



FRAME PURCHASE AGREEMENT

BETWEEN

PKC WIRING SYSTEMS OY

AND

COMPANY NAME

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FRAME PURCHASE AGREEMENT

BETWEEN PKC Wiring Systems Oy, a Finnish corporation having its registered office at Vihikari 10, FI-90440 Kempele, Finland, Business ID 0849146-5 (hereinafter referred to as "PKC")

AND Company name, a Nationality corporation having its registered office at Address, Business ID/registration number number (hereinafter referred to as "Supplier").

Together referred to as "the Parties".

have made and entered into the following agreement ("Agreement")

1. DEFINITIONS

"Affiliated Company"

shall mean an entity, which now or hereafter is

- i) directly or indirectly owned or controlled by a Party;
- ii) directly or indirectly controlling such Party; or
- iii) under the same direct or indirect ownership or control as such Party.

For these purposes, entity shall be treated as being controlled by another if, and for as long as, that other entity has fifty percent (50 %) or more of votes in such entity, is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"Agreement" shall mean this Frame Purchase Agreement and all documents incorporated by reference herein as well as any appendices, amendment or addenda that may subsequently be agreed upon in writing between the Parties.

"Appendix" shall mean a document that the Parties will, by mutual agreement, sign and attach to this Agreement on the Effective Date or at any time during the term of this Agreement. All Appendices shall be subject to the terms and conditions of this Agreement.

"Delivery Date"

shall mean the date on which Supplier shall have successfully completed the delivery of all the Parts, which meet all of the requirements set forth under this Agreement, as ordered under the Purchase Order.

According to PKC's preferred delivery terms the delivery is completed:

(i) FCA:

- if the named place is the Supplier's premises, when the goods have been loaded on the means of transport provided by the carrier nominated by PKC.
- If the named place is anywhere other than Supplier's premises, when the Parts are placed at the disposal of the carrier nominated by PKC.

(ii) DAP:

- when the Supplier has placed the Parts at the disposal of PKC on any means of transport not unloaded at the named place of destination on the date agreed for delivery.

In PKC's Purchase Orders the delivery date by default means the date when the parts are to be shipped from supplier, regardless of the agreed term of delivery. It should be noted that PKC is able to monitor the shipment date from the Supplier and the date of completed delivery to PKC's premises. Therefore, in case of DAP, it must be agreed between the parties if delivery date in PKC's Purchase Orders shall express shipping date from Suppliers premises or arrival date in PKC's premises. See further information on delivery dates in the Delivery Manual.

"Delivery Manual"

shall mean a separate manual defining the basic requirements and instructions set by PKC with regard to deliveries to PKC Group e.g. purchasing and general delivery

matters, packing and labelling, invoicing, quality and the environment etc.

“Delivery Plan”

shall mean a schedule provided by PKC laying out timetable for future deliveries. Delivery Plan consists of binding Purchase Order and non-binding Forecast.

“EDI”

shall mean Electronic Data Interchange between the Parties, which the Parties may use for the purposes of sending Delivery Plans and/or invoices.

“Effective Date”

shall mean the last date of signature of this Agreement.

“Engineering change”

shall mean any change in Part specifications.

“Intellectual Property Rights”

shall mean any patent(s), petty patent(s), utility model(s), design patent(s), design(s), chip topography right(s), copyright(s), trademark(s), trade name(s), trade dress(es), trade secret(s), invention(s), and/or any other industrial and/or intellectual property right(s), and applications therefore (whether or not registered).

“Lead Time”

shall mean the time period, which is mutually agreed in writing by the Parties from the date of issuing a Purchase Order to the date when the Parts are to be shipped from the Supplier, regardless of the agreed term of delivery, unless agreed otherwise.

“Forecast”

shall mean line in the Delivery Plan, which does not contain Purchase Order Number and is specifically marked as forecast.

“Part(s)”

shall mean the mutually agreed object of the sale and purchase hereunder, which PKC may buy by issuing a Purchase Order to Supplier.

“Party, Parties”

shall individually mean either of the parties and in plural both PKC and Supplier

“PKC”

shall mean PKC Group Oyj including its Affiliated Companies. The abbreviation “PKC Group” as well as terms “Buyer” and “Purchaser” may also be used to identify PKC in numerous documents attached or referred to in this Agreement and in the daily correspondence and communication between the Parties.

“PKC Group Supplier Requirements”

shall mean a separate document defining the main requirements for a Supplier to get qualified to supply to PKC Group.

“PPAP”

shall mean the Production Part Approval process defined in the Delivery Manual.

“Price”

shall mean the Price of each separate Part.

“Price List”

shall mean a document defining Parts covered by this agreement. Price List may be amended if mutually agreed by the Parties.

“Purchase Order”

shall mean either an individual purchase order or a purchase order submitted by PKC to Supplier as part of a Delivery Plan, in which case it shall mean a line, which contains Purchase Order Number.

“Specification”

shall mean the design, technical, material, dimensional and performance requirements of a Part, agreed upon by PKC and Supplier in writing, to which all of the Parts must strictly conform to in order for the delivery of such Parts to be successfully completed. Specified in annex 1 as contractual object.

“Supplier”

shall mean Supplier, including its Affiliated Companies.

2. THE PURPOSE OF THIS AGREEMENT

Supplier wishes to sell to PKC and PKC wishes to purchase from Supplier, in accordance with the terms and conditions hereof, certain Parts for which PKC may elect to place Purchase Orders from time to time and which are manufactured and/or marketed by Supplier in accordance with the agreed Specifications.

The purpose of this Agreement is to agree upon the terms and conditions, which are to be applied in all sale and purchase of Parts between the Parties.

It is agreed and understood that each of the Parties is operating, and will continue to operate, for its own account and nothing in this Agreement is intended or shall be construed to authorise either Party to create or assume any liability or indebtedness of any kind in the name of, or on behalf of the other Party, or to act for or be responsible for the performance of the other Party in any manner whatsoever.

