

GENERAL PURCHASING CONDITIONS

KONGSBERG AUTOMOTIVE GROUP



WE DRIVE THE GLOBAL TRANSITION TO SUSTAINABLE MOBILITY.



§ 1 GENERAL; OFFER AND ACCEPTANCE OF CONTRACT

- 1.1. The attached purchase order and any other purchase order ("Order") issued by the affiliate or subsidiary of Kongsberg Automotive ASA identified on the face of the Order ("Buyer") is Buyer's offer to the Supplier identified on such Order and its applicable affiliates and subsidiaries ("Supplier") to enter into an agreement for the purchase of goods and/or services described in the Order (together, the "Goods"), and incorporates and is governed exclusively by these terms and conditions (collectively, the "Terms").
- 1.2. The Order supersedes all prior or contemporaneous agreements, orders, quotations, proposals and other communications, terms or conditions between Buyer and Supplier regarding the Goods, and the Order does not constitute an acceptance of any offer or proposal made by Supplier. Any Supplier quotation, proposal, response, counter-offer or similar undertaking relating to the Goods or otherwise is expressly rejected and is replaced in its entirety by the offer made through the Order. Notwithstanding the foregoing, the terms and conditions set forth in Buyer's Request for Quotation shall be incorporated by reference herein.
- 1.3. Supplier has read, understands and fully accepts the Order and these accompanying Terms, and a binding contract shall be deemed to have been created upon Supplier doing any one of the following: (a) shipping any Goods to Buyer, (b) commencing any work under the Order, (c) accepting the Order in writing or otherwise, or (d) undertaking any other conduct that recognizes the existence of a contract with respect to the subject matter of the Order. Supplier's acceptance of the Order is expressly limited to these Terms and the description of the Goods on the face of the Order, however, no purported acceptance of the Order on any terms or conditions which modify, supersede, supplement or otherwise alter these Terms shall be binding upon Buyer and such terms or conditions shall be deemed rejected and replaced by these Terms, unless Buyer expressly accepts such other terms or conditions in a written instrument signed by an authorized representative of Buyer notwithstanding Buyer's acceptance of or payment for any shipment of Goods or other act by Buyer.
- 1.4. Supplier expressly acknowledges that Kongsberg Automotive ASA, an enterprise registered in Norway with organization number 942 593 821 ("Kongsberg Automotive") or any affiliate or subsidiary thereof may from time to time coordinate purchasing goods and services for Buyer, including issuing orders containing the name or logo of Kongsberg Automotive. Accordingly, Supplier acknowledges and agrees that the Order shall be binding only on the specific Buyer identified on the face of this Order as the purchaser of the Goods, and that neither Kongsberg Automotive nor any of its affiliates or subsidiaries, except for Buyer, shall be parties to or guarantors of any obligations or liabilities of Buyer under the Order.

§ 2 QUANTITY; DELIVERY SCHEDULES AND TIME PERIOD OF THE ORDER

- 2.1. The quantity and delivery dates of Goods applicable for the Order shall be as stated on the Order, as supplemented on Buyer's Delivery Schedules applicable to the Order.
- 2.2. Unless the Order requires Supplier to manufacture, ship and/or provide a specified quantity of Goods, the Order shall be deemed a requirements contract, under which Supplier is required to supply Buyer's requirements which shall be defined as those quantities ordered by Buyer from time to time as described in written Delivery Schedules issued by the Buyer from time to time. Subject to Section 2.5 below, the quantity specified may be for up to one hundred percent of Buyer's requirements for the Goods, however, notwithstanding anything to the contrary in the Order, Supplier is obligated to provide Goods to Buyer in at least the quantity and for at least the period specified in any Delivery Schedules, and Buyer shall have no obligation or liability beyond the quantity specified as firm in such Delivery Schedules. Unless the Order specifically provides that Supplier shall produce one hundred percent of Buyer's requirements for the Goods, Buyer shall have the right to obtain any portion of the Goods from other sources. Buyer's requirements are determined by the needs of Buyer's customers and such needs may change from time to time. Any projected or estimated volumes provided by the Buyer to Supplier (including forecasted volumes in any Requests for Quotation) are for planning purposes only and do not represent a commitment or obligation to purchase the estimated or forecasted volumes.
- 2.3. New Delivery Schedule/s or amendments thereto issued by Buyer shall become binding provided the Supplier does not reject them within two (2) Days of their receipt. The Supplier Logistics Manual (https://www.kongsbergautomotive.com/for_suppliers/purchasing-conditions-and-manuals/) forms an integral part of these Terms.



- 2.4. Unless earlier terminated as provided herein, the Order has an initial term of twenty four (24) months from its issuance (the "Initial Term"). At the end of the Initial Term, unless either party has notified the other party in writing at least twelve (12) months prior to the last day of that term that it wishes to terminate the Order (in which case the Order terminates at the end of the Initial Term), the Order extends automatically by a further period of twenty four (24) months and thereafter shall continue to be automatically extended by further periods of twenty four (24) months, until terminated in accordance with the other Sections of these Terms or upon written notice served at least twelve (12) months prior to the end of the then current period of the Order.
- 2.5. For purchases made by Kongsberg Automotive's affiliates and subsidiaries incorporated in the United States ("KANA") or to any KANA plant in Mexico, the terms of this Section shall apply in lieu of the terms set forth in Sections 2.2 and 2.4 above:
 - a) Unless some other amount is set forth on the front of the Order, the quantity shall be no less than eighty percent (80) of Buyer's requirements for the Goods, however, notwithstanding anything to the contrary in the Order, Supplier is obligated to provide Goods to Buyer in at least the quantity and for at least the period specified in any Delivery Schedule/s.
 - b) Subject to Buyer's termination rights, this Order is binding on Buyer and Supplier for the length of the production life of the applicable original equipment manufacturer ("OEM") vehicle program for which Buyer intends to incorporate the Goods. Supplier acknowledges and assumes the risk of the vehicle program production life being cancelled or extended by the OEM. Notwithstanding the foregoing, if an expiration date or time period is specified on the Order, the Order is binding until such expiration date or end of such time period, subject to Buyer's termination rights.
 - c) If the Goods are not directly or indirectly associated with a specific OEM vehicle program life, then, subject to Buyer's termination rights, this Order is binding on Buyer and Supplier for one (1) year from the date of this Order and will automatically renew for successive one (1) year periods after the initial term, unless the Supplier provides notice to Buyer, no less than one hundred and eighty (180) Days prior to the end of the current term, of Supplier's desire that this Order not be renewed, provided that, Buyer may extend the term of this Order for such period of time beyond the initial or current term as Buyer deems necessary, acting reasonably and in good faith, to procure an alternate source of supply of the Goods that is acceptable to Buyer and to ensure an orderly transition of supply.

