



# LOGISTICS AGREEMENT

## 1 PARTIES

PKC Wiring Systems Oy  
Vihikari 10, Kempele  
FI-90440 Finland

(hereinafter "PKC")

(hereinafter "Supplier")

## 2 THE PURPOSE AND SCOPE OF THIS AGREEMENT

Supplier wishes to sell to PKC Wiring Systems (hereinafter referred to as "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.

A key objective for PKC is always to deliver all its products in full accordance with its customers' demands. Perfect delivery reliability from all PKC's suppliers is therefore mandatory.

In order for the above objective to be fulfilled, the terms and conditions of this Agreement shall always apply in regard of supply of Parts from the Supplier to PKC and its Affiliates.

## 3 DEFINITIONS

"Affiliate"

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.

"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.

"EDI"

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

"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 a 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.

"Purchase Order"

shall mean either a spot 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.

## 4 ORDERING

### 4.1 Order methods

PKC has three methods to order materials: initial sample orders, spot orders and delivery plans. Purchase orders may be submitted by e-mail, by EDI (Electronic Data Interchange) or in any other equivalent manner. Before placing an actual order, PKC may place Request for Quotation (RFQ).

#### 4.1.1 Initial sample orders

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.

#### 4.1.2 Spot orders

A spot order is an individual order, which does not contain any forecast(s).

After receiving initial sample or spot order, Supplier shall send an order confirmation to PKC. The order/offer 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.

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.

#### 4.1.3 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.



PKC will provide weekly rolling delivery schedule for the next \_\_\_\_\_ weeks.

Unless otherwise agreed, no confirmation of receipt of Delivery Plan 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.

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.

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.

Information on how to read our Delivery Plan can be found in PKC's Delivery Manual.

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

#### **4.2 Lead times and rescheduling and cancellation rights in delivery plan orders**

Unless otherwise agreed, the Lead Time is ten (10) 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.

### **5 DELIVERY**

#### **5.1 Terms of delivery**

The term of delivery is DAP (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 immediately after becoming aware about problems that might affect Supplier's capacity to fulfil its delivery obligations.

## 5.2 Time of delivery

The requested 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.

## 5.3 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(s) replaced as mutually agreed 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 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 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 exceeds the purchase price of the respective Parts under this Agreement.

## 6 QUALITY AND ENVIRONMENT REQUIREMENTS

The quality of the delivered products must be guaranteed by the supplier. PKC reserves the right to choose, or have PKC's representative choose, the initial samples and to perform the required investigations in the supplier's plant.



## 6.1 Quality and environmental system requirements

PKC requires that the quality of Supplier's products is guaranteed by a quality system, which fulfils the requirements of the IATF 16949 standard or its equivalent. The minimum requirement for a Supplier is a certified ISO 9001 quality system. As an environmental system PKC requires, that the Supplier has a certified ISO 14001 environmental management system.

More detailed explanation of PKC's quality and environmental related requirements are explained in detail in PKC's Delivery Manual.

## 6.2 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 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.

The termination of this agreement doesn't have effect on the validity of Purchase Orders or other agreements between the Parties.

## 8 MISCELLANEOUS

This Agreement shall constitute the entire agreement between the Parties, with regard to the subject matter of this Agreement. Unless other terms have not been agreed between the Parties regarding issues not covered by this Agreement European Motherson TCs of Purchase\_V1 (available at <https://www.pkcgroup.com/about-pkc-group/corporate-responsibility/supply-chain-management>) shall apply. Any deviations, amendments, or additions, which are inconsistent with these terms, or Supplier's own general terms shall not be valid unless expressly agreed in writing and signed by both parties.

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 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.



9 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 English language. The arbitration award shall be final and binding on the Parties.

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

PKC Wiring Systems Oy

Date and place \_\_\_\_\_

Signature \_\_\_\_\_

Name and title \_\_\_\_\_

Date and place \_\_\_\_\_

Signature \_\_\_\_\_

Name and title \_\_\_\_\_