The Parties further agree that this Agreement does not create a sole supplier status for the Supplier with regard to the Parts.

Supplier agrees that any Affiliated Company of PKC shall be entitled to independently order, from Supplier and its Affiliated Companies, in their own name and for their own account under the terms and conditions of this Agreement.

3. PARTS

3.1. Definition of Parts – contractual object

Part(s) shall mean the mutually agreed object of the sale and purchase hereunder, which PKC may buy by issuing a Purchase Order to Supplier.

Parts may be either

- a) Supplier's standard Parts, which Supplier manufactures and/or sells to several customers without making any customer-specific changes and/or modifications to them, or
- b) PKC-specific Parts, which are manufactured or modified on the basis of technology, information, design, drawings or Specifications paid for, owned or provided by or on behalf of PKC or its customer, or manufactured with PKC or customer tooling or duplications of such tooling and/or contain PKC's or its customer's Intellectual Property Rights or other special characteristics. Supplier shall not directly or indirectly supply PKC-specific Parts or goods similar to PKC-specific Parts to any third party without PKC's prior written approval.

The Parts purchased and sold hereunder are defined in Part specification/Price List, in the PKC's requests for quotation, or otherwise.

PKC may unilaterally delete any item from the definition of Parts i.e. discontinue to order a Part. Under no circumstances, shall discontinuance of orders or removal of the Parts from serial production relieve Supplier from complying with all the contractual obligations with respect to Parts already ordered and/or delivered.

Supplier shall use its best efforts to comply with PKC's request for modified or new Parts. Engineering Changes shall be subject to mutual agreement. The consequences, especially with respect to prices, lead times and delivery dates, are to be resolved in an appropriate and mutually agreeable manner. Before a new or modified Part is added to serial production, an initial sample –procedure and/or PPAP procedure may be needed as defined in the Delivery Manual.

Supplier takes full responsibility for product quality, including but not limited to quality control and inspection, and guarantees that Parts delivered under this Agreement always meet the latest specifications. Supplier shall permanently control the quality of the Parts delivered. The contracting parties shall inform each other of the possibilities of improving the quality of the Parts. Supplier agrees to immediately inform PKC of any discrepancies with the quality requirements and to use its best efforts to correct any

discrepancies immediately.

3.2. Availability of Parts after serial production

Supplier guarantees the availability of the Part(s) during the term of this Agreement as long as the Parts are in serial production for PKC and for fifteen (15) years thereafter with the price, which shall not deviate from the serial production price without due reasons.

If the Supplier, at any time after serial production, discontinues the manufacture of a Part, Supplier agrees to give PKC twelve (12) months prior written notice. Supplier agrees to fill PKC's separate "end-of-life" Purchase Orders before any discontinuation. Such Part(s) shall be delivered in one delivery or several partial deliveries in accordance with PKC's instructions and within twelve (12) months from the end-of-life order date.

In case of earlier termination of this agreement for whatever reason Supplier agrees to fill PKC's separate "end-of-life" Purchase Order as described above.

4. PRICES AND PAYMENT TERM

4.1. Prices

The prices, the validity period for such prices, and the discounts for the Parts are provided in Price List or in the separate Quotations for Parts requested and accepted by PKC.

If there is a downward trend in the raw material or components prices, labour costs etc., or if PKC exceeds the estimated purchase volumes, then PKC reserves the right to renegotiate the prices accordingly.

All changes in prices shall become effective upon written agreement.

Unless otherwise expressly agreed, all prices are gross amounts but exclusive of any value added tax (VAT) or other corresponding tax to be added on sales price, which taxes shall be added to the invoiced prices.

Unless otherwise expressly agreed, all Prices shall be stated in Euros.

Supplier shall upon request submit a cost breakdown for the Parts or apply open book pricing.

4.2. Payment terms

The payment term is ninety (90) from the date of the invoice unless otherwise agreed in the Price List.

The information required to be stated on each invoice is defined in the Delivery Manual.

PKC's obligation to pay such invoice is conditional on the following:

- (a) Supplier has delivered, in accordance with this Agreement, the full quantities of the Parts requested in the respective Order (and reflected in Supplier's invoice);
- (b) the delivered Parts strictly conform to the Specifications and the Quality Standards.

PKC is entitled to withhold payment in respect of a delivery of the Parts, which delivery is not fulfilled in accordance with the requirements set forth above, until the delivery is completed. Notwithstanding the above, if partial delivery is accepted in writing by PKC, then Supplier shall be entitled to invoice PKC accordingly. PKC may deduct any amounts the Supplier is liable for paying to PKC from any amounts owed to Supplier.

In case of late payment the Article 4.1 of the Finnish Law on Interest (Korkolaki) shall apply.

5. ORDERING

5.1. Order methods

PKC has three methods to order parts: initial sample orders, spot orders and delivery plans. Purchase orders may be submitted by e-mail, EDI or in any other equivalent manner.

Before placing any actual orders in any manner whatsoever, PKC may place a Request for Quotation. The Suppliers offers/quotations and any subsequent required confirmations must always conform to the request for quotation/order and include the following:

- a) A list of the Products in detail (e.g. quantity, specification etc.)
- b) Unit price of Products and possible discounts.
- c) Delivery or arrival date (depending on what has been agreed between the parties),
- d) Any other matters PKC mentioned in the offer request/order

In case Supplier's offer, confirmation or other communication contain terms and conditions, which are in discrepancy with, or attempt to amend, or change in any way this Agreement, such terms and conditions shall be regarded as null and void.

The Parties agree that nothing contained in this Agreement or otherwise shall mean that PKC has any obligation to place Orders or have any minimum purchase commitments under or in relation to this Agreement.

5.2. Initial sample order

Initial sample order is spot order used when materials are ordered for the first time or some other special reason, e.g. PCN (Part Change Notification). PPAP documentation must be delivered with the samples.

5.3. Spot orders

An individual order is an order, which doesn't contain any forecasts.

After receiving initial sample or spot order, Supplier shall send an order confirmation to PKC. The order confirmation must include the following:

- a) A list of the products in detail (e.g. PKC part number, quantity, specification etc.);
- b) Unit price of products and possible discounts;
- c) Delivery or arrival date (depending on what has been agreed between the parties);
- d) Any other matters PKC mentioned in the order.

It is Supplier's duty to inform PKC well in advance about possible problems that might affect Supplier's capacity and ability to fulfil the delivery.

5.4. Delivery Plan

Delivery Plan is a delivery schedule, that consists of two parts:

1. Open Purchase Order(s) if existing at the time; and
2. Forecast(s) if existing at the time.

Purchase Order is the line in the Delivery Plan, which contains a Purchase Order Number. Purchase Order is binding to Supplier and indicates the amount of parts the Subcontractor can and is obligated to manufacture in order to be able to fulfil delivery obligations on time. All the other lines in the Delivery Plan, and marked accordingly, are Forecasts. The Parties hereto acknowledge, that the forecast purchase volumes

set out in Delivery Plan, or other estimates or forecasts provided by PKC to Supplier, are regarded as estimates only based on the best assumptions of PKC and they are provided for Supplier's planning purposes. Purchase estimates shall not be regarded as binding purchase orders under any circumstances. PKC shall be under no obligation to purchase any specific quantity of the Parts from Supplier, unless otherwise expressly agreed in writing. Any actions taken by Supplier based on such forecasts shall be taken at Supplier's risk.

Unless otherwise agreed, no confirmation of receipt of Delivery Schedule nor Order confirmation is needed from Supplier. Supplier shall not have the right to refuse to supply the Parts ordered by PKC in accordance with the purchase volumes indicated in PKC's estimates, and Supplier shall use reasonable efforts to meet any quantities exceeding such estimates. If the Supplier has any other objection or notes to the content of a Delivery Plan such should be given without undue delay, but no later than two (2) working days after receipt of Delivery Plan.

5.5. Lead times and rescheduling and cancellation rights in delivery plan orders

Unless otherwise agreed, the Lead Time is five (5) working days.

Parties are aware that the actual need for the Parts is driven by the requirements of PKC's customers and that both Parties must adopt a flexible approach in order to adjust to such requirements. Rapid exchange of information, high attention to exchanged information and a high flexibility are prerequisites for the collaboration between the Parties under this Agreement.

In case parties have agreed upon a longer Lead Time than defined above, PKC shall have the right, free of charge and without any liability to Supplier, by written notice at a minimum of three (3) days prior to the intended Delivery Date, to reschedule Purchase Order for its convenience upon a written notice thereof to Seller. Possible cancellations are subject to mutual agreement.

6. DELIVERY

6.1. Terms of delivery

The term of delivery is DAP PKC's premises (Incoterms 2020) unless otherwise agreed.

In case the agreed delivery term is DAP, the Supplier shall inform PKC of the standard delivery/transportation time in which the Supplier commits to deliver the Parts to PKC.

Title to the Parts shall pass upon delivery.

Supplier agrees to comply with delivery instructions set by PKC in the Delivery Manual.

Supplier shall notify PKC of any export control restrictions that may apply to the Parts. Supplier further agrees to provide PKC, upon request, with all information necessary to accurately classify the Parts under any applicable export regulations.

Partial deliveries are not allowed, unless expressly accepted by PKC on a case-by-case basis prior to the respective delivery.

Supplier shall inform PKC well in advance about problems that might affect Supplier's capacity to fulfil its delivery obligations.

6.2. Time of delivery

Time of delivery / Delivery Date is defined in the Purchase order.

Supplier understands that prompt delivery at agreed delivery time is of the essence for this Agreement and that each Purchase Order should be strictly respected, which means that, unless other delivery procedures are agreed upon, the Part(s) has to be shipped and the delivery completed on the specified date(s) (not earlier or later).

Agreed delivery dates and time limits are binding. Compliance with such dates or time limits shall be determined by the time, when the risk of loss or damage to the Parts passes to PKC according to the agreed term of delivery. Parts are considered having been delivered when they have arrived at the agreed time according to the terms of delivery, and the delivered Parts are flawless, and of the quality, quantity, other capacity and packaging, as agreed.

Any changes to the Delivery Dates are subject to the prior written approval of PKC.

6.3. Delayed delivery

Supplier is obligated to inform PKC immediately as soon as Supplier becomes or should have become aware of a delay i.e. that Supplier is unable to deliver Parts for which the Purchase Order has been issued at the agreed time or in the agreed quality, quantity, other capacity and packaging.

In order to avoid any delay in delivery and/or to minimise the effect of any delay, Supplier shall use best efforts and take every necessary action at its own cost, including but not limited to, extra work, over-time and expedited freight. Also, in case the delivery is delayed due to defects in delivered parts, such defects shall be repaired, or defective part replaced in accordance with the procedures described in Warranty Article and delay shall be considered to last until such defect has been repaired or replaced.

Supplier shall be liable for any and all costs and damages incurred to PKC due to Supplier's delay, including, but not be limited to, extra work, over-time and expedited deliveries carried out by PKC as well as any and all costs and damages due to which PKC becomes liable towards its customer due to Supplier's delay.

PKC may at its discretion apply liquidated damages calculated on the basis of the price of the delayed Parts at the rate of three percent 5% (five percent) per commencing week up to a maximum of twenty-one percent 21% (twenty one percent) of the price of the delayed Parts until the Parts have been delivered in agreed quantity and quality, or repaired or replaced as defined in the Warranty Article, or until PKC exercises the right to cancel the delivery of the parts in question. PKC may show evidence to Supplier in respect of having suffered actual damage as a result of the delay in delivery in order to claim the liquidated damages. The liquidated damages shall not exclude PKC's right to compensation for incurred costs as well as direct and indirect damages if they exceed the aggregate of the liquidated damages paid by Supplier to PKC. Liquidated damages set forth the Supplier's minimum liability and are in addition to other remedies whether they are defined in Agreement or applicable law.

PKC shall be entitled to issue an invoice to Supplier for payment of costs, damages, and liquidated damages or to deduct any such amounts from any outstanding invoice of Supplier under this Agreement. Supplier shall be obligated, upon request by PKC, to provide PKC with a credit note accordingly, and/or PKC may issue a debit note.

PKC shall have the right, at any time after a delay becomes obvious, to terminate the respective Purchase Order or delayed part thereof and purchase the respective Parts from a third party. Should PKC exercise this right, the Supplier shall, in addition to its other liabilities for delays, be liable to compensate PKC for the part of the purchase price that exceed the purchase price of the respective Parts under this Agreement.

6.4. Delivery of defective goods

6.4.1 PKC shall be entitled to reject deliveries which are not in conformity with the order and to assert claims for damages. PKC reserves the right to return quantities which have not been ordered and deliveries of quantities which are in excess of the ordered quantity at the expense and risk of the Supplier.

6.4.2 In case of delivery of defective goods at the named place of delivery, unless otherwise agreed, PKC may require the following:

a) Before the start of production (processing or installation) at PKC, PKC shall, at its discretion, give the Supplier the opportunity to rectify the defect, or to make a subsequent (replacement) delivery, unless this is unacceptable for PKC. Should the rectification of defects or the replacement of the contractual objects by the Supplier not be acceptable to PKC – in particular for production or process-related reasons – or should this be impossible for the Supplier, PKC shall be entitled to rectify the defect itself or have the defect remedied by third party. This shall apply in particular if PKC cannot reach the Supplier immediately after detection of the defect and/or if the Supplier is unable to rectify the defect immediately and the waiting time is unacceptable to PKC (e.g. imminent line stoppage for the end customer). The Supplier shall bear any resulting costs.

Alternatively, PKC shall be entitled to withdraw from the purchase of the defective contractual objects without further notice and return the defective contractual objects to the Supplier at the Supplier's expense and risk of the Supplier. Should the same contractual objects be defective in repeated deliveries, PKC shall be entitled to withdraw from the unfulfilled scope of supply after a further defective delivery following a written warning.

b) If the fault cannot be determined until after the start of production at PKC, PKC shall be entitled,

- to demand the costs of subsequent performance, as well as the reimbursement of the required subsequent performance transport costs, removal and installation costs (labor costs, material costs, etc.), as well as processing costs,

- reduce the purchase price.

If subsequent performance is chosen, this shall be limited to subsequent delivery.

c) If the defect is ascertained only before or after the start of production at the end customer's premises, PKC shall be entitled to the same rights and obligations as in Section 6.4.2, clause b) of the Frame Purchase Agreement, with the following characteristics: insofar as a rectification is possible, PKC shall, with the consent of the customer, endeavour to give the Supplier the opportunity to rectify the defect at the customer's premises. Should the Supplier be unable to do this because rectification of the defect by the Supplier is not actually possible, or should the Supplier be unable to do this without delay, or should the customer not agree to a rectification of the defect, the Supplier shall, in the case of a warranty claim, bear the costs which arise for PKC for replacement work or for other work at the customer's premises, resulting from the immediate and thorough repair or replacement of the defective contractual object (such as installation costs, traveling expenses, administrative costs, etc.). The rates charged by the customer to PKC will be reimbursed additionally to Supplier.

d) PKC shall set a reasonable time period for subsequent performance, to the extent that the circumstances allow. The setting of a time period shall be dispensable in particular if the Supplier seriously and definitively refuses the performance or if special circumstances exist which, considering mutual interests, justify the immediate enforcement of other rights such as withdrawal, reduction, compensation for damages or the replacement of fruitless expenditures. In these cases, in particular in the case of deadline dispensability because of special urgency (e.g. imminent line stoppage at the customer's premises), PKC may itself reject items or rectify defects or have the defects rectified by a third party. The Supplier shall bear the costs which arise in this respect.

e) In case of a culpable breach of duty which goes beyond the delivery of defective contractual objects (e.g. in case of an obligation to inform, advise or examine), PKC may demand the reimbursement of the resulting consequential damage as well as of the consequential damage reimbursed by PKC to its customer in accordance with the law. Consequential damage is damage that PKC has suffered to other legally protected rights pertaining to the contractual objects as a result of the delivery of defective contractual objects.

6.4.3 Claims by PKC against Suppliers resulting from liability for defects shall lapse in

accordance with the agreed extended limitation periods of the respective PKC customer pursuant to the Delivery Manual complaints management, as well as upon the expiration of 36 months since initial vehicle registration or the installation of spare parts or from the sale of the finished product at the dealer's premises (industrial sector). For services provided within the context of the warranty for supplies and services, the contractual limitation period for defect-related claims shall begin again. The Supplier declares that it is prepared to negotiate with PKC regarding adjustments of limitation periods in the event that customers of PKC demand longer limitation periods.

6.4.4. Should PKC receive defective contractual objects from the customer for the purpose of investigating the cause (field defective parts), PKC shall make the defective parts received from the customer available to the Supplier for diagnosis at PKC premises, or, by agreement, at the Supplier's premises. The Supplier shall examine the defective parts or shall decide upon further diagnosis in consultation with PKC. Should the Supplier not convey the results of the investigation to PKC within 10 working days (if not stated otherwise), the Supplier acknowledges its responsibility for the defectiveness of the defective parts.