§ 3 CHANGES

- 3.1. Buyer reserves the right to direct changes, or to cause Supplier to make changes, to designs, drawings, specifications, samples, descriptions, methods of packing, shipping, labeling and the date or place of delivery of the Goods covered by the Order. Buyer also reserves the right to otherwise change the scope of the work covered by the Order, including work with respect to inspection, testing or quality control. Buyer may also direct the supply of raw materials from itself or from third parties. Any such changes shall be deemed not to affect the time for performance or the cost under the Order, unless Supplier provides Buyer with written notice of, including reasonable evidence supporting, a claim for price or delivery adjustment based solely on such change, within ten (10) Days after Buyer's notice to Supplier of such change. Supplier shall promptly comply with and implement any change ordered by Buyer regardless of whether Supplier has or intends to notify Buyer of consequences of the change and regardless of whether the Parties may not be in agreement with regard to the impact of such changes. The Parties shall as soon as possible start discussions in good faith to reach agreement on the consequences of any changes. In no case will Buyer be bound by any Supplier request or demand for a change in price, delivery time or other term unless first approved in writing by an authorized representative of Buyer.
- 3.2. Supplier will not make any change in the Goods' design, material, specifications, processing, packing, marking, shipping, price or date or place of delivery or manufacturing except at Buyer's written instruction or with Buyer's prior written approval signed by an authorized representative of Buyer.

§ 4 TERMINATION

- 4.1. Buyer may terminate immediately all or any part of each Order, without any liability to Supplier and Supplier shall



reimburse Buyer for all costs incurred by Buyer in connection with any of the following, including without limitation attorney's and other professional fees, if the Supplier: (a) repudiates, breaches or threatens to breach any of the terms of the Order, provided that Supplier is unable to remedy that breach within five (5) Days of written notice from Buyer; (b) fails or threatens not to deliver Goods or perform services in connection with the Order; (c) fails to make progress or to meet reasonable quality requirements so as to endanger timely and proper completion or delivery of Goods; (d) enters or offers to enter into a transaction that includes a sale of a substantial portion of its assets used for the production of Goods for Buyer or a merger, sale or exchange of stock or other equity interests that would result in a change in control of Supplier; or (e) becomes insolvent, set under receivership or bankruptcy or insolvency proceedings of any nature are commenced in relation to Supplier.

- 4.2. In addition to any other rights of Buyer to terminate the Order, Buyer may at its option, immediately terminate for convenience all or any part of any Order at any time and for any reason by giving written notice to Supplier. Upon termination by Buyer for convenience under this Section, Buyer shall pay to Supplier the following amounts without duplication: (a) the Order price for all finished Goods which conform to the requirements of the Order and not previously paid for; (b) Supplier's reasonable actual cost of the work-in-process and parts and materials duly transferred to Buyer in accordance with this Section; and (c) Supplier's reasonable actual cost incurred by canceling its subcontracts. Buyer shall not be liable for and shall not be required to make payments to Supplier, directly or on account of claims by Supplier's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, unabsorbed overhead or, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, general and administrative burden charges resulting from termination of the Order or otherwise. Within twenty (20) Days after the effective date of termination for convenience under this Section, Supplier shall furnish to Buyer its claim for compensation, which shall consist exclusively of the items of Buyer's obligation to Supplier that are listed above, together with all supporting data. Any Supplier compensation claim after said twenty (20) Day period will not be considered by Buyer. Buyer may audit Supplier's records before or after payment to verify amounts requested in Supplier's termination claim. Notwithstanding anything herein to the contrary, Buyer's obligation to Supplier upon termination for convenience pursuant to this Section shall not exceed the obligation Buyer would have had to Supplier in the absence of termination.
- 4.3. Upon receipt of notice of termination pursuant to the Sections above, Supplier, unless otherwise directed in writing by Buyer, shall: (a) terminate immediately all work under the relevant Order (to the extent, if any, specified in the termination notice); (b) transfer title and deliver to Buyer the finished work, the work-in-process, and any Buyer owned Tooling, parts and materials (including without limitation raw materials) which Supplier produced or acquired and which Buyer requests; (c) settle all claims by subcontractors, if any, for reasonable actual costs that are rendered unrecoverable by such termination and forward such costs to Buyer insofar as they are covered by Buyer's material authorization; (d) take actions reasonably necessary to protect Buyer property in Supplier's possession; and (e) upon Buyer's request, cooperate with Buyer in effecting the re-sourcing of the Goods covered by the Order to a different supplier designated by Buyer. Buyer shall have the right at any time after termination to inspect and/or take possession of all unused raw materials, finished work, and work in process or Tooling in the possession of Supplier and owned by Buyer.
- 4.4. Upon the expiration or earlier termination of an Order for whatever reason, Supplier agrees to take such actions as may be reasonably requested by Buyer to transition the supply of Goods from Supplier to an alternative supplier.

§ 5 DELIVERY TIMES AND DELAY

- 5.1. Supplier acknowledges that delivery times and quantities are of the essence and Buyer may reject and/or return at Supplier's expense any delivery of Goods or part thereof received before or after the delivery date or in excess of the quantity specified in the Order and/or Delivery Schedules. Supplier shall deliver the Goods on a "just-in-time" basis, that is, at an appointed time of delivery immediately prior to standard production without delay, such time and timing to be set out in the applicable Delivery Schedules.
- 5.2. Except as described in Section 5.3, in the event that Supplier fails to deliver any Goods strictly in accordance with the delivery dates specified in the Order and/or applicable Delivery Schedules, in addition to any other rights and remedies available to Buyer in the Order or under applicable law, Buyer shall be entitled to: (a) entirely or partially cease the purchases of the Goods that the Buyer determines, in its sole discretion, is no longer required



due to such delay; (b) purchase the Goods from third parties or other sources; and (c) recover from Supplier all losses and damages caused by the failure to deliver on time, however Supplier is not liable for Buyer's loss of profit unless Supplier has exceeded the delivery dates specified in the Order and/or applicable Delivery Schedules with more than ten (10) Days.

- 5.3. Buyer or Supplier may suspend performance of its obligations under the Order if and to the extent directly caused by an occurrence beyond its reasonable control, which was not reasonably foreseeable at the time of acceptance of the Order and occurred without fault or negligence of the party affected, such by way of example but not limited to: acts of God or public enemy, actual or threatened terrorist activities and measures implemented by any governmental body to avoid or mitigate the consequence thereof, restrictions or prohibitions imposed by governmental authority, embargoes, fires, floods, hurricanes, earthquakes, epidemics, pandemics, outbreaks of infectious disease or any other public health crisis, including quarantine or other employee restrictions, delays of similar natural or governmental causes, and strikes or labor disputes (but excluding strikes and labor disputes which only affect Supplier and/or its subcontractors) ("Excusable Delay"). Notwithstanding the above, however, Supplier shall be entitled to the above right to suspend performance for Excusable Delay only if Supplier immediately notifies Buyer in writing upon Supplier discovering, or ought to have discovered, any fact which may, or could with the passage of time, result in an Excusable Delay, and Supplier uses its best endeavors to take all measures and precautions to reduce the effect of the Excusable Delay. Nothing contained in this Section shall limit Buyer's rights under other provisions of these Terms. For the duration of any Excusable Delay, Buyer shall be entitled to obtain the Goods covered by the Order from other sources and to reduce without any liability or obligation to Supplier, the quantity of the Goods specified in the Order and/or applicable Delivery Schedules. Supplier will notify Buyer immediately of any actual or potential labor dispute delaying or threatening to delay timely performance of any part of the Order or Delivery Schedule and will include all relevant information. Notwithstanding the above, if Buyer does not receive from Supplier satisfactory assurances that any Excusable Delay will not exceed thirty (30) Days, or if any Excusable Delay exceeds thirty (30) Days, Buyer may terminate the Order without liability.

§ 6 PACKAGING; SHIPPING; TRANSFER OF RISK

- 6.1. Goods shall be suitably, carefully and appropriately packed, marked and shipped in accordance with the Order and the Supplier Logistics Manual.
- 6.2. If the Incoterm "FCA" or "EXW" has been specified in the Order or applicable Delivery Schedule in relation to the Goods, the Goods will be shipped by the transport provider and by the mode of transport prescribed by Buyer, in which case Supplier shall support Buyer to ensure that transportation of the Goods is undertaken in the most cost-effective manner in accordance with this Section. Supplier will give the following data to the transport provider in writing: "shipping location and loading depot", "quantity and type of loading units", "gross weight and storage area requirements", "date of delivery" and "delivery depots". Delivery notes must always accompany the Goods and be made in writing.
- 6.3. The risk of loss or damage to Goods passes from Supplier to Buyer pursuant to the agreed Incoterm.

§ 7 INSPECTION; NONCONFORMING GOODS

- 7.1. Upon prior written notice, Supplier agrees to permit Buyer access to Supplier's facilities at such reasonable times as determined by Supplier for inspection and testing of Goods by Buyer, its customers and/or their named agents and will provide all tools, facilities and assistance reasonably necessary for such inspection and testing at no additional cost to Buyer, provided, however, that such party shall not unreasonably interfere with Supplier's operations or personnel, shall be accompanied by Supplier personnel in connection therewith and shall keep Confidential Information confidential. Such Goods may be subject to final inspection, testing and acceptance by Buyer after delivery to Buyer.
- 7.2. If any Goods ordered hereunder do not meet the specifications or otherwise do not strictly conform with the requirements of the Order, Buyer shall have the right to reject such Goods. Upon such delivery and rejection, in addition to any other rights and remedies it may have under applicable law or these Terms, Buyer shall have the right to return such Goods for replacement or correction by Supplier. Buyer may also exercise its rights under



Section 5.2. The packaging, storage and handling expenses incidental thereto, and the applicable transportation cost will be charged to Supplier's account and paid by Supplier.

§ 8 PRICING; SETTLEMENT OF ACCOUNTS AND PAYMENT

- 8.1. Except as expressly stated in the Order, the price of the Goods includes storage, handling, packaging and all other expenses and charges of Supplier. All invoices for the Goods must reference the Order number, amendment or release number, Buyer's part number, Supplier's part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, bill of lading number, and other information required by Buyer. The price for the Goods as specified on the Order also includes all duties and taxes, except for any governmentally imposed value added tax (VAT), which must be shown separately on Supplier's invoice for each shipment. Buyer is not responsible for any business activity taxes, payroll taxes or taxes on Supplier's income or assets. Supplier will pay all premium freight costs over normal freight costs if Supplier needs to use an expedited shipping method to meet agreed delivery dates for any reason unless caused by Buyer. Supplier will pay any costs incurred by Buyer, including costs charged by Buyer's customer(s) to Buyer, as a result of Supplier's failure to comply with shipping or delivery requirements.
- 8.2. Prices for Goods are not subject to increase for any reason, including based upon changes in raw material or component pricing, labor, overhead, currency fluctuation or otherwise, unless specifically and expressly agreed to in writing by an authorized representative of Buyer.
- 8.3. Unless otherwise agreed, payment for Goods delivered properly and in a timely manner will be made according to the payment terms of the Order.
- 8.4. If the parties have agreed that Supplier's accounts will not be settled via self-billing invoices, a commercial invoice shall be submitted by Supplier. The original invoice shall be sent to Buyer's payment address (as specified on the Order). Payment remittances shall either be made by bank transfer or by cheque, as specified by Buyer.
- 8.5. If the parties have agreed that Supplier's accounts will be settled via self-billing invoices, then Supplier shall comply with Buyer's EDI instructions.
- 8.6. Supplier may not assign its payment rights hereunder without the prior written consent of Buyer. Buyer shall be entitled to offset claims it may have against Supplier and Supplier's affiliates and subsidiaries against any amounts otherwise owed by Buyer to Supplier and any of Supplier's affiliates and subsidiaries.
- 8.7. Supplier shall ensure that the Goods remain competitive in terms of price, technology and quality, with substantially similar goods available to Buyer from other suppliers. In the event that Buyer considers that Supplier's Goods are no longer competitive, in relation to price, technology, and quality even though the Goods otherwise are in accordance with the terms of the Order, Buyer shall notify Supplier and provide information supporting its opinion. Supplier and Buyer shall then meet for good faith discussions on how to make the Goods competitive. In the event that the parties should not reach a mutually acceptable solution within thirty (30) Days from Buyer's notification, Buyer shall have the right to terminate the Order in so far as it concerns the non-competitive Goods by serving a thirty (30) Days written notice to Supplier.

§ 9 CUSTOMS

- 9.1. Credits or other economic benefits resulting from the Order, including trade credits, export credits or the refund of duties, taxes or fees, belong to the Buyer. Supplier will provide all information and certificates necessary to permit Buyer or Buyer's customers to receive these benefits or credits. Supplier agrees to fulfill any customs, origin marking or labeling requirements, export or import controls, and local content origin requirements.
- 9.2. Export licenses or authorizations necessary for the export of Goods are Supplier's responsibility unless otherwise expressly stated on the Order, in which case Supplier will provide the information necessary to enable Buyer to obtain the licenses or authorizations.
- 9.3. Supplier will promptly notify Buyer in writing of any material or components used by Supplier in filling the Order



that Supplier purchases in a country other than the country in which the Goods are delivered.

- 9.4. Supplier shall promptly furnish Buyer and Buyer's agents with any documentation and information necessary to establish the country of origin or to comply with the applicable country's rules of origin requirements as well as any other certificates or documentation related to the import/export compliance (such as, but not limited to, Manufacturer's Affidavits, certifications of origin, Steel Mill Certificates etc.). Supplier will promptly advise Buyer of any material or components imported into the country of origin and any duty included in the Goods' purchase price. If Goods are manufactured in a country other than the country in which Goods are delivered, Supplier will mark Goods "Made in [country of origin]." Supplier will provide to Buyer and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of Goods into the country in which Goods are delivered.
- 9.5. When requested, Supplier shall also promptly provide Buyer and Buyer's agents, at Supplier's expense, with proof of Supplier's compliance with all applicable trade programs and agreements applicable to the relative jurisdictions, including but not limited to the United States Mexico Canada Free Trade Agreement (USMCA/CUSMA/TMEC), the American Automobile Labeling Act (AALA), the Korea US Free Trade Agreement (KORUS), the European Union's Customs Union (EUCU) and the Asia-Pacific Trade Agreement (APTA).
- 9.6. Supplier must comply with the requirements of the International Phytosanitary Measure (ISPM 15) and provide supporting evidence of compliance to the Buyer upon request.
- 9.7. Supplier shall provide Buyer and Buyer's agents with all documents required for customs drawback purposes (properly completed and executed in accordance with government regulations applicable in the relevant jurisdiction), including the following: (a) Customs Form 7582, (b) Certificates of Manufacture and Delivery, (c) Drawback Rights Assignment Letter, (d) Proof of entry and duty payments made on behalf of Supplier; and (e) Proof of export documentation, if applicable.
- 9.8. Supplier warrants that any information that is supplied to Buyer about the import or export of Goods is true and that all sales covered by the Order will be made at not less than fair value under the anti-dumping laws of the countries to which the Goods are exported.
- 9.9. For any Goods that may contain potentially hazardous or restricted materials, if requested by Buyer, Supplier shall promptly furnish to Buyer a detailed list of and quantities of all potentially hazardous materials in the Goods. Before shipping such Goods, Supplier shall furnish to Buyer sufficient warning and notice (including appropriate labels on the Goods, containers and packaging) of any hazardous material that is any part of the Goods, and special handling instructions necessary to advise all carriers, Buyer and their respective employees as to how to exercise necessary care and caution to best prevent any bodily injury or property damage in the handling, processing, use or disposal of such Goods. Supplier shall comply with all applicable laws and regulations pertaining to product and warning labels, including but not limited to requirements to notify Buyer of the "Classification of Dangerous Goods" as required by the European Agreement concerning the "International Carriage of Dangerous Goods".
- 9.10. Unless otherwise agreed, customs clearance shall be the responsibility of Buyer. If Supplier assumes responsibility for customs clearance without Buyer's prior written approval, Supplier shall bear the costs of such clearance. When Buyer is the importer of record, Supplier shall promptly and timely provide Buyer or its agents with all information required to comply with the Importer Security Filing (ISF), the Entry Summary Declaration (ENS) or equivalent pre-arrival reporting standards in other relevant jurisdictions. Any liquidated damages payable due to failure of the Supplier to provide correct and timely data will be charged back to the Supplier.

§ 10 QUALITY; WARRANTY

- 10.1. The Goods and Supplier's processes shall meet all quality requirements of Buyer and Buyer's customers and governmental "end of life" reporting, including but not limited to the Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of life vehicles and other requirements. Supplier shall comply with Buyer's Supplier Quality Manual (https://www.kongsbergautomotive.com/for_suppliers/purchasing-conditions-and-manuals/) and any technical standards listed therein which are an integral part of the Order.



- 10.2. Supplier shall use its best endeavors to use subcontractors that fulfill Buyer's quality requirements as expressed in the Supplier Quality Manual. Supplier is, jointly and severally, fully responsible for all Supplier's sub-supplier providers of goods or services involved in the production, processing or servicing of Goods. Supplier shall maintain adequate development, validation, launch and ongoing supervision to assure all Goods provided to Buyer conform to all specifications, standards, drawings, samples and descriptions, including as to quality, performance, fit, form, function and appearance, under the Order.
- 10.3. Supplier expressly warrants that all Goods will:
- a) conform to the applicable specifications, instructions, drawings, data and samples and/or descriptions furnished to or by Buyer, including Buyer's customers, and
 - b) be merchantable, of good material and workmanship and free from defects, and
 - c) to the extent the design is furnished by Supplier; comply with all governmental requirements in the countries in which the Goods or the vehicles into which the Goods are to be installed can be reasonably expected to be sold, and
 - d) to the extent the design is furnished by Supplier, its affiliated companies or their subcontractors; be free from defects in design, even if the design is approved by the Buyer, and
 - e) be suitable for the intended use by the Buyer, including the specified performance in the component, subsystem and vehicle location specified by the Buyer and the environment in which the Goods are or reasonably may be expected to perform.

These warranties shall be in addition to all other warranties, express, implied, or statutory. Payment for, inspection of, or receipt of Goods or services shall not constitute acceptance or a waiver of any breach of warranty. These warranties may be exercised by Buyer and/or according to Buyer's explicit notification; its successors, assignees or customers.

- 10.4. Where the Goods incorporate software, the software shall on the delivery date be free from any commonly known viruses, worms, trojan horses or other harmful or malicious code or components, and free from any "self-help" code or other disabling code. Supplier further warrants that the software does not contain any Open Source and that no deliverables or derivative products are subject to the terms of any Open Sources license, unless otherwise expressly agreed in writing with Buyer. In such case, the terms of all relevant Open Source license must be disclosed and approved by Buyer.
- 10.5. The rights and remedies reserved to Buyer in the Order will be cumulative with and in addition to all other legal or equitable remedies. Supplier will reimburse Buyer for any incidental, direct, consequential and indirect damages caused by Supplier's breach of these Terms and/or by nonconforming Goods, including without limitation, damages, costs, expenses and losses incurred directly or indirectly by Buyer or its customer(s): (a) in inspecting, sorting, repairing or replacing the nonconforming Goods; (b) resulting from production interruptions; (c) conducting recall campaigns or other corrective service actions; or (d) resulting from personal injury (including death) or property damage caused by the nonconforming Goods. Consequential damages include reasonable professional fees incurred by Buyer. Notwithstanding the above, such damages may not exceed the loss which the Supplier foresaw or ought to have foreseen at the time of the conclusion of the contract, in the light of the facts and matters of which he then knew or ought to have known, as a possible consequence of the breach of contract. The Buyer must take such measures as are reasonable in the circumstances to mitigate the loss, including loss of profit, resulting from the breach. If he fails to take such measures, the party in breach may claim a reduction in the damages in the amount by which the loss should have been mitigated.
- 10.6. In any action brought by Buyer to enforce Supplier's obligation to produce and deliver Goods under the Order, the parties agree that Buyer does not have an adequate remedy at law and Buyer is entitled to specific performance of Supplier's obligations under the Order.
- 10.7. All warranties will be effective for the longer of: (a) the period provided by applicable law, (b) thirty six (36) months from the delivery date, (c) any other warranty period set forth in an Order or Frame Purchase Agreement between the parties, or (d) in the event that Buyer or its customer voluntarily or pursuant to a government mandate, offers



to owners of vehicles on which the Goods or any parts or components incorporating the Goods are installed to provide remedial action to address a defect or condition that relates to motor vehicle safety or the failure to comply with any applicable law or safety standard, whether in connection with a recall campaign or other remedial action, the warranty shall continue for such period as may be dictated by Buyer's customer or by the relevant governmental authority where the Goods are used.

§ 11 REMEDIES AND INDEMNIFICATION

- 11.1. To the fullest extent permitted by law, Supplier will indemnify, and hold Buyer and its affiliates and subsidiaries, as well as Buyer's direct and indirect customers, harmless against all costs, liabilities, damages, claims, losses and expenses (including but not limited to legal expenses and attorney fees) that are related in any way or arise from nonconforming Goods, or from any negligent or wrongful act or omission of Supplier or Supplier's agents, employees, subcontractors, or any breach or failure by Supplier to comply with the Order and any Terms.
- 11.2. In connection with the Goods or otherwise, if Supplier's employees, agents, sub-contractors or other representatives ("Supplier's Agents") are on or present at any premises of Buyer, Supplier shall be and is responsible for the acts and omissions of Supplier's Agents within or about Buyer's premises and agrees to indemnify, defend and hold Buyer harmless against all costs, liabilities, damages, losses and expenses (including but not limited to court costs and legal expenses) for damage to property or injury or death to persons arising out of Supplier's or its Agents' work on the Buyer's premises, except to the extent caused by Buyer's sole negligence.
- 11.3. Buyer's input into the design, drawing, material, process or specifications for any or all Goods, or any approval thereof, will not relieve Supplier of its obligations under this Section 11.

§ 12 DESIGNATION OF GOODS; PUBLICATIONS

- 12.1. Supplier shall mark the Goods as required by Buyer.
- 12.2. Neither of the parties shall use any of the other party's proprietary names, logos, trade names, trademarks or service marks without the prior written consent of the party, which owns or controls such proprietary names or trademarks.
- 12.3. Without Buyer's prior written consent, Supplier shall not publish in any manner through any marketing or other medium that Supplier has contracted with or has been supplying Goods to Buyer, unless such publication is required by mandatory law.

§ 13 TOOLING AND OTHER BUYER PROPERTY

- 13.1. All Tooling (including fixtures, gauges, jigs, patterns, castings, cavity dies and molds, with all related appurtenances, accessions, and accessories), packaging and all documents, standards or specifications, trade secrets, proprietary information and other materials and items furnished by Buyer, either directly or indirectly to Supplier to perform the Order or for which Buyer has agreed to reimburse Supplier (collectively, "Buyer's Property"), will become Buyer's property (including passage of title) as it is fabricated or acquired, regardless of payment. Supplier shall mark such Tooling as Buyer's Property. In the event of cancellation or termination for any reason of an Order for the supply of Tooling where, at the date of cancellation or termination, title to the Tooling is vested in Buyer, Buyer retains title to such Tooling by paying to Supplier: (a) (in relation to finished Tooling) the outstanding portion of the agreed total costs; or (b) (in relation to unfinished Tooling) such proportion of the outstanding costs as is represented by the costs actually incurred by Supplier in the supply of the Tooling as at the date of cancellation or termination.
- 13.2. When the value of the Tooling is not already built within the piece price of the Goods being purchased by the Buyer, then the Supplier must separately invoice the value of the Tooling or equipment as an assist for customs purposes.
- 13.3. Supplier shall keep all Tooling owned by Buyer fully and adequately insured while it is in Supplier's possession,



unless otherwise agreed in writing between Buyer and Supplier. Maintenance by Supplier of such insurance coverage shall be without prejudice to Supplier's liability under any Order.

