

# Purchase Framework Agreement

between

AUTONEUM -----

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(hereinafter referred to as "AUTONEUM")

and

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(hereinafter referred to as "SUPPLIER")

(hereinafter collectively referred to as "PARTIES")

## Preamble

Autoneum is a company of AUTONEUM, which is a group of companies manufacturing and selling automotive parts to the automobile industry worldwide. It is the global market and technology leader in acoustic and thermal management solutions for vehicles.

The SUPPLIER develops, manufactures and distributes Structural Mat Components.

AUTONEUM requires -----.(hereinafter referred to as "CONTRACTUAL PRODUCT").

The PARTIES intend that the SUPPLIER manufactures the CONTRACTUAL PRODUCT for AUTONEUM according to the specifications of AUTONEUM.

Subject to the provisions of this Purchase Framework Agreement (hereinafter referred to as "AGREEMENT"), the PARTIES agree that the SUPPLIER will supply AUTONEUM with the CONTRACTUAL PRODUCT in response to its ORDERS (hereinafter referred to as "ORDER" or "ORDERS").

The aim of this AGREEMENT is to establish a mutually beneficial business relationship with regard to costs and competitiveness, having the objective of continually reducing the purchase price of the CONTRACTUAL PRODUCTS whilst maintaining faultless quality.

## **1. Subject matter of the Agreement**

- 1.1. The SUPPLIER undertakes to manufacture the CONTRACTUAL PRODUCTS and to supply them to AUTONEUM in response to AUTONEUM's ORDERS. The supplies in response to ORDERS shall be deemed as PURCHASE AGREEMENTS between SUPPLIER and AUTONEUM in respect of the CONTRACTUAL PRODUCTS. These PURCHASE AGREEMENTS will be subject to the provisions of this AGREEMENT.
- 1.2. The below listed documents as amended from time to time form an integral part of this AGREEMENT and apply to the contractual relationship between the PARTIES, whereas in the event of a conflict between them the documents listed first shall take precedence:
  - the Purchase Order,
  - the AUTONEUM's SUPPLIER Logistic Manual;
  - the AUTONEUM's SUPPLIER Quality Manual;
  - the SUPPLIER Nomination Letter;
  - the Purchased Part Specification (PPS);
  - the PPAP Submission Warrant (PSW);
  - the AUTONEUM's Code of Conduct for SUPPLIERS;
  - the AUTONEUM's Code of Conduct;
  - and any further documents specifically incorporated by reference in the Purchase Order, including without limitation, specifications, drawings, requirements of AUTONEUM 's customer, quality requirements, releases or similar documents issued by AUTONEUM to SUPPLIER; These documents may also be validly exchanged by facsimile, electronically (email) or by Electronic Data Interchange (EDI).
- 1.3. Besides AUTONEUM, each Autoneum legal entity listed in **Annex 1** can place ORDERS and enter into PURCHASE AGREEMENTS with the SUPPLIER, which shall be governed and construed by this AGREEMENT. PURCHASE AGREEMENTS concluded by AUTONEUM or an Autoneum legal entity listed in Annex X respectively shall only be binding between the Autoneum legal unit placing the ORDER and the SUPPLIER. Other Autoneum legal units including AUTONEUM shall not be bound hereby.
- 1.4. The SUPPLIER undertakes to continue to manufacture each series of CONTRACTUAL PRODUCTS during the lifetime of the vehicle for which the CONTRACTUAL PRODUCT shall be used (at least ten (10) years from the initial supply to AUTONEUM) plus an additional adequate time for spare parts (see clause 12.1) if no other agreement has been made in writing.

## **2. Distribution by the SUPPLIER / Exclusivity**

- 2.1 The SUPPLIER is not entitled to manufacture the CONTRACTUAL PRODUCTS and its construction elements for third parties and to supply it to third parties. This also applies

to the spare parts pertaining to the CONTRACTUAL PRODUCT. Any inquiries from third parties have to be forwarded to AUTONEUM.