In individual cases, the parties may also agree to perform joint causal research. The parties shall in this case define the responsibilities based on the joint causal research, inform the end customer of the result and divide the costs according to the costs-by-cause principle. The parties shall immediately seek to coordinate mutually the measures to be taken, in particular in settlement negotiations. If the Supplier alone is responsible for the cause, PKC may require full reimbursement of the cost calculated in the course of end customer field failures (in particular based on standard agreements with the end customer regarding recognition rates or load factors).

6.4.5. Claims based on defects shall not arise if the fault results from the violation of operating, maintenance and installation instructions, inappropriate or improper use, incorrect or negligent handling and natural wear and tear, as well as in case of interventions on the delivery item performed by PKC or third parties.

6.4.6. In case of defective deliveries, claims by PKC under product liability laws, unlawful acts and actions performed without due authority of above-mentioned terms remain unaffected.

6.4.7. Legal regulations shall apply in addition to the applicable documents.

6.5. Incoming Inspection

PKC shall have the right to perform full or statistical inspection of the Parts prior to or after delivery. PKC shall have no obligation to make any incoming or any other inspection and whether PKC makes or does not make any inspection, this shall not relieve Supplier of its obligations. In case PKC must maintain incoming inspection activities as a result of the Supplier's inability to deliver only Parts that strictly conform to the specifications and Quality Requirements, then the Supplier shall compensate the cost of such incoming inspections to PKC.

7. SUPPLIER REQUIREMENTS

7.1. Compliance with Delivery Manual and PKC Group Supplier Requirements

Supplier shall comply with the requirements and instructions set out in the latest version of Delivery Manual and PKC Group Supplier Requirements, of which Supplier has received a copy. Supplier shall also comply with the acknowledged standards of engineering, the safety regulations and the agreed technical data. Supplier represents and warrants that Supplier shall in the manufacturing of the Parts diligently follow all applicable laws, statutes and regulations.

PKC reserves the right to evaluate all of its subcontractors as described in the said

documents. PKC and/or PKC's customers shall have the right to make inspections at Supplier's premises in order to confirm Supplier's compliance with the requirements. Neither the inspection, review, nor approval by PKC of Supplier's facilities, processes, systems, and materials shall affect Supplier's responsibilities under this Agreement.

7.2. Environmental and Quality requirements

Quality and environmental requirements have been defined in the Delivery Manual and PKC Group Supplier Requirements.

7.3 The following terms and conditions also apply to the Supplier

- Non-disclosure agreement
- European Motherson TCs of Purchase_V1;

Contractual-object-specific appendices or other attached appendices shall be adapted in the course of necessary improvements and shall, in the amended version, form an integral part of the Agreement. The principle of specialty, according to which a special regulation shall in each case take precedence over a general regulation, shall apply. In the event of conflicting regulations between the appendices annexed to the agreement and the Frame Purchase Agreement, the Frame Purchase Agreement shall take precedence.

8. WARRANTY

8.1. Warranties and warranty period

The Supplier warrants and shall bear full responsibility that the contractual objects supplied by the Supplier are free from material defects and legal defects, i.e. in particular the contractually agreed condition and quality, including the defined product-related specification. The Supplier shall be responsible for the quality of the material used, proper design and execution and the proper functioning of the contractual objects. The Supplier guarantees that the delivered contractual objects comply with the most recent submitted version specified in the drawings, specifications and the values and data specified in Annex 1.

Supplier hereby gives a warranty for each Part delivered under this Agreement for a period of thirty-six (36) months from the delivery of the respective Part ("Warranty Period"). The warranty provided hereunder shall include that each Part supplied shall:

- a) Be new, unused and in good working order; and
- b) Be free from all defects (including without limitation, defects in design, materials and/or workmanship); and
- c) Be of the highest quality and fit for the purpose for which they are intended and specified; and
- d) Strictly conform to quality and other requirements stated in specifications of the contractual objects.

Supplier shall not be responsible for defects that a) are due to mandatory design information or technical specifications specified solely by PKC in written requirements received from PKC, if only in the case that the supplier informed PKC accordingly about the defect of the design information or technical specifications, b) normal wear and tear, c) inadequate maintenance, d) incorrect installation, e) unauthorised alteration or correction, or f) uninstructed use.

Any breach of non-conformance with warranty or deviation from the warranty shall be referred as "Defect" in this Agreement. Warranty includes defects, which appear during the warranty period and of which PKC informs Supplier at the latest one month after the warranty period has expired, even if the defects appear after the respective Parts have been sold further and integrated to another product.

In addition to the warranty above, the Supplier shall be obligated to repair, replace and remedy any systematic defects of the Parts during a period of five (5) years from the end of the warranty period. A systematic defect is a defect that appears in more than five per cent (5%) of the respective Parts or Parts from delivery batch.

Parts repaired or replaced by Supplier shall be given a new warranty period as set out in this article.

8.2. Warranty procedures

PKC shall notify Supplier of the Defects by sending Supplier a Nonconformity Report as described in the Delivery Manual.

PKC shall have the right, at its sole discretion, to require Supplier to repair or replace parts, or to repair the Parts by itself, or to have them repaired by a third party, or to allow its customer to repair the Parts at Supplier's cost.

In case PKC has chosen that Supplier shall repair or replace the defective Parts the Supplier's response shall include a detailed outline of the necessary corrective actions that Supplier undertakes to perform in order to remedy the Defect without delay. If Supplier is not able to present a corrective action plan that both Parties can accept or fails to perform the corrective actions without delay, then PKC or a third party approved by PKC may take the necessary corrective actions at the Supplier's cost.