- 13.4. Within a period of four (4) weeks after delivery of first Goods to Buyer, Supplier shall send Buyer a complete list of all Tooling items utilized by Supplier with respect to the Goods and a document identifying the exact location of the respective Tooling items. Supplier has to prove and substantiate that there is adequate insurance cover for the Tooling owned by Supplier.
- 13.5. Supplier shall treat all Tooling, regardless of ownership, with due care and diligence, constantly keeping it ready for operation and in compliance with the latest design status. Supplier shall be responsible in particular for the correct and accurate inspections, maintenance and repairs of the Tooling.
- 13.6. Unless otherwise agreed in writing, the cost for the continuing repair, maintenance and readiness of the Tooling in good working operating condition and free from defects of any kind shall be borne by Supplier in all respects.
- 13.7. Buyer's Property will be held by Supplier on a bailment basis as a bailee-at-will at Supplier risk. Supplier is responsible for inspecting, testing and approving all Buyer's Property prior to any use, and Supplier assumes all risk of injury to persons or property arising from Buyer's Property. Buyer's Property will not be used by Supplier for any purpose other than the performance of the Order and will not be moved from Supplier's premises without Buyer's approval. Buyer will have the right to enter Supplier's premises to inspect Buyer's Property and Supplier's records regarding Buyer's Property. Effective immediately upon written notice to Supplier, without further notice or legal action, Buyer has the right to enter the premises of Supplier and take possession of all of Buyer's Property. Supplier waives, to the extent permitted by law, any lien or other rights that Supplier might otherwise have on any of Buyer's Property, including but not limited to molder's and builder's liens.
- 13.8. Regardless of ownership, Supplier shall maintain Tooling used to manufacture Goods in good working condition for the continued supply of Goods for a period of fifteen (15) years after termination of Supplier's supply of the Goods for Buyer's series production. Supplier's obligation to retain such Tooling shall expire once the foresaid fifteen (15) years retention period has ended and Supplier has notified Buyer in writing. Supplier shall ensure that any and all sub-contractors are contractually bound to adhere to the requirements under this Section 13.

§ 14 SERVICE AND REPLACEMENT PARTS

- 14.1. Whether or not an Order remains in effect, Supplier will at the request of Buyer provide Buyer or Buyer's nominee(s) with sufficient quantities of Goods for use as spare parts for a period of fifteen (15) years after termination of Supplier's supply of the Goods for Buyer's series production or for such other period of time as Buyer shall require in writing. The Supplier shall make its best endeavors to make its sub-contractors comply with this Section 14.1.
- 14.2. During the initial three (3) years of the fifteen (15) year period in Section 14.1, the price of the Goods used as spare parts shall be as agreed in the Order. The parties shall determine the price of the Goods used as spare parts for the remaining twelve (12) years by mutual negotiation.

§ 15 INTELLECTUAL PROPERTY RIGHTS

- 15.1.
 - a) Supplier hereby grants to Buyer and Buyer's affiliates and subsidiaries a non-exclusive, royalty free, worldwide, irrevocable and fully paid-up license under Supplier's and its subcontractor's IPRs to use, sell, export, import, repair, reconstruct or rebuild, and to have repaired, reconstructed or rebuilt the Goods. Supplier further grants to Buyer a non-exclusive, royalty free, worldwide, irrevocable and fully paid-up license under each copyright it owns or controls in any work of authorship fixed in any tangible medium of expression delivered by Supplier under the Order to use such work, reproduce such work, prepare derivative works, and to perform and display such work to its customers.
 - b) The aforementioned licenses survive termination of the Order under Section 2.4, 4.1 and 4.2 above under the same terms and conditions.



- c) In the event that the Order is terminated by Buyer for default according to Section 4.1 above or by Supplier according to Section 2.4 above the license described in Subsection a) and b) above shall extend to a right to make and manufacture of the Goods and/or have the Goods made and manufactured by a third party.
- 15.2. If Buyer or its affiliates or subsidiaries pay or otherwise compensate Supplier for development- or design work, then all IPRs, including all applications (or rights to apply) for, and renewals or extensions of such rights created or developed by or on behalf of Supplier, its employees, agents and/or contractors under the Order shall be the sole and exclusive property of Buyer. Any and all copyrighted work assigned to Buyer according to this Section may be changed or modified and assigned to third parties by Buyer without any limitation. In order for Supplier to fulfil its obligations and undertakings above in this Section, Supplier undertakes to ascertain and obtain full and unrestricted title and ownership to all IPRs developed by any employee, agent or sub-contractor of Supplier.
- 15.3. Supplier shall indemnify, defend and hold Buyer and Buyer's affiliates and subsidiaries harmless from and against all losses, liabilities, claims and causes of actions (including but not limited to court costs and legal expenses) that may be awarded or paid to any third party in respect of any claim or action that the Goods or their use by Buyer or Buyer's affiliates and subsidiaries, or Buyer's customers (including the Original Equipment Manufacturer) infringe the IPRs of a third party. In the event that the Goods or their use are held to constitute an infringement or its further use is prohibited, the Supplier shall promptly, at its own expense and at its option, either: (a) procure for Buyer the right to continue the use of the Goods; (b) replace the Goods with non-infringing Goods of equivalent function and performance; or (c) modify the Goods so that they become non-infringing without detracting from function or performance. Notwithstanding the foregoing, Supplier is not liable if it has manufactured the Goods in accordance with Buyer's specifications and/or drawings and could not have known that following the specifications and/or drawings would result in infringement of a third party's IPRs.
- 15.4. The parties will as soon as possible inform each other of all such third party infringements or suspected third party infringements of which they become aware. Buyer will give Supplier sole conduct of the defense of any such claims or actions.

