

**ARTICLE 1. DEFINITIONS**

The following definitions apply unless otherwise specifically stated:

- (a) "Veoneer" or "Buyer" means the independent Veoneer Group legal entity entering into this Contract as the Purchaser of goods and/or services.
- (b) "Veoneer Group" means any legal entity which a wholly-owned subsidiary of Veoneer, Inc.
- (c) "Seller" means the independent legal entity entering into this Contract with Veoneer; this term also refers to "Consultant".
- (d) "Contract" means the following documents, including electronic versions, taken together: (i) these Purchase Order Terms and Conditions, (ii) Veoneer's purchase order(s) to Seller, (iii) delivery releases issued thereunder, (iv) any agreement executed by Veoneer that incorporates by reference or is incorporated by any of the foregoing, and (v) any changes to any of the foregoing signed or otherwise accepted by a duly authorized representatives of Veoneer and Seller.
- (e) "Authorized Representative" means any of the following: (i) Veoneer's President, (ii) Vice Presidents, (iii) Director or Manager of Purchasing, or (iv) Buyer assigned to Seller's account, and the written designee of any of the foregoing.
- (f) "Equipment" means the customized machinery, equipment and/or computer hardware purchased and sold under this Contract, and all components and parts of such equipment, machinery and/or computer hardware, and all services, additional components and parts necessary or required for operation of the same.
- (g) "Consultant" means the independent legal entity entering into this Contract with Veoneer as a provider of services.

**ARTICLE 2. CONTRACT**

The provisions of this Contract constitute the complete and exclusive agreement between the parties hereto and supersede all previous communications, representations, or agreements, whether oral or written, between the parties with respect to the subject matter of this Contract. Seller will have accepted and agreed to this Contract:

- (a) upon Seller's signature on the acknowledgment copy or otherwise of Veoneer's purchase order form, unless an Authorized Representative of Veoneer consents in writing to a different manner of acceptance,
- (b) commencement of performance,
- (c) delivery in whole or in part of the goods or services called for under this Contract, or
- (d) upon Seller's receipt of Veoneer's electronic transmission of the Contract; unless Veoneer notifies Seller of its objection to acceptance in such manner, but, in any case, Seller's acceptance of this Contract shall constitute its agreement to be bound to the Contract, with the same force and effect as if Seller had executed and delivered the acknowledgment copy of Veoneer's purchase order form or has otherwise executed and delivered this Contract.

If these Purchase Order Terms and Conditions, or any other element of this Contract are first tendered, in any form, to Seller before Seller tenders a purchase order, invoice, terms and conditions of sale, or similar document to Veoneer, these Purchase Order Terms and Conditions and the other elements of the Contract shall be in lieu of any terms later submitted by Seller and Veoneer rejects all additional or different terms and conditions of Seller, whether confirmatory or otherwise. Without limiting the foregoing, all terms and conditions proposed by Seller that are different from or in addition to the terms of this Contract are unacceptable to Veoneer, are expressly rejected by Veoneer, and shall not become a part of this Contract. Without limiting the generality of the foregoing, no condition stated by Seller in its acknowledgment of this contract shall be binding upon Veoneer if in conflict with, inconsistent with, or in addition to the terms and conditions, whether as part of a purchase order, invoice, or otherwise, then Veoneer's acceptance of any offer by Seller associated with Seller's terms shall be expressly conditioned upon Seller's acceptance of the terms of the Contract exclusively, regardless of whether any terms of the Contract would be considered additional to, or different from, terms presented by Seller.

**ARTICLE 3. CHANGES**

- (a) Veoneer reserves the right at any time to direct changes, or cause Seller to make changes, to drawings and specifications of the goods or otherwise to change the scope or specific requirements of the work covered by this Contract, including work with respect to such matters as inspection, testing, shipping, packing or quality control, and Seller agrees to implement such changes promptly; any reasonable difference in Seller's cost or time for performance resulting from such changes shall be negotiated by the parties with a price adjustment and or change in delivery schedule after receipt of documentation in such form and detail as Veoneer may reasonably direct. All changes must be in writing and signed by an Authorized Representative of Veoneer.
- (b) Failure to agree to any adjustment shall be a dispute under ARTICLE 28. DISPUTES hereunder and shall not excuse Seller from proceeding with the Contract as changed.
- (c) If any third party, e.g., Veoneer's customer, changes Seller's performance requirements without Veoneer's consent, Seller shall be liable to Veoneer for any costs incurred by Veoneer related to the change in the goods and services, including but not limited to re- inspection, late shipments to Veoneer's customer, premium freight, sorting, etc.

