

LISI AUTOMOTIVE

Logistics Agreement

for the supply of mechanical fasteners

1 / Object

This Agreement sets out the terms of the "logistics" commitments that the LISI Automotive group Companies (LISI Automotive SAS, LISI Automotive FORMER LISI Automotive RAPID and LISI Automotive NOMEL), hereinafter "the Supplier", implement regarding the products it manufactures. On this basis, these commitments may be completed by a logistics protocol. This document refers to the logistics agreement drawn up by the AFFIX (FIM) on the basis of professional practice in logistics for mechanical fastener products.

It has been drawn up as a complement to the LISI AUTOMOTIVE "General Terms and Conditions" (GTC) and the "Quality Agreement" which both refer to accepted practice in the profession as far as the supply and manufacturing of mechanical fasteners is concerned.

In view of the specificities of logistics, the terms of this Agreement shall apply even if the GTC apply only in part. The Logistics Agreement is an independent document which completes the GTC.

2 / Definitions

These definitions complete those of the GTC or the Quality Agreement.

- Provisional Programme: expression of needs under an open Order
- Confirmation: written confirmation of provisional Orders
- Firm Programme: expression of firm needs under an open Order
- Open Order: in accordance with the definition in Article 3.2 of the GTC, a Client which makes no firm commitment on quantities and delivery schedules, expresses its needs by issuing "calls for delivery"
- Closed Order: Order which firmly specifies the quantities, price and delivery time
- Logistics non-conformity: established difference from the agreed logistics arrangements
- Work-in-progress: volume of products awaiting delivery or in the course of manufacturing or treatment (stocks of finished, semi-finished Products), which depends on the size of the production batch and the manufacturing lead time (i); and quantity of raw materials specific to the product (ii) which are allocated to the execution of a Firm, Closed or Open Order and a Provisional Programme.

3 / Basis of the logistics commitment

The Supplier's logistics commitment is defined by its Offer including logistics conditions in line with its GTC, the Quality Agreement and this Logistics Agreement.

In view of the multiplicity of Clients' needs this Agreement will form, in all cases, the reference framework in terms of the Supplier's logistics commitments, including the transport conditions negotiated, in accordance with the Incoterms.

Any specific request or request for a concession under this Agreement relating to the logistics conditions or requests for documents or formalities concerning the products is subject to the express written agreement of the Supplier as the Agreement forms the basis of LISI Automotive's commitments.

The sole contractual documents shall be this Agreement and the documents to which it refers.

4 / Forms of Order transmission

Subject to prior approval by the Supplier, Orders must be transmitted by the Client by:

- EDI,
- E-mail
- Fax
- Letter.

The Client must ensure the Order has been received, even if it is a routine order, all the more if it is a special order. The acknowledgment of receipt of the Order sent by the Supplier confirms the terms of its fulfilment.

The forms of Order transmission may not on any account be imposed unilaterally or modified by the Client.

The making available of Orders on portals or any other tool from which the Supplier would have to collect its Orders may only be used on a case-by-case basis, and subject to certain conditions, in particular regarding security and compatibility between the Client and the Supplier's information systems, which would need to be negotiated in advance.

5 / Expression of needs

In addition to Article 3 of the GTC, it is specified that for certain products, the Supplier may, in particular, need to incur specific costs such as shorter production lead times, the launching of production runs requiring different batch sizes or the procurement of specific raw materials, sometimes in significant quantities and within specific timeframes, of which the Client is informed.

Such a supply and production chain, which generates Work-in-progress, requires that the Supplier make commitments to its own suppliers and any subcontractors. This upstream organisation and the level of Work-in-progress are based on the placing of regular Orders by Clients as well as on their Provisional Programmes.

As a result, the Client must comply with the terms agreed for the expression of its Orders and Provisional Programmes and their confirmation. The commercial negotiations take account of this requirement and the Client is liable for the cost of this Work-in-progress, in accordance with Article 3.6 of the GTC in particular.

5.1 - Provisional Programme and Confirmation

In addition to Article 3.2 of the GTC, it is specified that Provisional Order Programmes are received on a weekly basis by the Supplier and are expressed for a minimum period of three months.

Nevertheless, if the Supplier deems it possible, this timeframe may be reduced and will be the subject of a prior written agreement.

In any case, in the absence of Confirmation by the Client, it is expressly agreed that the Supplier has no obligation to issue reminders or warnings to the Client; consequently, the Supplier may not be held liable in any measure in this respect.

The first four weeks of the three-month Provisional Programmes are considered by the Supplier as commitments in the form of a Firm Programme, which is acknowledged and accepted by the Client.