§ 16 CONFIDENTIALITY

- 16.1. A receiving party shall keep all information disclosed by the other party, with regard to the disclosing party's business, technology, customers, suppliers and prices ("Confidential Information"), in confidence and the receiving party shall use such Confidential Information only for the purposes for which it was disclosed and shall not disclose such Confidential Information to third parties except to the receiving party's affiliates, employees and contractors who are required to have access thereto for the purposes of fulfilling its obligations under the Order (i.e. on a need-to-know-basis), and then only if such employees or contractors are obligated to observe the confidentiality of such information.
- 16.2. The restrictions in Section 16.1 on the use and disclosure of Confidential Information shall not apply in the following cases:
- a) where the information was public knowledge at the time of its disclosure or has become public knowledge thereafter through no fault of the receiving party;
 - b) where the information was already known to the receiving party prior to disclosure by the other party; or
 - c) to information which following its disclosure by a party hereunder was disclosed to the receiving party by third parties who are not under restrictions in use or disclosure and who did not acquire the information from the disclosing party in confidence.
- 16.3. If the Order is terminated for any reason whatsoever, each party shall upon request by the other party return any Confidential Information (including all copies, summaries and extracts thereof) to the disclosing party, as the case may be.
- 16.4. The terms of this Section 16 shall survive the expiration or termination of any Order.



§ 17 INSURANCE

- 17.1. Supplier shall obtain and maintain at its sole expense insurance coverage customary in the industry and as otherwise by law or reasonably requested by the Buyer with such insurance carriers and such amounts as are reasonably acceptable to the Buyer. This includes, without limitation, providing full fire and extended coverage insurance for the replacement value of all Supplier's property and any bailed property, both for their full replacement value. Supplier shall furnish to Buyer certificates of insurance setting forth the amount of coverage, policy number and dates of expiration for insurance maintained by the Supplier.

§ 18 COMPLIANCE WITH LAWS AND ESG

- 18.1. Supplier shall comply with all applicable domestic and foreign laws and regulations relating to Supplier's performance of its obligations under each Order, and each Order shall be deemed to incorporate by reference all provisions required by applicable laws and regulations. All materials used in the manufacture of the Goods shall satisfy current standards and regulations applicable in the country of manufacture, sale and use.
- 18.2. Supplier shall comply with the applicable statutory provisions and regulations governing the protection of the environment, health and safety at the workplace, treatment of employees and the protection of human rights and the Principles of the Global Compact initiative of the United Nations (www.unglobalcompact.org) and procure for its sub-suppliers to act in accordance with the same. These essentially concern the protection of universal human rights, elimination of forced labor and abolition of child labor, elimination of discrimination in respect of employment and occupation, and environmental responsibility.
- 18.3. To reduce adverse effects on human health and environment, Supplier shall implement and further develop management systems in accordance with or comparably similar to ISO 14001, ISO45001 and ISO5001. Acceptance of and compliance with the Supplier Declaration and the Supplier Sustainability Manual (https://www.kongsbergautomotive.com/for_suppliers/purchasing-conditions-and-manuals/) are mandatory for doing business with Kongsberg Automotive. For the avoidance of doubt: non-compliance with the requirements of this Section 18 will be regarded as breach of the Order. Buyer may at any time make unannounced inspections to Supplier's facilities to verify that the requirements of this Section 18 are complied with.
- 18.4. Supplier shall comply with all of the Buyer's supply chain security requirements and governmental security programs such as, but not limited to, the United States Authorized Economic Operator (AEO) program, the United States Customs and Border Protection's (CBP) Customs Trade Partnership Against Terrorism (CTPAT), Canada Border Services Agency's Partners in Protection (PIP) program, Administración General de Aduanas de Mexico's Operado Economico Autorizado (OEA) program and the Asia-Pacific Economic Cooperation (APEC) Authorized Economic Operator program. Supplier shall provide Buyer with documentation of compliance with the criteria or participation in these programs upon request, including Supplier's participation in supply chain risk assessment evaluations related to these programs.
- 18.5. If Supplier has engaged in any improper or illegal conduct in respect to the Goods, which constitutes an unlawful restraint of competition according to applicable anti-trust rules, competition law, or laws prohibiting bribery and corrupt practices, then Supplier shall pay to Buyer eight (8) % of the net invoice amount of the Goods affected by such improper or illegal conduct as liquidated damages, unless Supplier can prove that Buyer has suffered no or only lower damages. This obligation shall survive termination or fulfillment of the Order and/or a relating Frame Purchase Agreement. Buyer's contractual or statutory remedies shall remain unaffected by the right to claim liquidated damages under this Section; in particular, Buyer may claim damages upon proof that the actual losses correspond to a higher amount than the liquidated damages.

§ 19 GOVERNING LAW; PLACE OF VENUE AND JURISDICTION

- 19.1. Unless otherwise agreed, if the location of Buyer from which the Order is issued is in Europe, then any dispute, controversy or claim arising out of or in connection with the Order, these Terms, or the execution, breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The Rules for Expedited Arbitrations shall apply where the amount in dispute does not exceed EUR 100,000. Where the amount in dispute exceeds EUR 100,000,



the Arbitration Rules shall apply. The amount in dispute includes the claims made in the Request for Arbitration and any counterclaims made in the Answer to the Request for Arbitration. The arbitral tribunal shall be composed of three (3) arbitrators. The seat of arbitration shall be Gothenburg. The language to be used in the arbitral proceedings shall be English. These Terms and/or the Order shall be governed by the substantive law of Sweden. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

- 19.2. Unless otherwise agreed, if the location of Buyer from which the Order is issued is in North-, Central- or South America, then any controversy or claim arising out of or relating to the Order, these Terms, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association ("AAA") under its International Arbitration Rules, before three (3) arbitrators, selected by the AAA in accordance with those rules. The arbitration is to be conducted in English. The arbitrators are to apply the laws of the State of Michigan, without regard to any applicable conflict of laws provisions. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

Each party shall submit to any court of competent jurisdiction for purposes of the enforcement of any award, order or judgment. Any award, order or judgment pursuant to the arbitration is final, non-appealable and may be entered and enforced in any court having jurisdiction thereof.