**ARTICLE 4. DELIVERY; PREMIUM FREIGHT; FOB POINT;INVENTORY**

- (a) Time is of the essence. Delivery must be completed within the time specified on the face of this Contract or in accordance with the delivery method established by Veoneer hereunder. If Seller fails to make deliveries in the correct quantities or perform services at the specified time, all damages suffered by Veoneer including, without limitation, additional costs incurred in purchasing substitute goods or services and any premium transportation or other costs required to meet the specified delivery schedule (or minimize the lateness of deliveries) will be at the expense of Seller. Seller assumes such liability. Veoneer retains the right to terminate this Contract, in whole or in part for any late deliveries.
- (b) Unless otherwise specified in Veoneer's purchase order, shipping terms for the goods shall be F.O.B. Seller's Plant for domestic suppliers and Ex Works (Incoterms 2000) Seller's Plant Loaded for international suppliers.
- (c) Seller must also provide the specified quantity, volume, level of service, etc.
- (d) Unless otherwise specified in writing, Seller shall be responsible for having on hand at least two (2) weeks of finished goods and six (6) weeks of raw materials.
- (e) If Seller imports any parts into the United States that are ultimately consigned to Veoneer, or if the Seller shows Veoneer as the Importer of Record, Seller shall include the appropriate U.S. import tariff number with each shipment. If Seller possesses a United States Customs "Binding Ruling", U.S. Customs document certifying the import tariff number, or documents supporting U.S. Customs special import programs, e.g., NAFTA, GSP Certificates of Origin, etc., Seller shall forward that information for approval of Veoneer Logistics Department, c/o Buyer at Veoneer, before the first shipment. Seller shall not ship any goods until it has received such approval.
- (f) Any goods being shipped into the United States that include solid wood packaging, as defined in the ISPM 15 (International Standards for Phytosanitary Measures) regulations, must comply with all requirements.

See website: <https://www.aphis.usda.gov/aphis/ourfocus/planthealth/import-information/wood-packaging-material> for the most recent information. The supplier shall use only approved treatments for solid wood packaging materials (WPM). Solid wood packaging materials, pallets, etc., shall be (i) heat treated at least thirty (30) minutes with a minimum wood core temperature of fifty-six (56) degrees Centigrade, or (ii) fumigated with methyl bromide. Any WPM shall be marked with the current International Plant Protection Convention (IPPC) logo found at the above website. Paper certificates will not be required or accepted.

**ARTICLE 5. INVOICES AND PAYMENT; VEONEER PORTAL**

- (a) Unless otherwise agreed in writing, the terms of payment shall be PROX seventy-five (75) days after receipt of an acceptable invoice (3 copies), or in accordance mutually agreed procedures, e.g., packing list and RANs. Seller shall be paid the prices stipulated herein for supplies delivered and accepted less applicable deductions, offsets, etc., if any. Veoneer may return quantities in excess of that specified at Seller's expense and risk. For purposes of invoice payment, the effective date of the invoice shall be construed to be the date of acceptance of goods at Veoneer (or such other destination as designated in the Contract) or the date of receipt by Veoneer of Seller's correct invoice, whichever occurs later.
- (b) Notwithstanding the above, payment shall not constitute an acceptance of any goods or services failing to meet applicable drawings, specifications, etc.

- (c) Seller agrees it has 120 days after shipment or invoice date, whichever occurs earlier, to notify Veoneer of a failure to pay on any invoice, or similar billing statement. If Veoneer does not receive written notification from Seller within that 120-day period, including complete details, records of receipt, etc., substantiating its claim, the invoice or similar billing statement shall be deemed paid by Veoneer or waived by Seller. Seller shall then have no other recourse to collect or have its account adjusted for the alleged non-payment on the invoice or similar billing statement.
- (d) Any claims for obsolescence must be submitted in writing no later than 120 days after the last order, release, or written authorization issued by Buyer. Seller agrees that for its obsolescence claims, Buyer's liability shall be limited to ARTICLE 4(d), i.e., two (2) weeks of finished goods and six (6) weeks of rawmaterials.
- (e) At Seller's own cost, Seller shall establish electronic transaction capability with Veoneer for payments, tax forms, credits, certifications, Veoneer Partner Portal, Enterprise Resource Planning (ERP), electronic data interchange (EDI), orders, releases, ISO compliance, the Veoneer Supplier Manual (VSM), regulatory compliance, Veoneer Standards, Electronic Funds Transfer (EFT), Automated Clearing House (ACH) forms, etc. The printed version of the transmissions shall be admissible as evidence, provided the sending party has complied with requirements of confidentiality, proper authorization, security, etc. Seller shall remain responsible for any errors in transmission and for ensuring Veoneer's receipt of any transmission. The parties agree that electronic transmissions, with or without signatures, shall be legally sufficient.