### **3. Forecast quantities**

- 3.1. Forecast quantities set forth in the ORDER or otherwise communicated by AUTONEUM to the SUPPLIER are not binding, including but not limited to the SUPPLIER's obligation to complete all releases received during the term of the ORDER, nor do they oblige AUTONEUM to purchase specific quantities during the term of the AGREEMENT. The forecast quantities will be reviewed periodically by AUTONEUM and adjusted if necessary.
- 3.2. Only AUTONEUM's ORDERS are relevant for any obligation to purchase, and also for material scheduling, capacity reservation and other advance planning. The SUPPLIER acknowledges that any estimates or forecasts of production volumes or length of a program, whether from AUTONEUM or AUTONEUM's customer, are subject to change from time to time, with or without notice to the SUPPLIER and shall not be binding upon AUTONEUM.
- 3.3. The SUPPLIER undertakes to monitor the purchasing situation for critical components (raw material, production equipment). Any problems which may delay the supply of the CONTRACTUAL PRODUCT must be reported by the SUPPLIER to AUTONEUM immediately. The final assessment of the situation and any resulting action will be agreed between the PARTIES.

### **4. Price**

- 4.1. The price to be paid by AUTONEUM to the SUPPLIER per CONTRACTUAL PRODUCT is stipulated in the Nomination Letter or in the ORDER, which prevails. If not otherwise agreed, prices are regarded as fixed and include all ancillary costs (such as the cost of packaging, shipping, insurance, customs clearance and customs duty) and development costs. No taxes, in particular value added tax, are included in the purchase price.
- 4.2. The PARTIES will jointly endeavor to reduce production costs continuously in order to achieve competitive prices while at the same time maintaining faultless quality.
- 4.3. In respect of prices, the SUPPLIER assures AUTONEUM of at least those terms and conditions which the SUPPLIER customarily grants to its most favored customers under comparable circumstances and at comparable times.
- 4.4. If the PARTIES cannot agree on new prices, or to adhere to the prices applicable hitherto, those prices will be frozen until this AGREEMENT is terminated.
- 4.5. AUTONEUM undertakes to pay the purchase price net within 90 days after receipt of the relevant invoice, subject to receipt of the complete and defect-free delivery in accordance with the ORDER.
- 4.6. In addition to any right of set off provided by applicable law, AUTONEUM may set off and recoup against AUTONEUM's accounts payable to the SUPPLIER or any of its subsidiaries or affiliates, unless prohibited by applicable law, any amounts for which AUTONEUM determines in good faith that the SUPPLIER or any of its subsidiaries or affil-

iates is liable to it under any ORDER or any other agreement with the SUPPLIER or any of its subsidiaries or affiliates. AUTONEUM may do so after prior notice to the SUPPLIER.

## **5. Order**

- 5.1. Only ORDERS placed and confirmed by AUTONEUM in writing (or by facsimile) are valid. AUTONEUM can place ORDERS as well by EDI. The SUPPLIER is obliged to draw express attention to any deviations of the order confirmations compared to the ORDER. Such deviations are only accepted if AUTONEUM states that explicitly in writing.
- 5.2. If the SUPPLIER does not explicitly object in writing to ORDERS placed within five (5) business days, the ORDER shall be considered as accepted.
- 5.3. During the term of this AGREEMENT, the SUPPLIER must ensure sufficient stock and readiness for dispatch of CONTRACTUAL PRODUCTS if an ORDER is placed by AUTONEUM and is obliged to deliver the CONTRACTUAL PRODUCTS up to the volume and lead times agreed in the Nomination Letter and within the limits of the AGREEMENT and the PURCHASE AGREEMENT. ORDERS within these limits shall not be rejected by the SUPPLIER (supply guarantee).