Moreover, the Supplier shall, at its own cost and without delay, undertake any and all necessary corrective action(s) (including but not limited to redesigning the Parts and/or to replacing in the field (retrofit) all Parts of that particular delivery with new ones) to ensure that the Parts are made to conform to all the terms of this Agreement and that such Defects do not reappear in the Parts.

Supplier shall be liable for reimbursing all costs and losses suffered by PKC (including but not limited to inspection, sorting and handling costs, material, freight and labour) due to a defect, as well as any administrative charges e.g. for nonconformity report and other related costs.

8.3. Recall and field operations

Supplier agrees at its own cost to arrange and/or participate in the process where PKC or its customer decides on a recall or field operation and such is due to the Supplier's fault and/or to compensate any and all costs incurred to PKC due to such operation.

Such process includes but is not limited to:

- 1) That the Supplier upon request shall provide a technical solution for the Parts, which have caused the recall or field operation.
- 2) The establishment of a process in co-operation with PKC and/or PKC's customer
 - for correction and/or replacement of Parts, including disassembly and reassembly of final products and the distribution of conforming replacement Parts to all points where these Parts are required.
 - to correct or replace all the existing stock of Parts concerned whether waiting assembly, assembled in final products or spare parts, for instance located at production plants (storage and assemblies in process), warehouses and distribution networks.

9. PRODUCT LIABILITY

9.1 The Supplier shall be liable to PKC for damages in accordance with the arrangements agreed in the Frame Purchase Agreement and in the second degree in the relevant documents; the statutory regulations shall also apply.

9.2 Unless other liability regulations are provided for elsewhere in these terms and conditions, the Supplier shall, in particular, be obligated to pay compensation for damage to PKC, directly or indirectly, as a result of a defective delivery, violation of

official safety regulations, or for any other legal reasons attributable to the Supplier, as follows:

- a) In principle, liability for damages shall only apply if the Supplier is responsible for damage caused by the Supplier.
- b) Should claims be made against PKC owing to strict liability towards third parties under non-modifiable law, the Supplier shall join PKC to the extent that the Supplier is also directly liable. This shall also apply in case of a direct claim of the Supplier.
- c) The Supplier shall, to the extent required by law, be liable for damage prevention measures (e.g. recall/product liability) taken by PKC. Should product liability claims be made against PKC by a third party, PKC shall immediately inform the Supplier of this and shall fend off these claims in consultation with the Supplier.

9.3 Supplier shall indemnify PKC against and hold PKC harmless from any and all claims, suits, actions, demands and proceedings and any and all damages, losses, costs, expenses and liabilities (including but not limited to (a) all expenses, fines, penalties and damages paid by PKC and/or claimed by any customer of PKC or final user of Product(s), including those related to voluntary or involuntary recall of any Product(s) and (b) attorneys' fees and costs) related to and/or arising from

- a) product liability, product safety, personal injury and/or death; and/or
- b) loss off or damage to any property; and/or
- c) any other product related liability

provided that and as follows:

- (1) If a third-party lodges claims for damage against PKC, the Supplier shall be notified thereof without undue delay;
- (2) Supplier shall use counsel reasonably satisfactory to PKC to defend indemnification claims. If PKC reasonably determines that any Claim or any proposed Claim settlement might adversely affect any PKC's indemnities, PKC may take control of the investigation, defence and/or settlement of the Claim at Supplier's risk and expense. If PKC elects to do so, PKC and its attorneys shall proceed diligently and in good faith.
- (3) If there is a risk of a Product, to which Part is integrated, causing personal injury or property damage due to a Part being defective, such that PKC or its customer decides on a recall or field operation, the Supplier shall at its own cost to arrange and/or participate in the process as defined in the Warranty Article.

The above-stated shall not apply to the extent that the Supplier has manufactured the Parts according to mandatory specifications specified solely by and provided by PKC and which specifications or written requirements cannot reasonably be implemented without causing the damage. To the extent that the Supplier is not liable pursuant to this provision, PKC shall hold supplier free and harmless of all claims brought by third parties.

Supplier shall maintain in force and upon request give evidence of adequate insurance covering its potential liability under this Article, including but not limited to Product Liability Insurance covering the Parts delivered under this Agreement, but in no case shall such insurance restrict or modify Supplier's liability.

10. INTELLECTUAL PROPERTY RIGHTS

10.1.Ownership

Ownership of the copyright of any and all Intellectual Property Rights contained in drawings, specifications, manuals, documents, data, software and other material provided by one Party hereto to the other under this Agreement and/or incorporated or used in the design or function of any Part shall remain with the Party first referred to above, but the receiving Party shall be deemed to have the right to use such for the performance of the Agreement hereunder, which in the case of PKC includes all rights pertaining to manufacture of other products to which Parts are being incorporated, as well as use, sale, and distribution of the Parts as part of other products or individually

as spare parts.

The Parties hereby agree, that in case the Specifications are provided by PKC based on design which is proprietary to PKC, in whole or in part, then Supplier shall not have any right to manufacture and/or sell or license the Parts to third Parties or otherwise utilize PKC's design or other technical information provided by PKC without the prior written consent of PKC.

At the request of PKC the Supplier shall inform PKC about the use of any published or unpublished intellectual property rights relating to the Parts to be delivered regardless whether they are owned by him or licensed to him including also any rights pending.

The Parties hereby acknowledges that the Intellectual Property Rights which is provided by a Party to the other Party hereunder is such Party's trade secret and confidential information pursuant to the Article 11.

10.2. Indemnification

Supplier represents and warrants that:

- (i) the Parts do not infringe any patent, trademark, copyright or design or any other intellectual property right of any third party;
- (ii) the Parts are delivered free from any lien, security or interest and title when conveyed to PKC is good and valid and the transfer rightful, and
- (iii) Supplier is not subject to any restriction, agreement, contract, commitment, law or judgement/order which would prohibit or be breached or violated by Supplier's execution, delivery and performance of this Agreement and its obligations hereunder.

