

## GENERAL TERMS AND CONDITIONS OF PURCHASE BY YAZAKI EUROPEAN GROUP

### I. General

1. Yazaki European Group (hereinafter referred to as "Purchaser") is a manufacturer and seller of wiring harnesses, electrical and electronic distribution system components and instrumentation for the automotive industry.

2. The legal relationship between the Supplier and Purchaser shall be determined by the following conditions ("Agreement") and any additional terms agreed between the contracting parties, if any. Changes and amendments to these conditions have to be made in writing. Any other general terms and conditions shall not be applicable, even if they were not rejected explicitly in any individual case.

3. These conditions of purchase shall remain valid and shall prevail over any terms of business of the Supplier even if the Purchaser should accept any goods / services in the knowledge that the Supplier has purported to deliver them on terms of business of the Supplier that deviate from or are in conflict with these conditions of purchase.

### II. Orders

1. Supply contracts (order and acceptance of such order) and delivery releases as well as any changes and amendments thereof have to be made in writing. Delivery releases may also be issued by tele-communication.

2. Oral agreements of any kind – including subsequent modifications and supplements to the Purchaser's Terms and Conditions of Purchase – must be confirmed by Purchaser in writing to become effective.

3. In case the Supplier does not accept the order within three weeks of its receipt, the Purchaser shall have the right to revoke such order. Any delivery release shall become binding if the Supplier does not reject such material release within two working days of its receipt.

4. The following Documents form an integral part of the contract:

- Non-Disclosure Agreement
- Supplier Quality and Logistics Manual
- Scheduling Agreement
- Supplier's Code of Conduct

These documents are available at the Yazaki Supplier Portal and will be sent in due course.

### III. Payment Terms

1. The payment terms shall be agreed separately. In case of premature shipments, payment will be made according to the agreed delivery date.

2. Payment shall be made by bank transfer.

3. Unless agreed otherwise the payment period shall commence as soon as an invoice has been received at the billing address. Payment will be made subject to verification of the delivery.

4. In case of defective deliveries, the Purchaser shall be entitled to withhold payment pro rata to the value until the defective goods have been replaced.

5. Payment by the Purchaser shall not be an indication of acceptance of conditions or prices, and shall not constitute a waiver of the Purchaser's with regard to deliveries made / services provided that differed from those as agreed upon, the Purchaser's

rights to inspection, and the right to find fault with an invoice due to other reasons.

6. Without previous written consent of the Purchaser, which shall not be unreasonably withheld, the Supplier shall not be entitled to assign his receivables to third parties or to have such receivables collected by third parties. In the event of an extended retention of title, agreement to resale is assumed to have been given. Even if the Supplier assigns his receivable against the Purchaser contrary to the first sentence of section III. no. 6 to a third party without the consent of the Purchaser, the assignment remains valid. Regardless of the assignment the Purchaser may choose whether payment is made to the Supplier or the third party.

### IV. Condition of the Delivery /Notification of Deficiencies

1. The Supplier is responsible for delivering goods and services free of defects, in particular in compliance with the agreed specification of goods and services, and, additionally, for ensuring that warranted properties and features are present. In addition, the Supplier warrants that goods and services meet the current technical standards and – if applicable – the generally recognized standards in plant safety and occupational medicine; are delivered by qualified personnel and are in conformity with applicable statutory and regulatory requirements in the country of receipt, the country of shipment, and in the Purchaser's customer-identified countries of destination, including but not limited to the EU End of Life Vehicle Directive and its national implementations and specific IMDS requirements. If machines, equipment or plants constitute delivery items, they shall meet the special safety requirements applicable to machinery, equipment and plants at the time of contract fulfillment, and shall be CE marked.

2. The Supplier shall take responsibility to ensure compliance to all relevant Environmental Health & Safety legislation (both applicable to the regions where goods are produced and/or sold, as well as any additional requirements from OEMs), including, where necessary, investigations within the supply chain to assure that all requirements are met and communicated effectively.