## **6. Terms of delivery**

- 6.1. Place of performance for the CONTRACTUAL PRODUCTS to be delivered by the SUPPLIER is AUTONEUM's seat as specified in the ORDER.
- 6.2. Deliveries of CONTRACTUAL PRODUCTS shall be performed DDP (pursuant to the Incoterms of the ICC, 2010 Edition) to AUTONEUM's factory or DDP to the destination stipulated by AUTONEUM in the ORDER. Means of transport stipulated must be adhered to. Further terms will be stipulated in the respective Logistic Data Sheet (LDS), to be signed by the SUPPLIER.
- 6.3. The SUPPLIER undertakes to ensure professional and faultless packaging and to follow the marking and labeling instructions of AUTONEUM, especially those defined in this AGREEMENT and the respective individual contracts. The SUPPLIER is liable to AUTONEUM in full for any damage of the CONTRACTUAL PRODUCTS in transit as a result of inadequate or unsuitable packaging.
- 6.4. The SUPPLIER is obliged to make the delivery on the stipulated calendar date or within the agreed period. If this time limit or deadline is exceeded, the SUPPLIER is in default of delivery, without reminder.
- 6.5. In case of unavailability or late delivery of the CONTRACTUAL PRODUCTS (default of delivery), AUTONEUM will be entitled to deduct without limiting or affecting its other rights or remedies available hereunder or at law, a contractual penalty of 1% from the price of said ORDER for each calendar week or part thereof, limited to a maximum of 10% of the price of said ORDER, until delivery is completed in accordance with the terms of the ORDER. However, this contractual penalty does not release the SUPPLIER from its delivery obligations.

- 6.6. If the SUPPLIER exceeds the agreed delivery date by more than 2 days, AUTONEUM is entitled to withdraw from the ORDER, without setting a period of grace and with immediate effect, at any time and is entitled to claim additionally for damage.
- 6.7. If the SUPPLIER is not able to offer an alternative delivery plan fulfilling AUTONEUM's terms of the ORDER, in particular for avoiding any line stop at AUTONEUM's and/or at the customer site, then AUTONEUM is entitled organizing alternative supply of the requested CONTRACTUAL PRODUCTS at SUPPLIER's sole cost.
- 6.8. A detailed delivery note must be enclosed with each delivery. This must include the ORDER number, ORDER item, AUTONEUM's article number and AUTONEUM's article description, and the quantity delivered. Part, remaining and replacement deliveries are to be marked as such.
- 6.9. AUTONEUM is not obliged to accept and pay for CONTRACTUAL PRODUCTS supplied over and above the quantities ordered. AUTONEUM is entitled to return all CONTRACTUAL PRODUCTS delivered over and above the quantity ordered, at the SUPPLIER's expense and risk.
- 6.10. AUTONEUM examines deliveries only for completeness (in terms of quantity and identity) and transport damages. It has no further inspection obligations after delivery.
- 6.11. Title to the CONTRACTUAL PRODUCTS passes to AUTONEUM after they have been delivered at the place of performance or, if applicable, at the destination.
- 6.12. The PARTIES are not liable to each other for losses resulting from delay or non-performance attributable to force majeure, such as natural disasters, official directives and war. Force majeure can in particular not be claimed for matters that are in the SUPPLIER's sphere of responsibility or organization such as strikes occurring at the SUPPLIER's or sub-SUPPLIER's facility or delivery shortages. The SUPPLIER is fully liable for any damages which result from such strikes.

## **7. Goods Inspection and Quality Assurance**

- 7.1. AUTONEUM is not obliged to inspect the CONTRACTUAL PRODUCTS for defects, even by random sampling, on delivery. On the other hand, the SUPPLIER undertakes to perform a 100% functional inspection of the CONTRACTUAL PRODUCTS before dispatch.
- 7.2. The SUPPLIER commits to fulfill the requisites of the quality standard ISO 9001, ISO 14001 and ISO 45001 (OHSAS 18001), the standards TS 16949 and any further relevant global standards of the automotive industry without fail, knowing the process the CONTRACTUAL PRODUCTS will be used for and warrants that such characteristics will be fulfilled as a minimum standard.

The SUPPLIER warrants that the CONTRACTUAL PRODUCTS will comply in particular but not exclusively with the AGREEMENT, PURCHASE AGREEMENT as well as the following documents as amended from time to time:

- AUTONEUM's material specifications,
- AUTONEUM's SUPPLIER Quality Manual,
- AUTONEUM's SUPPLIER Logistics Manual,
- AUTONEUM's Compliance Process Manager tool (CPM),

- The Dodd-Frank Wall Street Reform and Consumer Protection Act regarding “Conflict Minerals” as defined in Section 1502,
  - All applicable laws, regulations and standards (environmental regulations and request, critical and hazardous material and substances, REACH (EC 1907/2006), GADSL, etc.,
  - Certificate of Origin,
  - AUTONEUM's Code of Conduct,
  - AUTONEUM's Code of Conduct for SUPPLIERS.
- 7.3. The SUPPLIER agrees to submit a Conflict Mineral Reporting Template (template can be found at <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>) on a yearly basis in compliance with OEM requirements. The submission should be performed on the SUPPLIER portal, where there is a link to the Central Data Exchange (CDX) system, the use of which is free of charge.
- 7.4. To the extent that any Goods delivered under an ORDER are to be supplied to any country of the European Union or Switzerland, the SUPPLIER must comply with the European Community Regulation REACH (EC 1907/2006), and the Goods delivered must not contain any product, material or substance prohibited by the legislations or regulations applicable in the SUPPLIER's country, the European Union and all countries in which the products or parts are marketed and used.
- 7.5. AUTONEUM publishes changes in the CPM tool through the above mentioned platform. The SUPPLIER shall regularly check AUTONEUM's platform and shall adapt its entries within one month after changes in the CPM tool (<http://cpm.autoneum.com/cpm/>).
- 7.6. To the extent that any Goods delivered under an ORDER are to be imported into the United States of America, the SUPPLIER shall, upon the AUTONEUM's request, comply with all applicable recommendations or requirements of the United States Bureau of Customs and Border Protection's Customs Trade Partnership against Terrorism Initiative or any successor or replacement initiative or program. To the extent that any Goods delivered under a Purchase Order are to be imported into Canada, the SUPPLIER shall upon AUTONEUM's request, participate in the Canada Border Services Agency's Partners in Protection Program or any successor or replacement initiative or program.
- 7.7. The SUPPLIER is obliged to support efforts to achieve continuous quality improvements in respect of the CONTRACTUAL PRODUCTS. The PARTIES will cooperate closely in order to remedy any product defects and avoid warranty or product liability cases.
- 7.8. The SUPPLIER is obliged to maintain test records and inspection and test schedules, and to make these available to AUTONEUM at the latter's request. The SUPPLIER will retain these records for at least 13 (thirteen) years after the final delivery.
- 7.9. AUTONEUM is entitled to inspect all CONTRACTUAL PRODUCTS and all ORDERS in process, and the production facilities and production plants of the SUPPLIER at any time during normal business hours after prior notification, in order to review the actions and activities of the SUPPLIER in respect of the agreed quality warranty.

## **8. Design modifications**

- 8.1. AUTONEUM retains the right to make modifications to drawings, specifications, and product descriptions etc. at any time.
- 8.2. The SUPPLIER will endeavor to ensure that no additional costs arise in the event of design modifications. If additional costs nevertheless arise, the SUPPLIER will immediately inform AUTONEUM of this and of the probable amount involved. If AUTONEUM nevertheless insists upon the design modification, the PARTIES will agree upon an appropriate adjustment of the purchase price and if necessary on an extension of the delivery periods. If the PARTIES are able to agree on the new terms and conditions, any ORDER already placed must be replaced by a new ORDER. If no agreement can be reached, AUTONEUM is entitled to cancel its relevant ORDERS.

## **9. Product surveillance, technical support and consulting**

- 9.1. The SUPPLIER will take the necessary action to have the latest technology at its disposal at all times, and undertakes to incorporate this know-how in the CONTRACTUAL PRODUCTS.
- 9.2. The SUPPLIER undertakes continuously to monitor, review and further develop the CONTRACTUAL PRODUCTS.
- 9.3. The SUPPLIER shall inform AUTONEUM immediately if it becomes aware of defects in CONTRACTUAL PRODUCTS already delivered and about the necessary measures and to remedy the defects immediately, free of charge, within the warranty period, as well as of damages incurred to any tooling and equipment associated with the production of the CONTRACTUAL PRODUCTS.
- 9.4. The SUPPLIER undertakes to support and advise AUTONEUM and AUTONEUM service centers at their request, free of charge, in a suitable form in solving problems with the CONTRACTUAL PRODUCT, and to provide AUTONEUM and its service centers with any other form of support.

## **10. Alterations to the CONTRACTUAL PRODUCT or to production**

- 10.1. The SUPPLIER must advise AUTONEUM immediately of new technical developments and improvements in connection with the CONTRACTUAL PRODUCT. In this case, AUTONEUM is entitled to request the delivery of improved CONTRACTUAL PRODUCTS instead of the CONTRACTUAL PRODUCTS already ordered, although prices and delivery dates can be renegotiated.
- 10.2. If the SUPPLIER intends to make technical modifications (changes to AUTONEUM's specifications, modifications of production procedures, changes in sub-SUPPLIERS, transfer of production facilities, modifications to test equipment/-procedures) AUTONEUM's prior written consent must be obtained. However, the SUPPLIER is obliged to manufacture the CONTRACTUAL PRODUCTS with the same functional and installation characteristics for 10 years.
- 10.3. If modifications to the CONTRACTUAL PRODUCT or associated tooling and equipment become necessary due to applicable legislation in a given country, the cost of modification will be borne by the SUPPLIER. If possible, AUTONEUM is entitled, but not obliged, to make minor modifications itself or have these performed by a suitable third party at the SUPPLIER's expense.

- 10.4. In the case of ORDERS for the CONTRACTUAL PRODUCT for a country in which regulations other than those of the EU are in force, AUTONEUM undertakes to provide the SUPPLIER with information on these regulations if necessary.

## **11. Intellectual property rights**

- 11.1. The SUPPLIER marks the CONTRACTUAL PRODUCTS according to the indications of AUTONEUM. If the SUPPLIER uses a special manufacturing code, the key to such code is to be made known to AUTONEUM prior to commencement of the initial delivery. No marks of identification of the SUPPLIER are allowed to be visible on the CONTRACTUAL PRODUCT itself or on or in packaging material except as otherwise agreed in writing.
- 11.2. The SUPPLIER provides AUTONEUM with a list of all Intellectual Property Rights included in the CONTRACTUAL PRODUCTS. The SUPPLIER furnishes AUTONEUM without restrictions on use or disclosure all information and data AUTONEUM acquires or develops in the course of the SUPPLIER's activities under this AGREEMENT.
- 11.3. The CONTRACTUAL PRODUCTS shall be free from third parties' intellectual property rights. The SUPPLIER will fully indemnify AUTONEUM against any and all claims arising from the infringement of intellectual property rights of third parties, such as patents, copyrights, trademarks and such like with respect to the CONTRACTUAL PRODUCTS supplied or parts thereof. The SUPPLIER undertakes to join at AUTONEUM's request any legal proceedings brought against AUTONEUM, or to conduct the proceedings in AUTONEUM's place at its own expense and / or to assume the costs and compensation arising in connection with the proceedings.
- 11.4. The SUPPLIER undertakes to defend its intellectual property rights against infringements by third parties, and also to bring appropriate proceedings for their defense, assuming the costs arising there from.
- 11.5. Inventive ideas emerging out of the contractual relationship between the PARTIES are the sole and unrestricted intellectual property of AUTONEUM.

## **12. Spare parts**

- 12.1. During a period of fifteen (15 ) years from end of series manufacture (EOP), the SUPPLIER guarantees to AUTONEUM to furnish it with spare parts as well as to render any documents necessary for service, such as plans, piece lists, etc. Supply of such spare parts has to be effected within maximum 2 (two) weeks. The spare part piece lists showing definite individual prices.
- 12.2. If parts are involved which the SUPPLIER does not manufacture itself, but procures from sub-SUPPLIERS, these sources of supply must be previously disclosed to AUTONEUM and the parts specified in such a way that they can be re-ordered from the sub-SUPPLIERS without any risk of confusion.
- 12.3. Upon request by AUTONEUM construction elements and groups of CONTRACTUAL PRODUCTS have to be delivered individually. Construction elements and groups must bear a reference number as code.
- 12.4. When SUPPLIERS of the SUPPLIER discontinue production of key components, the SUPPLIER is obliged to inform AUTONEUM immediately. The SUPPLIER undertakes



to make necessary development work during the period defined in Clause 11.1 at its own cost or to look for alternative SUPPLIERS.