Beyond this period of the Firm Programme, the Client may ask the Supplier to modify the volume of its Orders with a variation of +/- 20% to the said Provisional Programmes, or the postponing of the delivery dates provided for in this Programme. The Supplier accepts the extent of this variation in the interests of flexibility, except in the event of restrictions on capacity or a specific Contract, in which case the price of the Order will be adapted accordingly.

However, such extra Orders may be spread over time or subject to partial deliveries. If it is not possible to group such extra Orders with a scheduled delivery, and if the Client requires special transport, the costs will be payable by the latter whatever the Incoterm normally applicable.

No modification to the Provisional Programmes in excess of the above-mentioned limits of +/- 20% may be presumed to be accepted, even in the case of the automatic issuing by the Client of such a request unanswered by the Supplier. Such a deviation request, identified as such, must be presented specifically to the Supplier and its explicit agreement obtained.

The Client must ensure that the expression of its needs is in line with with the Supplier's production and delivery capacity and must, where appropriate, reserve the means of transport, in accordance with the Incoterm agreed.

In any case, the Client must take account in its Orders of the production lead time, which may be several weeks.

For these reasons, the Provisional Programmes must be confirmed by the Client and received by the Supplier at the latest one calendar week before the shipping date in the case of transmission by EDI, and two weeks before, for the other modes of Order transmission. The method of placing Orders is set out in the GTC.

5.2 - Minimum Order and end of life

Any modification, failure to execute or suspension of the Contract that does not allow the clearance of the Work-in-progress in particular, as set out in Article 5, in the conditions provided for by the Contract shall lead to a renegotiation of the initial economic conditions in order to compensate the Supplier.

Minimum Order

The minimum quantity of the Client's Order must correspond to the minimum delivery indicated in the Supplier's Offer rounded up to the packaging unit, unless a concession is granted for specific packaging.

In accordance with the GTC and the Quality Agreement, any modification to the Contract which may impact the logistics conditions, in particular the place of delivery, specific materials, etc. must be expressly accepted by the Supplier.

Size of the shipping batch

All Orders must comply with the batch size specified in the Order.

Reduction of needs and end of life

Any ending or significant reduction of the Orders must be the subject of a minimum period of notice, expressed explicitly in writing, of 3 calendar months. During this period of notice of termination of the Contract, the economics of the Contract and the volume of the Orders placed over the previous 12 months will be maintained. Work-in-progress will be paid for or consumed by the placing of specific Orders, and the Provisional Programmes must be met.

The decision to reduce the volume of the Orders or to end the life of the product by the Client must imperatively take into account and respect the Supplier's constraints as expressed in Article 5, and in particular, the Work-in-progress; all the consequences of deviations in this respect will be borne by the Client. The Client must therefore give the Supplier sufficient notice of its decision. Failing that, it shall compensate the Supplier for its loss and in particular the expenses incurred.

Termination of the needs: in the absence of any significant request on the part of the Client for two years, the Supplier shall be entitled to consider that the Open or Closed Order has come to an end, in accordance with Article 4.3 of the GTC.

6 / Packing, packaging

In addition to Article 5.2 of the GTC, it is noted that the type of packing is specified in the Offer.

All products are supplied in the Supplier's standard packing format: which is its packaging unit.

Packing meets the requirements of the environmental regulations applicable according to the destination of the products, subject to the Client having informed the Supplier in writing of such destination and any applicable regulations before the latter makes its Offer.

In the case of a call for delivery of heterogeneous products, the Client must order a sufficient quantity of products in packaging of the same dimensions to make up a homogenous pallet layer in order to ensure safe packing and transport.

7 / Labelling

The products are labelled in accordance with the standards in force on the date of issuing the Offer. Any request for different labelling must be the subject of the express agreement of the Supplier. Any non-conformity in this respect will be dealt with under the terms of Article 7 of the Quality Agreement.

8 / Delivery – Transport – Administrative formalities

Unless specified otherwise by the Supplier, the pallets are not stackable.

In addition to Article 7 of the GTC, it is specified that transport law, national or international, as well as the Incoterms apply to both parties, who may not waive the ensuing rights and obligations.

It is the responsibility of the Client to choose the mode of transport and the Incoterm that best suits its logistics organisation.

It results in particular from these principles, that in the case of ex works sales, the Products are transported at the Client's risk. In the event of damage or delayed delivery, it is responsible for ensuring that its transport provider assumes its liability by taking the appropriate measures within the timeframe prescribed by the law applicable to the type of transport in question.