In order to collect the necessary environmental information acceptable to our customers, YEL requires that suppliers report all product environmental information through the International Material Data System directly. YEL's IMDS Company ID# is 2335.

3. The Supplier warrants that all substances contained in the goods have effectively been pre-registered, registered (or exempt from the obligation to register) and – if relevant – authorized in accordance with the applicable requirements of REACH for the uses disclosed by the Purchaser.

4. The Purchaser shall notify the Supplier in writing about any deficiencies of a shipment as soon as such deficiencies have been discovered in the course of an orderly business practice. In case the Purchaser complies with the afore-stated condition the Supplier hereby waives his right to reject delayed notification of deficiency.

### V. Confidentiality

1. The contracting parties commit themselves to deem as business secrets all commercial and technical details which come to their knowledge during the course of their business relationship unless such details are public.

2. Drawings, models, patterns, samples and similar objects shall not be made available or otherwise be made accessible to unauthorized third parties. Reproduction of such objects is permitted only according to business requirements or in compliance with the laws on copyright.

3. The Supplier shall specifically undertake all required, appropriate precautions and measures to effectively protect the Confidential Information obtained at all times against loss or against unauthorized access. This includes in particular the creation and

maintenance of appropriate, required access and entry precautions for facilities, repositories, IT systems, data storage devices and other information storage devices, especially those which contain Confidential Information. This also includes informing and instructing those people who are granted access to Confidential Information pursuant to this clause. The Supplier is required to promptly notify the Purchaser in writing in the event that Confidential Information is lost and / or accessed by unauthorized parties.

4. Sub-Suppliers shall be made to commit themselves accordingly.

5. Each contracting party may use the established business relationship for advertising purposes only after having obtained previous written consent from the other party.

#### VI. Delivery dates and time limits

1. Deliveries deviating from our contracts and orders are only admissible if given our prior written approval.

2. Agreed delivery dates and time limits are binding. Punctual compliance with the delivery periods and delivery dates is determined by the date of receipt of the goods by the Purchaser. Unless delivery "free at factory gate (frei Werk)" is agreed (DAP or DDP Incoterms 2010), the Supplier shall make the goods available in good time, taking account of the time for loading and shipment to be agreed with the forwarder.

3. If a formal acceptance procedure is stipulated by law or specified in the contract, the time specified for such acceptance shall be adhered to by both parties. Advance deliveries of goods or partial deliveries of goods require the Purchaser's prior agreement.

#### VII. Delay

1. The Supplier shall be fully liable for all incidental and consequential damages and losses due to the late delivery if the agreed deadlines are not met. If the Supplier anticipates difficulties with respect to production, the supply of precursor material, and compliance with the delivery period or similar circumstances that could interfere with Supplier's ability to deliver punctually or to deliver the agreed quality, the Supplier must immediately notify the Purchaser's ordering department.

2. The unconditional acceptance of a delayed delivery or service does not constitute a waiver of claims to which the Purchaser is entitled due to the delayed delivery or service.

3. Partial deliveries are inadmissible in principle unless the Purchaser expressly agreed to them or can reasonably be expected to accept them.

4. The values established by the Purchaser during the incoming goods inspection shall determine the quantities, weights and measurements subject to the reservation of different values being proved.

5. The Purchaser shall be entitled (but not obligated) to use software belonging to the scope of delivery, including the software documentation, to a legally permissible extent. The Supplier hereby grants to Purchaser, for the duration of this Agreement, the non-exclusive, transferable, and in content unlimited right, to use, to copy, to revise and to decompile the software belonging to the scope of delivery, including the software documentation, without limitation in time, manner or place subject to the performance of . The Parties will agree on the remuneration to be paid for the granted rights separately.