### **13. Documentary material**

13.1. The SUPPLIER will draw up and deliver the following documentary material in suitable form to AUTONEUM:

- sales documentation
- drawings
- parts lists
- spare parts catalogue
- specification documents
- service documents
- operating instructions
- manufacturer's declaration
- advice on safety measures.

13.2. The documentary material must be supplied to AUTONEUM with each delivery. The test reports and/or certificates on quality assurance must be forwarded to AUTONEUM with each delivery.

13.3. In the event of modifications in design and finish, the SUPPLIER will deliver the amended documentary material, without being asked before the first delivery of the modified CONTRACTUAL PRODUCTS.

### **14. Warranty**

14.1. The SUPPLIER grants AUTONEUM full legal and material warranty with regard to the CONTRACTUAL PRODUCTS.

14.2. The SUPPLIER warrants that the CONTRACTUAL PRODUCTS will be faultless in quality and free of any defects in material, workmanship and design, conform to the ORDERS including any agreed specifications and materials, general scientific and technical rules and comply with the requirements according to Annex 1. The SUPPLIER is liable for the faultless condition and suitability of the CONTRACTUAL PRODUCTS both for their customary use and also for other uses described to the SUPPLIER, and for any warranted properties of the CONTRACTUAL PRODUCTS. Furthermore, the SUPPLIER guarantees that the CONTRACTUAL PRODUCTS fulfill the requirements in respect of material and comply with the EU standards and the safety, environmental and other regulations, which have to be observed pursuant to this AGREEMENT; in particular Clauses 6.2, 6.3 and 7.2.

14.3. The WARRANTY PERIOD of the CONTRACTUAL PRODUCTS is five (5) years and commences with receipt and acceptance of the CONTRACTUAL PRODUCTS by AUTONEUM.

14.4. Defects in the CONTRACTUAL PRODUCTS can be notified by AUTONEUM at any time during the entire warranty period, before and/or after processing and/or resale, but they must be notified upon discovery within 30 business days. The plea of delayed notification of defects is precluded.

- 14.5. In warranty cases due to defects in the CONTRACTUAL PRODUCTS, AUTONEUM is free to choose between cancellation, reduction, refinishing/repair by the SUPPLIER itself or by another party, or delivery of other CONTRACTUAL PRODUCTS conforming to the ORDER at sole cost of the SUPPLIER, either with or without compensation in each case. AUTONEUM can apply these claims uniformly to an entire ORDER or apply each to a specific part of the ORDER. If refinishing is performed or a replacement delivery made, the full warranty period agreed upon for the refinished or replaced part will recommence anew.
- 14.6. Requested replacement or refinishing must be performed by the SUPPLIER immediately after it has received the notification of defect, without waiting for AUTONEUM to return the CONTRACTUAL PRODUCTS which is subject of the complaint.
- 14.7. AUTONEUM is only obliged to keep/store CONTRACTUAL PRODUCTS or parts, which are subject of complaint at the disposal of the SUPPLIER's representative in the country of AUTONEUM's customer during three (3) months.
- 14.8. AUTONEUM must be compensated for any loss arising out of or in connection with defect CONTRACTUAL PRODUCTS.
- 14.9. AUTONEUM is entitled to debit SUPPLIER for all its expenses incurred vis-à-vis its customers arising from warranty of damaged or defective.

## **15. Product liability**

- 15.1. The SUPPLIER will indemnify AUTONEUM for all claims for damages made by third parties arising from product liability legislation, i.e. personal injury and death, as well as the damaging and destruction of goods designed and dedicated to the personal use of its owner, which are asserted against AUTONEUM in connection with a CONTRACTUAL PRODUCTS.
- 15.2. For the duration of the AGREEMENT and the contractual obligations of the PARTIES, but at least for five years after delivery, the SUPPLIER shall maintain a general and product liability insurance which covers the risks arising from liability and covers the exemption of AUTONEUM at least to the following extent:
- CHF 5 Million (five Million Swiss Francs) per occurrence and in the annual aggregate for bodily injury and property damage combined;
  - local validity, worldwide incl. USA/Canada;
  - including dismantling and reinstallation costs and product recall at Autoneum final customer.