Supplier agrees to indemnify PKC against and hold PKC harmless from any and all claims, suits, actions, demands and proceedings and any and all damages, losses, costs, expenses and liabilities (including but not limited to (a) all expenses, fines, penalties and damages paid by PKC and/or claimed by any customer of PKC or final user of Product(s), including those related to voluntary or involuntary recall of any Product(s) and (b) attorneys' fees and costs) related to and/or arising from alleged and/or actual infringement of any intellectual property rights, provided that and as follows:

- (1) PKC informs Supplier in writing of any such claim, demand, proceedings, or suit without undue delay, and
- (2) Supplier shall use counsel reasonably satisfactory to PKC to defend indemnification claims. If PKC reasonably determines that any Claim or any proposed Claim settlement might adversely affect any PKC's indemnities, PKC may take control of the investigation, defence and/or settlement of the Claim at Supplier's risk and expense. If PKC elects to do so, PKC and its attorneys shall proceed diligently and in good faith.

If a claim, demand, suit or proceedings alleging infringement is brought or Supplier believes one may be brought, Supplier shall have the option, at its expense, to

- (1) modify the Parts to avoid the allegation of infringement, while at the same time maintaining compliance of the Parts with the requirements set forth under this Agreement, or
- (2) obtain for PKC, at no cost to PKC, a license to continue using and exploiting the Part in accordance with this Agreement free of any liability or restriction.

The above-stated shall not apply to the extent that the Supplier has manufactured the Parts according to mandatory specifications specified solely by and provided by PKC and if, at the same time, the Supplier does not know that intellectual property rights were infringed. To the extent that the Supplier is not liable pursuant to this provision, PKC shall hold him free and harmless of all claims brought by third parties.

The contracting parties commit themselves to inform each other forthwith on all risks of violation or alleged violations and to give each other the opportunity to jointly oppose such claims.

11. CONFIDENTIALITY

Each Party ("Receiving Party") shall not disclose to third Parties nor use for any purpose other than for the proper fulfilment of this Agreement any technical or commercial information ("Information") received from the other Party ("Disclosing Party") in whatever form under or in connection with this Agreement without the prior written permission of the Disclosing Party except information which

- a) is in the public domain at the time of disclosure or later becomes part of the public domain through no fault of the Receiving Party; or
- b) was known to the Receiving Party prior to disclosure by the Disclosing Party as proven by the written records of the Receiving Party; or
- c) is disclosed to the Receiving Party by a third party who did not obtain such Information, directly or indirectly, from the Disclosing Party; or
- d) was independently developed (by personnel having no access to the Information) by the Receiving Party.

The Receiving Party may disclose Confidential Information received hereunder to those of its employees and subcontractors who have a need to access the Confidential Information to further the purposes of this agreement, and who are bound to protect the received Confidential Information from unauthorized use and disclosure under confidentiality obligation similar to the one stated herein.

The Confidential Information received hereunder shall not be used for any purpose other than the above-mentioned Purpose without the prior written permission of the Disclosing Party.

The Supplier recognizes that PKC is part of an organization of multiple legal entities in several jurisdictions and that it may be necessary for PKC to provide Confidential Information to its Affiliates. For this purpose, Parties agree (both as the Disclosing Party and as the Receiving Party hereunder) that:

- a) PKC may disclose Information to its affiliated companies but only to the extent that such affiliated company has a need to know for carrying out the Purpose; and
- b) Disclosure by or to an affiliated company of PKC shall be deemed to be a disclosure by or to PKC, as applicable; and
- c) PKC shall be responsible for the observance and proper performance by all of its affiliated companies of the terms and conditions of this Agreement.

Supplier hereby expressly agrees that the use of PKC as reference, and/or the use of PKC or reference to PKC in the marketing or in any materials or activities of Supplier in any way is strictly forbidden. Any statements, announcements and/or press release of this Agreement or part thereof, or of the relationship herein described, shall not be made by Supplier without a prior written acceptance of PKC given on case-by-case basis.

Any Non-Disclosure Agreement(s) entered into between the Parties prior to the Effective Date of this Agreement shall remain to be valid, in accordance with its terms and conditions, in respect of the Information disclosed by either Party before the Effective Date of this Agreement, and in respect of the Information disclosed outside the scope of this Agreement.

The provisions of this Article shall be valid for ten (10) years from the date of disclosure.

12. SUBCONTRACTORS

Supplier may use Subcontractors for the fulfilment of its obligations under this Agreement. Supplier shall inform PKC of the used subcontractors and PKC shall have the right to deny the use of the named subcontractor. The use of subcontractors does not relieve Supplier from its obligations under this Agreement and Supplier shall under any and all circumstances remain liable for the performance of its subcontractors as it was itself the performer.

13. LIMITATION OF LIABILITY

Insofar as these conditions do not provide for other liability Articles, the Supplier shall be liable for damage directly or indirectly caused to PKC resulting from any acts or omissions of Supplier in the performance of this Agreement, violation of official safety regulations, non-compliance with applicable national and international legislation, directives, statutes (including, but not limited to EU statutes) and regulations or for any other legal reason, attributable to the Supplier and/or for which Supplier is responsible.

Unless otherwise expressly stated in any other provision of this Agreement or of its Appendices neither Party shall under no circumstances be liable to each other in contract, tort or otherwise, whatever the cause thereof, for loss of business or goodwill, loss of revenue or loss of profits or any indirect, special, punitive or consequential damage, howsoever arising under or in connection with this Agreement, except in cases of intentional misconduct or gross negligence.

14. FORCE MAJEURE

Neither Party shall be liable to the other for any delay or non-performance of its obligations hereunder in the event and to the extent that such delay or non-performance is due to an event of Force Majeure. The Party affected by an event of Force Majeure shall inform the other Party in writing without delay of its occurrence, probable duration and cessation.