#### VIII. Force majeure

In case of Act of God, labor disputes, civil commotion, governmental or official actions and other non-foreseeable, inescapable and serious events the contracting parties shall be temporarily relieved from their obligations during the period of time such events

continue and to the extent their liabilities are affected. The afore-stated shall also be applicable in case the contracting party concerned is already in default. The contracting parties are committed to give each other the necessary information which may reasonably be expected without delay, and to adjust their obligations in good faith to the changed circumstances.

#### IX. Warranty

1. If defective goods are delivered the Purchaser is entitled, according to the relevant legal requirements and the following clauses unless otherwise agreed upon, to claim the following:

a) Before start of production (processing or fitting) the Supplier shall first be given the opportunity by the Purchaser to sort out as well as rework or replace the defective goods unless this cannot reasonably be expected from the Purchaser. In case the Supplier is unable to accomplish the afore-stated or in case he does not conform to it without undue delay, the Purchaser is entitled to rescind the contract to this extent and return the goods at the Supplier's risk. In urgent cases he may, after consultation with the Supplier, accomplish the rework himself or have it done by a third party. Any costs resulting therefrom shall be borne by the Supplier. In the case the same goods are repeatedly supplied in a defective condition, the Purchaser shall be entitled to rescind the contract also with respect to the goods not yet supplied if, upon written notification, the Supplier has again delivered defective goods.

b) In the event the defect is discovered only after start of production and the Purchaser has observed section IV. (notification of deficiencies), then he is entitled

- according to section 439 (1), (3) and (4) German Civil Code (BGB) to claim after-fulfillment and indemnification for cost of transport (without towing cost) as well as cost of dismantling and installation (cost of labor; cost of material only if agreed upon), which are required for the after-fulfillment, or
- to reduce the sales price.

Supplier has violated culpably further contractual obligations (e.g. obligations of information, consultation, or examination), the Purchaser can claim indemnification according to section X. for the consequential harm caused by the defect. This consequential harm caused by a defect is determined by the damages which the Purchaser suffered from the delivery of defective goods at other objects of legal protection. Further claims regarding expenses and damages because of delivery of defective goods on the basis of section 437 BGB or directly on the basis of the rules named therein may only be claimed by the Purchaser, if this has been agreed by contract. In principle, the Purchaser has the right to select the type of supplementary performance. The Supplier may refuse the type of supplementary performance the Purchaser selected if it is only possible at disproportionate expense.

2. At his request the parts to be replaced shall be made available immediately to the Supplier at his cost.

3. The warranty expires at the end of 36 months after the first vehicle registration or the installation of the replacement part, at the latest, however, 48 months after delivery to the Purchaser. The legal rules of expiry of warranty apply to parts for commercial vehicles unless the parties have agreed otherwise.

4. A warranty claim does not arise if the defect is attributable to the non-observance of operation, service or installation instructions, inappropriate or unsuitable use, incorrect or careless treatment, normal wear and tear as well as to engagements to the good supplied made by Purchaser or a third party.

5. If defective goods are delivered claims of the Purchaser on the basis of the Product Liability Act, and the civil law of torts and acting without mandate shall remain unaffected by this section IX.

## **X. Liability**

Insofar as these conditions do not provide for other liability clauses, the Supplier shall be liable for damage directly or indirectly caused to the Purchaser as a result of defective supply, violation of official safety regulations or for any other legal reason, attributable to the Supplier only according to the following:

1. In case the Purchaser is liable under law, without any fault on his part, in which liability cannot be excluded with regard to third party claimants, then the Supplier shall hold the Purchaser free and harmless of any claim to the extent he would himself be liable directly. Compensation between Purchaser and Supplier shall be settled by applying the principles of section 254 German Civil Code (BGB) correspondingly. This shall also apply in case the Supplier is held liable directly.
2. Any liability shall be excluded to the extent the Purchaser has on his part effectively excluded any liability in relation to his customer. In doing so the Purchaser shall attempt to stipulate limitations of liability on behalf of the Supplier to the extent legally possible.
3. Any claims of the Purchaser shall be excluded inasmuch as the damage is caused by the non-observance, attributable to the Purchaser, of operating, service and installation instructions, to unsuitable or inappropriate use, to incorrect or careless treatment, normal wear and tear or incorrect repair.
4. The Supplier shall be liable for compensation with regard to actions which the Purchaser undertakes to avoid any damage (for instance recall actions).
5. If the Purchaser intends to assert a claim against the Supplier according to the afore-stated provisions, he shall forthwith consult the Supplier and shall comprehensively inform him. He shall give the Supplier the opportunity to investigate the damage occurred. The contracting parties shall agree upon the steps to be taken, especially in the case of negotiations for a settlement.

## **XI. Industrial Property Rights**

1. The Supplier shall be liable for any claim which, by the use of goods according to the terms of the contract, result from the infringement of industrial property rights, either granted or applied for (industrial property rights), if at least one of such industrial property rights of the same industrial property rights family being published either in the Supplier's mother country, by the European Patent Office or in either the Federal Republic of Germany, France, Great Britain, Austria or the United States of America.
2. The Supplier shall hold the Purchaser and his Purchaser's customers free and harmless of all liabilities resulting from making use of such industrial property rights.
3. The afore-stated shall not apply inasmuch as the Supplier has manufactured the goods to be delivered according to drawings, models or similar other descriptions or statements provided by the Purchaser and if, at the same time, the Supplier does not know or, in connection with the products developed by him, was unable to know that industrial property rights were infringed.
4. The Supplier shall bear the cost of any licensing fees, expenses and fees incurred by the Purchaser in preventing and / or rectifying any infringements of property rights.
5. To the extent the Supplier is not liable pursuant to section XI no.3 above, the Purchaser shall hold him free and harmless of all claims brought by third parties.
6. The contracting parties commit themselves to inform each other on all risks of violation or alleged violations and to give each other the opportunity to jointly oppose such claims.
7. At the request of the Purchaser the Supplier shall inform the Purchaser about the use of any published or unpublished industrial

property rights which are owned by him or licensed to him relating to the goods to be delivered.

## **XII. Insurance**

The Supplier shall maintain sufficient liability insurance at its own expense for damage for which it or its subcontractors or agents is vicariously liable are responsible. Evidence of the amount of insurance coverage for each occurrence of damage shall be provided to the Purchaser upon request. The Purchaser's contractual and legal liability remains unaffected by the extent and amount of its insurance coverage

## **XIII. Use of production devices and confidential information made available by the Purchaser**

Models, matrixes, patterns, samples, tools and other manufacturing devices as well as confidential information provided to the Supplier by the Purchaser or paid for by him in full, may be used for supplies to third parties only after having obtained the previous written consent of the Purchaser.

## **XIV. Use of Subcontractors**

Third parties (in particular any subcontractors) may only be employed or replaced by the Supplier with the Purchaser's prior written consent. If the Supplier intends to use subcontractors to perform the contract from the outset, the Supplier must inform the Purchaser of this when submitting its offer.

## **XV. German Minimum Wages Act (MiLoG)**

Where the Supplier and / or its subcontractors and / or employment agencies used by the Supplier or subcontractors come within the scope of the German Minimum Wages Act (Mindestlohngesetz - MiLoG), the following provisions shall apply:

- a) The Supplier guarantees that it complies with the provisions of the current version of the MiLoG. Moreover, the Supplier undertakes to use only subcontractors or employment agencies that have provided to the Supplier a guarantee to an identical extent in writing and, moreover, have undertaken in writing that they will demand such assurance guarantee from other subcontractors or employment agencies as may be engaged.
- b) The Supplier shall indemnify the Purchaser now against claims any employee of the Supplier or of a subcontractor, regardless of level, or an employment agency used, in accordance with section 13 MiLoG in conjunction with section 14 AEntG, may bring forward towards the Purchaser as the guarantor of payment of the minimum wage. The right of indemnity shall mature as soon as any of the aforementioned claims is brought against the Purchaser.
- c) The Purchaser is entitled to terminate a Contract without notice if and when the Purchaser is made liable as guarantor according to section 13 MiLoG in conjunction with section 14 AEntG due to the installation services hereunder. Moreover, the Supplier shall accept liability vis-à-vis the Purchaser for any damage that may be suffered by the Purchaser through failure to meet the abovementioned guarantee of the Supplier. Upon request at any time the Supplier shall submit to the Purchaser working hours lists (including previous lists), the wage accounting based thereon and verification of the proper deduction of the employer's contribution to social insurance.

## **XVI. Retention of Title**

The Supplier retains ownership of all goods supplied by him until it has been paid for in full; in this regard all shipments shall be considered as part of one continuous supply transaction. In case of continuous invoicing the retained ownership shall be deemed to secure the balance of the Supplier's accounts receivable. If the Purchaser combines the goods delivered with other goods to form a unit and if the other goods are being considered the main

constituent, then the Purchaser shall be committed to assign partial ownership to the Supplier to the extent the main unit belongs to him. In case the Purchaser resells the goods delivered according to the terms of the contract, he herewith assigns to the Supplier all claims against his customer including any ancillary rights until all of the Supplier's demands are completely settled. If there is a valid reason the Purchaser, at the request of the Supplier, shall inform the third-party-Purchaser about the assignment and he shall provide the Supplier with all information and documents necessary to assert his rights. The Supplier shall release the securities held by him to the extent their value exceeds 20 % of the claim to be secured.

#### **XVII. Product Liability and Recall**

1. In the event a product liability claim is asserted against the Purchaser, the Supplier is obliged to hold the Purchaser harmless from such claims if and to the extent the damage was caused by a defect in the product supplied by the Supplier. In cases of liability based on fault, this only applies, however, if the Supplier is at fault. Insofar as the cause of the damage falls within the area of responsibility of the Supplier, the Supplier shall have the burden of proof to that extent.

2. In the cases of section XVII. above, the Supplier assumes all costs and expenses, including the costs of any legal action.

3. In all other respects the provisions of statute shall apply.

4. Prior to any recall action which is partially or wholly due to a defect in a product supplied by the Supplier, the Purchaser shall notify the Supplier, give the Supplier the opportunity to collaborate and discuss with the Supplier the efficient conduct of the recall action, unless no notification of or collaboration by the Supplier is possible on account of the particular urgency. The costs of the recall action shall be borne by the Supplier insofar as such costs are caused due to a defect in a product supplied by the Supplier.

#### **XVIII. Rights of Withdrawal and Termination**

1. In addition to the statutory rights of rescission the Purchaser have the right to withdraw from or terminate the contract with immediate effect if the Supplier has stopped supplying its customers, there is or threatens to be a fundamental deterioration to the financial circumstances of the Supplier and as a result of this the performance of a supply obligation to the Purchaser is in jeopardy, the Supplier meets the criteria for insolvency or over-indebtedness, or the Supplier stops making its payments.

2. The Purchaser also has the right to withdraw from or terminate the contract if the Supplier files an application for insolvency or comparable debt settlement proceedings to be initiated with respect to its assets.

3. If the Purchaser withdraw from or terminate the contract by virtue of the foregoing contractual rescission rights or respective termination rights, then the Supplier must compensate the Purchaser for the loss or damage incurred as a result, unless the Supplier was not responsible for the rights arising to withdraw from or terminate the contract.

4. Statutory rights and claims shall not be limited by the regulations included in this section XVIII.

#### **XIX. Export Control and Customs**

The Supplier shall be obliged to inform the Purchaser about any applicable (re-) export license requirements for the Products under German, European, US or Japanese export control law and customs regulations as well as the export control law and customs regulations of the country of origin of the Products. Therefore, at least in his offers, order confirmations and invoices the Supplier shall provide the following information with respect to the Products:

- export list number (Ausfuhrlistennummer) pursuant to Annex AL to the German Foreign Trade and Payments Regulation

(Außenwirtschaftsverordnung) or any comparable export list information of applicable export lists;

- ECCN (Export Control Classification Number) for US-goods (including technology and software) pursuant to the US Export Administration Regulations (EAR);

- country of origin of the Products and of the components thereof, including technology and software;

- any transport of the Products through USA, manufacture or stocking of the Products in the USA and whether the Products have been manufactured by using US technology;

- HS-Code of the Products; and

- a contact person in his organization to provide further information to the Purchaser upon request. Upon the request the Supplier shall provide any other foreign trade data with respect to the Products and their components in written form and shall inform the Purchaser on all changes to such data without undue delay and prior to supply to the Purchaser.

#### **XX. Compliance**

1. The Supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment. In this respect the Supplier shall set up and further develop a management system in accordance with ISO 14001 within the realms of its possibilities. Further, the Supplier shall comply with the principles of the UN Global Compact Initiative relating basically to the protection of international human rights, the right to collective bargaining, the abolition of forced labor and child labor, the elimination of discrimination when personnel is engaged and employed, the responsibility for the environment and the prevention of corruption. The Supplier shall comply to avoid the usage of raw materials\* that can interfere with human rights, the environment, or cause other serious social problems. (\*For example: Minerals produced in the Democratic Republic of Congo and surrounding countries whose trade has become a source of funding for armed groups committing human rights violations).

2. In the event that a Supplier repeatedly violates the law and / or violates the law despite being given respective advice, and fails to evidence that the violation of the law has been cured as far as possible and that appropriate precautions have been taken to avoid violations of the law in future, the Purchaser reserves the right to terminate or withdraw from existing contracts without notice.

#### **XXI. General Provisions**

1. This Agreement and all orders hereunder shall be performed by the Supplier and Purchaser with sincerity. Any questions arising in connection with this Agreement, which are not resolved by the clauses of this Agreement, are to be promptly resolved through good faith discussion between both Parties.

2. This Agreement and orders hereunder shall be governed by German law exclusively, without recourse to the UN Convention on Contracts for the International Sale of Goods (CISG). German law shall also apply to any present or future obligation covered by Regulation (EC) No. 864/2007 on the law applicable to non-contractual obligation ("Rome II").

3. The court having exclusive jurisdiction shall be the district court of Cologne, Germany.

4. This Agreement does not create any agency, joint venture or partnership relationship.

5. If any of the clauses or provisions contained in the present Agreement should be declared null and void, this nullity does not affect the other provisions or clauses thereof.

6. The failure of either Party at any time to require performance by the other Party of any provision of an order in no way affects the right to require such performance at any time thereafter, nor does the waiver by either Party of a breach of any provision of an order constitute a waiver of any succeeding breach of the same or any other provision.

7. If a current or a future provision of this Agreement should be invalid/void in full or in part, or if a legal gap becomes apparent, the validity of the remaining provisions of this Agreement shall remain unaffected. The parties are obliged to replace the invalid provision by a valid provision which comes as close as possible to the intended purpose of the invalid provision.

8. All modifications, adjustments, alterations and amendments to this Agreement or additional terms and conditions are valid or binding only if agreed upon in writing. This also applies to the cancellation of this written form requirement. In addition thereto, all further agreed documents, which expressly refer to the Agreement, constitute part of it.

9. The language of this Agreement as well as language of correspondence, technical and commercial documents and any information related to this Agreement shall be English.

10. This Agreement supersedes all prior or contemporaneous oral or written communications, representations, offers or proposals regarding the subject matter thereof.

11. All notices, requests, claims and other communications between Parties required to be in writing must be sent by certified or registered mail to the address of Purchaser's and Supplier's principal place of business.