The award of the arbitrators shall be in writing and shall specify the factual and legal basis for the award. The arbitrators shall, in the award, determine and allocate the costs of the arbitration, including the fees of the arbitrators and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail, to the extent and in the proportion deemed reasonable by the arbitrators.

The arbitration is to be conducted in Novi, Michigan.

- 19.3. Unless otherwise agreed, if the location of Buyer from which the Order is issued is in Asia, except in China, then any dispute, controversy or claim arising out of or relating to the Order or these Terms, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this Section.

The appointing authority shall be Singapore International Arbitration center. The place of arbitration shall be in Singapore. There shall be three (3) arbitrators. Any such arbitration shall be administered by SIAC in accordance with SIAC Procedures for Arbitration in force at the date of this contract including such additions to the UNCITRAL Arbitration Rules as are therein contained. The language to be used in the arbitral proceedings shall be English.

These Terms and/or the Order shall be governed by the substantive law of the country where the Buyer has its registered office. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

- 19.4. Unless otherwise agreed, if the location of Buyer from which the Order is issued is in China, any dispute, controversy or claim arising from or in connection with this the Order or these Terms, including any question regarding its existence, validity or termination, shall be submitted to the China International Economic and Trade Arbitration Commission ("CIETAC"), which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding on the parties.

The place of arbitration shall be in the city of Shanghai. The language of the arbitration shall be English. The tribunal shall consist of three (3) arbitrators. One arbitrator shall be appointed by each party. The presiding arbitrator shall be appointed by agreement between the parties or, failing agreement within twenty (20) Days of the appointment of the two party-appointed arbitrators, in accordance with CIETAC's arbitration rules. The presiding arbitrator shall not be a national of the People's Republic of China. To the fullest extent permitted under the CIETAC arbitration rules, any arbitrator to the arbitration (including any arbitrator appointed by CIETAC) may be nominated and appointed from outside CIETAC's panel of arbitrators.

The Order or these Terms and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the law of the People's Republic of China. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

- 19.5. The existence of any dispute or difference or the initiation or continuation of any proceedings shall not postpone



or delay the performance by the parties of their respective obligations pursuant to the Order or the Terms. Supplier shall not restrict or threaten to restrict or stop supply to any Buyer as a remedy for any dispute or disagreement.

- 19.6. For the avoidance of doubt, the provisions herein shall not preclude a party from seeking injunctive relief, interlocutory order or other intermediary decisions from any competent court of law.

§ 20 GENERAL/MISCELLANEOUS

- 20.1. No amendment, modification, termination or waiver of any provision of these Terms or of any Order, and no consent to any departure by either party therefrom, shall under any circumstances be effective unless the same shall be in writing and signed by both parties, which must include the signature of an authorized representative of Buyer, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Supplier in any event, case or occurrence, shall of itself entitle Supplier to any other or further notice or demand in any similar or other circumstances.
- 20.2. If any provision hereof or any part provision is or is held by any competent court or authority to be invalid or unenforceable, such provision or part provision will be deemed severed and omitted, the remaining portions hereof continuing in full force and effect. If required, Buyer and Supplier shall replace such invalid or unenforceable provision with a valid and enforceable provision having similar economic consequences, provided that the content of the Terms is not materially altered.
- 20.3. No course of dealings between Supplier and Buyer or any delay or omission of Buyer to exercise any right or remedy granted under these Terms shall operate as a waiver of such rights, and every right and remedy of Buyer provided herein shall be cumulative, concurrent and in addition to any other further rights and remedies available at law or in equity.
- 20.4. Upon forty-eight (48) hours' notice, Buyer, or a representative appointed by Buyer, shall be entitled to have access to Supplier's premises during normal business hours and without interfering with Supplier's business in order to inspect all documents, instruments, books and records relating to any Order or the Goods, which are subject of such Orders, or Supplier's manufacturing process. Except as otherwise expressly provided in these Terms, Supplier agrees to maintain all such records for at least ten (10) years after the last delivery of the Goods to Buyer, unless otherwise agreed or unless a longer period is otherwise required by law.
- 20.5. Supplier shall not assign the benefit or the burden of any Order, in whole or in part to any third party without the prior written consent of Buyer.
- 20.6. Buyer is, upon notice to Supplier, entitled to assign, transfer, or delegate, in whole or in part, any of its rights and obligations under the Order to any third party.
- 20.7. Surviving obligations; subject to any terms set forth therein the following articles shall survive termination or expiry of the Order: 10, 11, 13, 14, 15, 16, 17, 18 and 19. Termination expiration of the Order for any reason shall be without prejudice to any rights, which shall have accrued to the benefit of either party prior to such termination or expiration.



LIST OF DEFINITIONS

Buyer means the party which issues an Order or on whose behalf an Order is issued.

Day means a consecutive calendar day.

Delivery Schedule means any instruction issued by Buyer to Supplier specifying the required delivery quantities, place, date and (if relevant) time of delivery of Goods.

EDI means Electronic Data Interchange, i.e. the transmission of data via electronic communication links between the parties or other machine-readable data media.

Goods means all production materials and automotive components specified in the Order and includes raw materials, assemblies, automotive accessories, components, molds, Tooling and, where relevant, services, related to those items described in the Order.

Incoterms means those trade terms published by the International Chamber of Commerce and titled “Incoterms 2020”.

Intellectual Property Rights (IPRs) means patents, design rights, copyrights, trademarks and service marks (whether registered or not and applications for any of the foregoing), utility models, know-how, and rights of a like nature, throughout the world.

Open Source means any software subject to a license that (a) requires the licensee to redistribute source code; (b) makes the source code available to copy, modify, and/or distribute the source code or a derivative; (c) may permit or require either any license fee or no license fee; and/or (d) fits the open source definition (as promulgated by the Open Source Initiative) or the free software definition (as promulgated by the Free Software Foundation), or any substantially similar license, including but not limited to any license approved by the Open Source Initiative, and any creative commons license.

Supplier is the party to whom the Order is addressed.

Tooling means production equipment, including, but not limited to forging dies, measuring and testing equipment (e.g. gauges), matrices, models, samples, tools, devices, drawings and similar items required for the production and examination of Goods.