Claims regarding transport Non conformities may only be made by the consignee.

The Supplier of the Products has no legal relationship with the carrier and may therefore not be held liable under any circumstances.

The conditions of delivery are set out in the Offer specifying the applicable Incoterms chosen by the Client.

If the Client is responsible for transport, it undertakes to ensure that its carrier has all the details enabling it to identify the Order to be collected (pick up sheet identifying the Products to be collected, the Client's and the consignee's details) and to provide the Supplier with a takeover receipt, and to comply with the internal rules applicable on the Supplier's site.

The Client must ensure that the vehicle and the administrative and customs situation of its carrier are compliant in every respect with the legislation of the States concerned by the transport, concerning in particular the condition and administrative situation of its vehicle and its personnel, its traffic licence and customs authorisations, etc. As a result, the Supplier may not be held liable under any circumstances for any delay or incident affecting the transport, the Supplier having no direct legal relationship with the Client's carrier.

The Supplier will provide the carrier with a delivery note and waybill, as well as the documents required by the Client for customs clearance, for which it remains responsible unless LISI Automotive accepts an Incoterm including this formality. In any case, the provider in charge of the Customs formalities acts as the joint representative of the Supplier and the Client.

LISI Automotive may not be held liable in the event of any administrative delay or incident affecting its shipment unless negligence is proved that is directly, exclusively and immediately connected to the Client's direct loss, which must also be proven, any compensation for indirect loss being excluded under the terms of Article 11 of the Supplier's GTC.

In the event of proven negligence, in the same conditions, on the part of the provider in charge of the Customs formalities, acting as the joint representative

of the Client and LISI Automotive, the Supplier's liability is conditional upon and limited by the liability of such provider.

9 / Time allowed for making available

Any concession regarding the time allowed for making the Products available as indicated on the Order acknowledgment must be the subject of the prior written agreement of the Supplier.

If the Products are made available on the Supplier's premises, after 24 calendar hours, the Client may be charged for immobilisation and storage costs.

10 / Safety Stock

On principle, the Supplier does not constitute Safety Stocks, unless expressly agreed by the Parties.

End of life: the arrangements concerning the management of remaining stock and Work-in-progress will be specified by agreement between the Parties.

To avoid any break in its supply chain which may lead to a production line stoppage, it is the responsibility of the Client to decide whether or not it is opportune for it to constitute an appropriate safety stock.

In this case, the Parties will negotiate the appropriate financial and logistics conditions.

11 / Storage conditions

The storage conditions will be in accordance with the terms of the Quality Agreement. Furthermore, the Client must manage its stock of products on a FIFO basis.

The Client must also comply with any requirements specific to the product, such as:

- conditions and maximum period of storage before use,
- conditions of handling and use by the Client

In principle, the Supplier does not have advance supplier stores or consignment stocks on the premises of Clients or of their transport or warehousing providers. Any concession in this respect is subject to the agreement of the Parties on the financial, legal, technical and logistics conditions that would be necessary.

12 / Costs and consequences of a Logistics Non-Conformity

The conditions of delivery, transport and receipt of the products are subject to Article 6 of the Quality Agreement and Article 7 of the GTC.

In addition to Article 8 of this Agreement, it is specified that in the case of Incoterms "Delivered", the Supplier is responsible for the transporting of its products by its carrier.

In the event of an accident, damage or delay during transport, the Supplier's liability is limited to that of the contractor/carrier substituted according to the Incoterms, subject to the consignee complying with transport law by formulating its reserves in particular, in the legal form and confirmed by registered letter

with AR within three days of delivery, with, moreover, notification of the Supplier (under French law).

Furthermore, for any established Logistics Non-Conformity, the Supplier's liability shall be limited exclusively to its direct and immediate consequences.

Under no circumstances will the Supplier be obliged to pay compensation for:

- administrative expenses, handling costs,
- the consequences of the Logistics Non conformities,
- Consequential loss or moral prejudice, such as in particular: operating losses, loss of profit, loss of opportunity, market injury, shortfall...

If compensation is agreed, the Supplier will be entitled to demand that the Client provide detailed proof of the amounts claimed.

Moreover, such compensation will be considered as payment in full discharge to the exclusion of any other remedy or compensation.

The Client shall refrain from any illicit practices involving automatic debit or credit notes, and from invoicing the Supplier for any amount for which the latter has not expressly acknowledged its liability.

Article 2 of the Supplier's General Terms and Conditions lays down the order of priority of the documents in the event of any difficulties of interpretation between this Agreement and the Supplier's General Terms and Conditions and the Quality Agreement.

1st January 2013