for full compliance with its duty to provide information as per section 33 REACH-Regulation.

The goods being delivered are to be marked according to PRO-X AUTOMOTIVE regulations. Goods marked with the PRO-X AUTOMOTIVE company or consignee's identifiers may only be delivered to PRO-X AUTOMOTIVE or a third party nominated by PRO-X AUTOMOTIVE. If the delivered items are rejected as non-conforming, the supplier is to render them unusable at own cost.

By accepting the order, the Supplier undertakes to disclose the precise country of origin of the goods and, for goods originating from the EU, to submit a long-term supplier declaration for goods with preferential origin status. Where the delivery originates from a preferred country, the Supplier is obligated to create a valid preference document EUR.1 or a declaration of origin on the invoice. If the Supplier's declarations or preference documents prove to be false, the Supplier undertakes to compensate for the resulting loss.

At the request of PRO-X AUTOMOTIVE, the supplier is obliged to inform PRO-X AUTOMOTIVE, in writing and legally binding form in the related business documentation, about any applicable (re)export license requirements for the goods under National, European or US export control law and customs regulations as well as under the export control law and customs regulations of the country of origin of the goods. This includes the supplier providing PRO-X AUTOMOTIVE with the following information:

- the export list number according to annex AL of the German export administration regulations or equivalent list items of applicable national export lists,
- for US goods the ECCN (Export Control Classification Number) as per the US Export Administration Regulations (EAR),
- the commercial origin of his goods and of the components of his Goods (as per the customs code), including technology and software,
- whether the goods were transported through the U.S.A., were manufactured or stored in the U.S.A. or made using US technology,
- the statistical goods number (HS code, customs tariff number) of his goods, and
- a contact in his organization to answer any questions about technical details and export control.

At our request, the supplier is obliged to provide us with any other foreign trade data relating to his goods and their components, in writing, and to inform us of all changes of such data, in writing, without delay (and in any case before delivery of any goods affected by such).

The assignment of claims against PRO-X AUTOMOTIVE is not allowed (Article 164 OR). The supplier may not assign contractual rights to a third party without the express written consent of PRO-X AUTOMOTIVE.

12. Governing Law / Place of Jurisdiction

The Swiss law applies for all matters related to the contractual relationship of the two parties, whereby the regulations of the United Nations Convention on contracts for the international sale of goods are expressly not held to apply. Swiss law applies in matters of consensus, mistake and representation, as well as for the agreement of the place of jurisdiction in paragraph two here following.

Place of Jurisdiction for all disputes arising from orders placed by PRO-X AUTOMOTIVE shall be Berne, Switzerland. PRO-X AUTOMOTIVE also has the right to legal recourse at the supplier's place of business. However, PRO-X AUTOMOTIVE also has the right to submit disputes to Arbitration to be finally settled by three (3) Arbitrators under the Rules of Arbitration of the International Chamber of Commerce (ICC), the seat of any arbitration being Zürich, Switzerland.

Muri, _____, _____,

PRO-X AUTOMOTIVE AG

Company Name: