

GENERAL CONDITIONS OF PURCHASE

1 – SCOPE OF APPLICATION

1-1 These general conditions of purchase (hereinafter referred to as "GCP") are applicable to all orders (hereinafter referred to as "Order(s)") from JTEKT COLUMN SYSTEMS CZECH s.r.o., Czech Republic, Plzeň, Podnikatelská 1144/8 „hereinafter referred to as "JCSCZ" notably to purchase and/or to acquire goods (hereinafter referred to as "Product(s)") and/or as "Supply (ies)" from suppliers and/or providers thereof (hereinafter, in general, referred to as "Supplier(s)").

1-2 The GCP may only be amended with the prior written agreement of JCSCZ and of the Supplier.

2 – CONTRACTUAL DOCUMENTS

2-1 All orders from JCSCZ shall be governed by the GCP herein and supplemented by the particular conditions reflected in the Frame Contract (hereinafter referred to as "FC") together, where relevant, with all Other Contractual Documents (hereinafter referred to as "OCD" defined in the FC.

2-2 In the event of a discrepancy between the various documents, the order of priority shall be as follows: (1) the Order (2) the FC, (3) the OCD and (4) the GCP.

2-3 The Order, the FC, the GCP and OCD contain the entire agreement between the parties and supersede all related previous agreements and understandings between them whether written or oral and whether express or implied.

3 – ORDERS

3-1 ORDER FORM

3-1-1 All Orders from JCSCZ are made either through the web application JCSCZ B2B of pursuant to a written purchase order (hereinafter referred to as "Written Order(s)").

In the contractual parties agree ordering of products through the above stated web application in the Logistic Protocol, the Supplier is obliged to use ibky tgus web aookucatuib abd the other below stated provisions of this Article will not be used in such a case unless the contractual parties explicitly arrange otherwise. JCSCZ is entitled to send orders to the Supplier also in the written form if it is appropriate due to the character of the order.

3-1-2 No Written Order shall be considered as effective unless it has been accepted in the conditions described in the following sub-article.

3-2 ACCEPTANCE OF THE ORDER

3-2-1 Unless otherwise stated in the Logistic Protocol, the acknowledgement of acceptance of the Order shall consist of the duplicate of the Order Form duly signed by the Supplier and sent to JCSCZ by mail or by fax, within five (5) working days from the date set out in the Order Form (hereinafter the "Acknowledgement of Acceptance"). If the Acknowledgement of Acceptance is not received by JCSCZ fill the herewith mentioned period of time (5 working days), the Order is considered to be fully accepted by the Supplier.

3-2-2 Any Order may be withdrawn by JCSCZ upon written notice to the Supplier with immediate effect without giving rise to damages or any indemnity obligation of JCSCZ of any kind whatsoever, unless such Order is, prior to JCSCZ's. Withdrawal of the same, wholly accepted by the Supplier as prescribed.

3-3 MODIFICATION OF THE ORDER

3-3-1 any modification, even minor, of the Order shall be the subject to prior written agreement by both contractual parties and amendment to the Order.

4 – OPEN ORDERS

4-1 Certain Supplies may be the subject of an open order (each, an "Open Order" and collectively, "Open Orders") that describes at least the type and characteristics of the Supply, the price, the place of delivery, the invoicing address and any other applicable conditions (INCOTERM). Such Open Order requires and acceptance as described in article three (3) above. Its execution requires delivery call Form (hereinafter the "Delivery Calls").

4-2 The volumes that may be given in an Open Order only have an approximate value and shall not constitute a commitment by JCSCZ.

4-3 The delivery dates and the actual volumes to be delivered are given in Delivery Calls made in accordance with the FC.

4-4 For the comprehension of these GCP the term "Order" includes the concept of "Open Order" as well as the closed Orders.

5 – PACKING AND DELIVERY DOCUMENTS

All packaging must bear on the exterior the information required by applicable law, legibly printed.

6 – DELIVERY, EXECUTION, AND DELAYS

6-1 Unless otherwise agreed in the FC, the contractual parties shall set up and maintain, for every Open Order, an inventory plan.

6-2 Unless otherwise agreed in the FC, the delivery and/or execution periods shall be established in the Order Form. The delivery and/or execution periods are an integral term of these GCP and are of the essence of the Order. The Supplier must immediately notify JCSCZ and are of the essence of the Order. The Supplier must immediately notify JCSCZ of and incident that may jeopardize adherence to such delivery and/or execution periods.

6-3 In the event of late deliveries, and without prejudice to the right of JCSCZ to terminate all or part of the Order and/or to claim damages, the Supplier shall pay a late fee calculated as follows: 0,3% from the purchase price of the products in question, with whose delivery the Supplier gets into a delay, per started late working day with a maximum aggregate late fee of 10% of the total purchase price amount of the Order to which such delivery relates. JCSCZ shall not gše required to send a prior notice to the Supplier with respect to any late delivery or the imposition of such a late fee.

The Claim of JCSCZ to compensation of damage arisen due to the Supplier's delay with delivery of products is not affected by the above stated arrangement about a late fee.

JCSCZ reserves the right to invoice the Supplier for all the duly justified and expended costs resulting from delays in delivery (including, without limitation, assembly line shortage of our customer(s) and/or JCSCZ, late penalties, etc.).

6-4 The Supplier shall not deliver or require acceptance of Supplies before the agreed delivery date without the express written consent of JCSCZ. The Supplier shall bear all direct and/or indirect costs arising from any such early delivery that exceeds 14 days prior fixed delivery date.

7 – ACCEPTANCE

7-1 Inspection of Products before delivery: JCSCZ reserves the right to carry out – with prior notice of at least 24 hours in advance the expedition of Products from Supplier's premises – all inspections of Products before they are despatched, at the Supplier's premises and during normal business hours. Such inspection shall not affect in any way the warranties granted by the Supplier.

7-2 Rejection: after providing Supplier with adequate period for a defect remedy having no satisfactory result, JCSCZ reserves the right to reject, by simple letter, by telex, by mail or by fax, delivery of Products in the cases of non-compliance, other than insignificant, of the Products with the Order or with the delivery condition defined in the Order. The same applies for excessive deliveries. Paragraph 6-3 applies also on quality rejects.

7-3 JCSCZ will do its best efforts to inform the Supplier of any apparent defects immediately after such defects should be detected within the normal operational process. JCSCZ is not obliged to secure inspection of goods immediately after their delivery and does not lose any liability rights for defects on goods towards the Supplier by non-performance of such an inspection without a delay after delivery of goods to JCSCZ.

7-4 Failure by JCSCZ to assert any claims at the time of delivery, acceptance of a delivery without written condition, or payment for any Products, shall not constitute an acceptance of the Products delivered nor of the amount billed and/or paid, and shall not, under any circumstances, be deemed a waiver by JCSCZ of any subsequent claim.

7-5 Any Product refused may be either: Taken back by the Supplier at its own cost, risk and peril within a period of five (5) days from the date of the notification of refusal by JCSCZ. After this five (5) day period, it is expressly agreed that JCSCZ may, without any liability of any kind whatsoever, either scrap or return the refused Products to the Supplier, at the Supplier's sole cost and risk.

GENERAL CONDITIONS OF PURCHASE

8 – PRICE, INVOICING AND PAYMENT CONDITIONS

8-1 Unless otherwise agreed in the FC or OCD, all prices for Supplies ("Prices") shall be set forth in the Order Form. Such Prices are fixed and not subject to change. Prices for Supplies are deemed to be Delivered Duty Paid – DDP (INCOTERMS 2010) – to the agreed place of delivery. The Price is expressed on a net basis, net of taxes, firm and final. The Price includes payment to the Supplier for all of its costs, expenses, charges, constraints and/or obligations of any kind. The Price is deemed to take account of all circumstances and particularities of the Order, and includes, without limitation, for the Products, the costs of packaging, wrapping, loading, chocking and stowing in the means of transport, transport, unloading and maintenance in the agreed place of delivery as well as the insurance cost and the risks.

8-2 No price increase may be applied without the prior written agreement of JCSCZ.

8-3 Each invoice must correspond to an Order and to a single delivery call. It must set out all the legal requirements that allow identification and inspection of the Supplies and must be sent in duplicate to the invoicing address appearing on the Order Form. Any incomplete invoice shall be returned unpaid to the Supplier; Supplier will be provided with adequate period to remedy all defects in relation to the invoice. By submission of a new complete Invoice, new payment term starts. Invoices shall not be joined to the deliveries.

8-4 Unless otherwise agreed in the FC, all purchases by JCSCZ are payable 90 days from the end of the month in which invoices are received.

8-5 Any duly justified claim issued by JCSCZ towards the Supplier will be charged with administration fee in the amount of €100 to the debit balance of the Supplier.

9 – GUARANTEE

9-1 The Supplier, as a specialist in its field, retains full liability for its technical decisions, regardless of the degree of assistance that JCSCZ may have provided during the performance of the Order.

9-2 GUARANTEE FOR THE PRODUCTS

9-2-1 Content of the guarantee:

9-2-1-a The Supplier, as a specialist in its field, represents and warrants / guarantees to JCSCZ that the delivered Products shall be:

- Usual technological level, and of good material and workmanship;
- Fit for the particular purpose, for which they are intended, within the normal conditions of use specified by the Supplier, and shall offer the safety that can be reasonably expected of the subject to such use of the Products as shall have been indicated by JCSCZ to the Supplier at the time of placement of the Order;
- In conformity with all mutually agreed drawing, specifications and all definition documents of the ordered Products;
- With respect to non-specified characteristics, in conformity with the initial samples ("IS") fully approved by JCSCZ;
- Free of all visible or latent defects, as well as all design, manufacturing or operational defects

9-2-1-b Acceptance by JCSCZ of the IS shall not discharge the Supplier of its responsibility and shall not constitute acceptance of the Products delivered and/or subsequently delivered.

9-2-2 Scope of the guarantee

9-2-2-a Without prejudice to JCSCZ's right to terminate the Order and/or to assert any claim, and in addition to all legal warranties, the Supplier grants to JCSCZ a contractual guarantee.

9-2-2-b Pursuant thereto the Supplier is bound by a performance obligation and shall take responsibility notably for:

Reimbursement to JCSCZ for all the duly justified and expended costs directly or indirectly incurred by JCSCZ in connection with any defective Products. All direct and/or indirect consequential damages that are incurred directly by JCSCZ, whether damage to persons or property, as well as consequential damages caused to third parties, to JCSCZ or to the successors or assigns of JCSCZ or of any third party, as well as their respective employees and/or property.

9-2-2-c This guarantee is granted for the duration of thirty six (36) months as from delivery date.

9-3 Non-performance of the guarantee / warranty by the Supplier Where the Supplier is unable to perform this guarantee / warranty correctly within a reasonable delay depending on the circumstances, JCSCZ reserves the right, depending on the case, to buy the Products from another supplier, all at the cost of the defaulting Supplier without prejudice to JCSCZ's right to terminate such Order. This is without prejudice to JCSCZ's right to terminate the Order and/or to assert any claim, and in addition to all legal warranties.

10 – QUALITY ASSURANCE

Supplier's acceptance of an Order shall mean the Supplier's acceptance of the Quality System of JCSCZ and agreement to strict observance of the terms thereof.

11 – ORIGIN OF SUPPLIES

Upon the request by JCSCZ, the Supplier shall certify the origin of any Product by providing a certificate stating that the Supplier complies with the requirements of the regulated materials panel ("RMP") and does not infringe ISO TS 16949 with respect to controlled substances.

12 – INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS

In the event of any legal proceedings or out-of-court claims, all sums that JCSCZ has to pay for any reason whatsoever, including, without limitation, any costs, fees, damages and interest shall be fully reimbursed by the Supplier to JCSCZ upon first request. The Supplier shall compensate JCSCZ for all direct and indirect damages arising from related supply chain claims that may be brought against JCSCZ by a third party.

13 – CONFIDENTIALITY, TOOLING

Mutual liabilities of the contractual parties concerning the confidentiality obligation are regulated in a separate Supplier Confidentiality Agreement.

Tooling including the entire connected know-how is the exclusive property of JCSCZ. Mutual rights and obligations concerning tooling will be regulated by the contractual parties in a separate agreement.

14 – TRANSFER OF PROPERTY AND OF RISK

14-1 Unless otherwise agreed in the FC, the transfer of title to the Supplies takes place upon acceptance of the Order by the Supplier.

14-2 All risk of loss relating to the Supplies shall remain with the Supplier until actual delivery of the Products to JCSCZ.

14-3 No "reservation of title" clause requested by the Supplier may be invoked or raised against JCSCZ unless it has been expressly accepted by JCSCZ in writing.

14-4 The Supplier undertakes not to stipulate any reservation of title in favour of its own suppliers of goods which are to be integrated in the products sold to JCSCZ in accordance with the order.

15 – INSURANCE

15-1 The Supplier shall maintain, from a financially sound and reputable insurance carrier:

- an all-risk liability insurance policy
- a Products Liability insurance policy after delivery each case with coverage, unless otherwise agreed upon in the Frame Contract, in a minimum amount of either (I) three million EUROS (3M€) or (II) half the annual estimated sales amount, if above 6 M€, towards JCSCZ per occurrence, with respect to any bodily injury, property damages, or any tangible and / or intangible damage(s), consequential or otherwise, directly or indirectly caused to the clients of JCSCZ to JCSCZ or a third party by reason of its defective Supplies, or infringement of any Intellectual Property, directly or indirectly caused to: (I) JCSCZ; (II) JCSCZ's customers; or (III) any third party by reason of the Supplier's defective Supplies.

15-2 Such insurance policy shall include an option covering the costs of any recall campaigns that may be undertaken by JCSCZ and/or by its customers and/or the Supplier. Such insurance policy

GENERAL CONDITIONS OF PURCHASE

shall contain a waiver of subrogation in favour of JCSCZ and/or its insurers.

15-3 Upon request of JCSCZ, the Supplier shall provide a certificate of insurance, showing such coverage described herein, as well as evidence of Supplier's payment of all premiums.

15-4 The existence of such insurance coverage shall not release Supplier from its obligations hereunder, nor shall it constitute a limit to the liability of the Supplier.

15-5 The Supplier shall inform JCSCZ of any termination of the Supplier's insurance contract, for any reason, if it occurs before the expiry of the guarantee period provided by the Supplier for individual Products delivered according to the Frame Contract.

16 – TERMINATION

16-1 Termination for convenience: Unless otherwise stipulated in the FC, it is expressly agreed that JCSCZ has the right to terminate, in whole or in part, without giving rise to any indemnity or damages of any kind whatsoever, without prior instruction or specific formalities, by sending notice of the same to the other party by registered mail, return receipt requested, any Open Order, whether it is for a specified or unspecified duration, or more generally any Order, at any time, with or without cause, on three (3) months' prior written notice to Supplier.

16-2 Termination with cause: Unless otherwise stipulated in the JCSCZ, and without prejudice to the right of any contractual party to claim for damages, it is expressly agreed that both parties have the right to terminate, in whole or in part, any Order in the event of partial or total non-performance by the other party of any of its obligations under the Order, even after being given fifteen (15) days' to remedy. Such termination shall occur by sending notice of the same to the respective party by registered mail, with immediate effect.

17 – MISCELLANEOUS

17-1 Manufacturing conferred on a third party and assignment to third parties

17-1-1 The Supplier shall not sub-contract its obligations without the prior written agreement of JCSCZ. In the event of authorized sub-contracting, the original Supplier shall remain solely liable to JCSCZ.

17-1-2 Supplier shall not assign its rights or delegate its duties, in whole or in part, with respect to any Order, whether free of charge or for consideration, without the prior written agreement of JCSCZ. The Supplier shall provide JCSCZ with all information and advice that is indispensable to storage of any Supply, the integration of any Supply into any other Product, and to its usage. It is therefore required to ascertain that the specifications are sufficient and pertinent in this regard, to inform JCSCZ of any non-compliance of the specifications with the regulations in force in the country of sale given in the specifications, to propose to JCSCZ any modification that could improve the quality or cost of the Supply, and to inform JCSCZ of the risk of poor quality or non-satisfaction of JCSCZ's requirement that the Supply might present.

17-2 DUTY TO INFORM

The Supplier shall provide FKC with all information and advice that is indispensable to storage of any Supply, the integration of any Supply into any other Product, and to its usage. It is therefore required to ascertain that the specifications are sufficient and pertinent in this regard, to inform FKC of any non-compliance of the specifications with the regulations in force in the country of sale given in the specifications, to propose to FKC any modification that could improve the quality or cost of the Supply, and to inform FKC of the risk of poor quality or non-satisfaction of FKC's requirement that the Supply might present.

17-3 PROGRESS UNDERTAKING- IMPROVEMENTS

The Supplier shall use its best efforts to devise improvements to the technical definition of the Supply, where relevant in cooperation with FKC, as well as of its industrial process, and shall use best efforts to seek to reduce the manufacturing cost and to improve the quality, including in terms of durability of the Supply. Any improvement must be approved by FKC before it is implemented.

17-4 SEVERABILITY

Should any provision of the Order, FC, GCP and/or OCD be, for any reason whatsoever, invalid or unenforceable, the remaining provisions shall not be affected by this invalid or unenforceable provision. Therefore the parties undertake to renegotiate the said invalid or unenforceable provision in order to restate the said provision as nearly as possible with the original intention of the parties in accordance with the governing laws.

17-5 AMENDMENTS

Any amendments to an agreement between the parties must be in writing and shall only be valid with the express approval of both parties. The foregoing also applies to a waiver of this article.

17-6 WAIVER

The fact that one of the parties at any time does not apply any provision of the Order or does not request the application thereof by the other party shall not be considered as constituting a waiver of any such provision or of any another provision, or as affecting the validity of the Order or the right of each party to subsequently claim the application of the said provision or of the Order itself.

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Supplier representative name, stamp & signature