AUTONEUM must be provided upon request with evidence of insurance coverage in the form of a certificate.

## **16. Secrecy**

- 16.1. The PARTIES undertake for themselves and their employees to maintain secrecy in respect of all technical, commercial and other information, which comes to their knowledge directly or indirectly in connection with the conclusion of this AGREEMENT and the fulfillment of the PURCHASE AGREEMENTS. The SUPPLIER undertakes to use the documents, data, samples, tools, dies, drawings, plans, calculations, etc.

handed over to it by AUTONEUM and other know-how as well as patents of AUTONEUM exclusively in AUTONEUM's interests, to utilize them neither for its own purposes nor others not covered by the AGREEMENT, and to hand them over neither wholly nor in part to third parties or use them in the interests of third parties. Similarly, the SUPPLIER is obliged to keep AUTONEUM's specifications secret; in particular they may not be incorporated into products, which will be supplied to third parties.

- 16.2. If the SUPPLIER engages a sub-SUPPLIER, AUTONEUM must agree to the disclosure of the relevant sections of its specification to the sub-SUPPLIER. The SUPPLIER must in this case also impose on the sub-SUPPLIER the secrecy obligations set out in the previous clause. The SUPPLIER will name the sub-SUPPLIER at AUTONEUM's request.
- 16.3. The contents of this AGREEMENT and PURCHASE AGREEMENTS must not be disclosed to third parties by the SUPPLIER.
- 16.4. The obligation to maintain secrecy on AUTONEUM's part does not extend to passing on information to subsidiaries, affiliates and associates of AUTONEUM Holding Ltd., inspectors of taxes and certified accountants.
- 16.5. The obligation to maintain secrecy as stipulated in the foregoing clauses remains valid for five years after this AGREEMENT is terminated.
- 16.6. The obligation to maintain secrecy does not apply to information which
  - is already or has become publicly accessible or through no fault of either party,
  - is disclosed to the receiving party by a third party without any obligation towards the disclosing party,
  - was already demonstrably known to the receiving party at the time of receipt.

## **17. Ownership and safeguarding of documents, tools, etc.**

- 17.1. All documents, data, samples, tools, dies, drawings, etc., handed over to the SUPPLIER or financed by AUTONEUM remain the property of AUTONEUM. They must be treated, cared for and kept carefully by the SUPPLIER at its expense, insured appropriately and returned to AUTONEUM after termination of this AGREEMENT or on request during the term of the AGREEMENT. In case of any malfunctioning or damage caused to the equipment, tools etc. which could require such device be replaced or a stoppage in the supply of goods AUTONEUM must be promptly informed. In no case whatsoever may they be used for the production of products for third parties.
- 17.2. Tools, which have been provided or financed by AUTONEUM, have to be kept in good working condition, maintained, repaired and if necessary replaced by the SUPPLIER at its own costs. After expiration of the durability period the SUPPLIER will have to maintain, repair and if necessary replace the tools, which are used exclusively for AUTONEUM at AUTONEUM's expense. If the SUPPLIER is responsible for the need for repairs or the purchase of replacements, it must meet the cost thereof. The durability periods of the tools has to be defined in the offer. If no durability period of tools is specified in the offer, it is assumed that the durability is granted for the full lifetime of the project.
- 17.3. If the SUPPLIER has to purchase specific tools or special equipment for the manufacture of the CONTRACTUAL PRODUCTS in order to meet the express requirements of AUTONEUM, it will inform AUTONEUM of this in advance. If AUTONEUM is in agree-

ment with the purchase, the SUPPLIER will be compensated for the expense incurred. Such tools, equipment, etc., become AUTONEUM's property on their delivery to the SUPPLIER, but must be treated, cared for and kept carefully and appropriately insured by the SUPPLIER. The PARTIES will conclude a separate agreement covering such purchases.