Events of "Force Majeure" are events beyond the control of the Party which occur after the date of signing of this Agreement and which were not reasonably foreseeable at the time of signing of this Agreement and whose effects are not capable of being overcome without unreasonable expense and/or loss of time to the Party concerned. Events of Force Majeure shall include (without being limited to) strikes, war, civil unrest, acts of government and authorities, natural disasters, fire, flood, earthquake, explosions and other comparable events.

The Party affected by an event of Force Majeure shall immediately take any necessary measures in order to limit and minimise the effect of such an event on the performance of its obligations under this Agreement.

The Party appealing to the occurrence of an event of Force Majeure is under obligation to prove, upon request, its effect on the performance of the said Party's obligations under this Agreement.

In the event that the delay or non-performance of either Party hereto continues for a period of six (6) months due to events of Force Majeure, then either Party shall have the right to terminate this Agreement with immediate effect without liability towards the other Party.

15. TERM AND TERMINATION

This Agreement shall become effective upon the Effective Date. It shall thereafter automatically continue to be effective for an indefinite period unless and until terminated by either PKC or Supplier by sending a written notice of termination to the other Party at least six (6) months prior to the intended termination date, in which case this Agreement is deemed to be terminated as from such termination date.

In addition, PKC shall be entitled to terminate this Agreement upon ninety (90) days written notice in case of a material change in the ownership, control or management of Supplier, or in case of a material adverse change in the financial situation of Supplier, or in case of a change in the legal form of Supplier. The termination of this Agreement by prior notice as described above in this paragraph shall not affect the delivery of the Parts, in accordance with the terms and conditions hereof, which have been ordered prior to the termination.

In the event that a Party hereto is in default of a material obligation under this Agreement and fails to remedy such default within a reasonable time period fixed by

the non-defaulting Party (which period shall not be less than thirty (30) days in a written notice drawing the attention of the defaulting Party to the default and requiring the same to be remedied, then the non-defaulting Party shall have the right to terminate this Agreement with immediate effect after the expiry of the period fixed). For the avoidance of doubt the Parties agree that a series of (or repeated and continuous) delays or quality problems (whether arising out of the same cause or not and whether remedied or not) shall be deemed a material default under this Agreement, even if a single event would not qualify as a material default. In the event of a bankruptcy, insolvency, receivership, or a comparable procedure under the applicable Bankruptcy Ordinance of a Party or in case the default is not capable of being remedied, then the non-defaulting Party may terminate this Agreement forthwith.

The obligations that due to their nature are intended to remain valid, e.g. obligations regarding end-of-life orders, warranty, product liability, IPRs, confidentiality, limitation of liability, applicable law and settlement of disputes, shall survive any expiry, cancellation or termination of this Agreement for whatever reason.

The termination of this Agreement by prior notice as described above in this paragraph shall not affect the delivery of the Parts, in accordance with the terms and conditions hereof, which have been ordered prior to the termination.

16. ENTIRE AGREEMENT AND APPLIED DOCUMENTS

This Agreement together with any other document incorporated by reference herein (Part Specification/Price List, Delivery Manual, Supplier Requirements, Purchase Orders etc.) shall constitute the entire agreement between the Parties, with regard to the sale and purchase of the Part(s) in question cancels and supersedes all former arrangements, proposals, representations or statements (whether oral or written), discussions, correspondence and negotiations between the Parties in relation to the subject matter of this Agreement.

In the event of any inconsistency between these documents, the order of precedence shall be: (1) Purchase Orders, (2) the prices, specifications and other part specific terms agreed in writing, (3) this Agreement, including any subsequent amendments, e.g. Delivery Manual and PKC Group Supplier Requirements and (4) any other document incorporated by reference herein.

This Agreement and any other document incorporated by reference herein may only be altered or amended in writing by a document so designated and executed by both the Parties hereto, with the exception of Delivery Manual and PKC Group Supplier requirements, which PKC has the right to amend and update in its sole discretion.

Any failure of either Party to enforce at any time any of the provisions including, without limitation, the termination provision, of this Agreement shall not be construed to be a waiver of such provision or of the right of a Party thereafter to enforce such, or any other provision.

If one or more of the foregoing provisions are or become invalid, the validity of the remaining provisions shall not be affected thereby. The invalid provision shall be replaced by a valid one, which achieves to the extent possible the purpose of and the commercial goal of the invalid provision.

The headings used in this Agreement have been inserted for convenience only and in no way restrict or modify any of the terms or provisions hereof.

17. APPLICABLE LAW AND SETTLEMENT OF DISPUTES

This Agreement shall be governed by the laws of Finland (excluding its conflict of laws principles and excluding the convention on contracts for international sale of goods).

The Parties shall make every effort to settle by amicable negotiations any difference, which may occur between them in connection with this Agreement. If the Parties fail to reach such an amicable settlement, either Party may refer such difference to arbitration



as provided below.

Any and all disputes arising out of or in connection with this Agreement shall be settled in arbitration in accordance with the Arbitration Rules of the International Chamber of Commerce. In case the Parties do not reach an agreement on the nomination of one arbitrator within thirty (30) days from the date when the Party requesting arbitration notified the other Party, the dispute shall be settled by three arbitrators. The arbitration proceedings shall be conducted in Helsinki, Finland in the Finnish language. The arbitration award shall be final and binding on the Parties.

Appendices

Appendix 1 Non-Disclosure Agreement

Appendix 2 European MotherSON TCs of Purchase_V1

Appendix 3 Delivery Manual

Appendix 4 PKC Group Supplier requirements

In witness whereof this Agreement has been duly signed and executed in two original copies

PKC Wiring Systems Oy

COMPANY NAME

Date and place _____

Signature _____

Name and title _____

Date and place _____

Signature _____

Name and title _____