- 17.4. The SUPPLIER pledges not to liquidate any tools, dies, molding models, test equipment etc. that are required in connection with and for production of the CONTRACTUAL PRODUCTS without prior written permission of AUTONEUM and waives any objection to AUTONEUM's repossession and removal of the equipment, tools etc. owned by the SUPPLIER for any reason including unpaid invoices, bankruptcy and or insolvency proceedings.

#### **18. Discontinuation of production by the SUPPLIER**

If the SUPPLIER discontinues production of the CONTRACTUAL PRODUCTS or is unable or refuses to supply AUTONEUM directly or indirectly, the SUPPLIER is obliged to hand over to AUTONEUM the required know-how and rights (design drawings, parts lists, assembly instructions, lists of SUPPLIERS, tools, diagrams, print films, test equipment, source code, etc.) to make the own production of the CONTRACTUAL PRODUCTS by Autoneum possible. AUTONEUM is entitled to commence production immediately after the occurrence of such a case and without further conditions, or to instruct third parties to do so.

#### **19. Effective date and termination**

- 19.1. This AGREEMENT comes into effect after signature by both PARTIES and is valid for an unlimited period. It can be terminated in writing by either party by giving six (6) months' written notice to the end of a calendar month.
- 19.2. This AGREEMENT can be terminated in writing for good cause giving three (3) months' written notice by either party at any time, in particular if the other party has infringed or circumvented a contractual obligation and has not remedied the breach of contract or replaced any resulting losses within a time limit of 30 days, despite written reminder.
- 19.3. Any terms that survive by their nature termination of an agreement shall remain in full force and effect after termination of this AGREEMENT.

## **20. Consequences of termination**

- 20.1. If the SUPPLIER gives notice of termination of this AGREEMENT, the SUPPLIER will assume at AUTONEUM's request certain or all pending delivery and warranty obligations of AUTONEUM vis-à-vis customers of AUTONEUM.
- 20.2. If AUTONEUM gives notice of termination, ORDERS already placed must be processed in accordance with the rules of this AGREEMENT and the PURCHASE AGREEMENTS.

## **21. Other provisions**

- 21.1. If one or more of the provisions of this AGREEMENT should be or become invalid or impracticable, the validity of the remaining provisions shall not be affected thereby. The PARTIES undertake in such a case to replace the invalid or impracticable provision by one, which most closely approximates to the purpose of this AGREEMENT.
- 21.2. Amendments and additions to this AGREEMENT and its Annexes are only valid if made in writing and signed by the PARTIES, unless stipulated otherwise in the AGREEMENT. This is also applicable if an agreement to abstain from the written form is entered into.
- 21.3. The assignment of rights and the assumption of obligations deriving from this AGREEMENT and the PURCHASE AGREEMENTS require the written consent of the counterparty. However, AUTONEUM can transfer rights and obligations to companies associated or which will become associated with the AUTONEUM Group at any time.
- 21.4. Both PARTIES will refrain from asserting and appealing to any General Conditions of Business, even if such conditions appear on forms used for purchase transactions under this AGREEMENT, or reference is made to such conditions.

## **22. Applicable law / Place of jurisdiction**

- 22.1. This AGREEMENT and the individual contracts of sale to be concluded pursuant to it in respect of CONTRACTUAL PRODUCTS are governed exclusively by and construed in accordance with substantive Swiss law without giving effect to the conflict of law principles and excluding the UN sales law (CISG).
- 22.2. All disputes arising out of or in connection with this AGREEMENT shall be settled exclusively by the competent courts of Bursa, Turkey.
- 22.3. AUTONEUM further has the unilateral right to take legal action against the SUPPLIER at any court having jurisdiction over the registered office or branch office of the SUPPLIER or at any court having jurisdiction over the place of performance.

Place: .....

Place: .....

Date: .....

Date: .....

..

.....  
(Company name of AUTONEUM)

.....  
(Company name of SUPPLIER)

.....  
(Names in block letters)

.....  
(Name/s in block letters)

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(Names in block letters)

.....  
(Name/s in block letters)