#### ARTICLE 6. WARRANTIES

- (a) In addition to all other warranties expressed or implied in law, Seller warrants that the goods or Equipment delivered hereunder will conform to all applicable specifications, drawings, samples, symbols or other descriptions furnished or approved in writing by Veoneer, will be of good material and workmanship and free from defects in design and manufacture, will be new and adequately marked, contained, packaged and labeled. Seller further warrants that it will not substitute for specified materials or goods without the prior written consent of Veoneer. Seller additionally warrants that goods, and any Equipment, tools, etc., delivered hereunder will be free and clear of all liens and encumbrances whatsoever and that Seller will convey to Veoneer good and marketable title. If Seller knows or has reason to know the particular purpose for which Veoneer intends to use the goods, Seller warrants that such goods will be fit for such particular purpose. Seller agrees to save harmless and defend Veoneer from and against any and all claims, demands, actions, debts, liabilities, judgments, costs, and reasonable attorneys' fees arising out of, or in any manner predicated upon any breach of the foregoing warranties, and to indemnify and save Veoneer harmless from and on account of damages or liability of any kind that Veoneer may suffer as a result of any breach of such warranties. In case any such good or Equipment shall be defective or otherwise not in conformity herewith, Seller shall at Veoneer's option and in addition to all other remedies of Veoneer, either credit Veoneer for any such nonconformity or defects or, at Seller's expense replace any such article. Seller agrees to make all corrections to the satisfaction of Veoneer. This warranty and indemnification shall survive inspection, testing, use and acceptance and run to Veoneer, its successors, assigns, customers and users of the goods.
- (b) If Veoneer's products are subject to any recall, service fix or safety campaign (whether required or recommended by Seller, Veoneer, any governmental or regulatory body or third party) as a result of suspect, defective or allegedly defective goods sold by Seller hereunder and incorporated in Veoneer's products, Seller shall reimburse Veoneer for all costs and expenses arising therefrom or relating thereto.
- (c) Seller warrants its compliance with Veoneer US, Inc. Standard, Veoneer Supplier Manual (VSM), as applicable, including Appendices, Attachments, etc., and as amended or replaced.
- (d) Seller warrants that all goods or services provided shall be free from liability for royalties, patent rights, liens, encumbrances, etc.

#### ARTICLE 7. PRICE AND OTHER WARRANTIES

- (a) Seller warrants that the prices for the goods or services sold to Veoneer hereunder are complete, including all applicable taxes, fees, duties, etc. and are no less favorable than Seller currently extends to any other customer for the same or similar goods or services in similar quantities. If Seller reduces its prices for such goods or services to one or more other customers during the term of this Contract, Seller will correspondingly reduce its prices to Veoneer for such goods or services. During the term of this Contract, Seller agrees not to ask for any price increase, regardless of the cause or reason. Further, unless otherwise requested in writing by a duly Authorized Representative of Veoneer, such requests for price increases shall have no effect.
- (b) Seller warrants its pricing, terms, delivery, service and quality shall be consistent and competitive with the

industry. If Veoneer reasonably determines that Seller's performance is not competitive with the industry, Veoneer will give Seller an opportunity to correct the deficiencies within ten (10) days of Veoneer's notice for any noncompetitive delivery, service, quality, or pricing. If Seller fails to correct such deficiency within the applicable period, then Veoneer may terminate this Contract and/or any undelivered quantities of such goods under outstanding purchase orders. In the event of such termination, Veoneer shall have no liability other than payment of the agreed purchase price for components delivered prior to the termination date.

- (c) Further, Seller warrants that Veoneer shall be entitled to any all benefits or credits resulting from a Contract, including, but not limited to, trade credits, export credits, customs drawbacks, rebate of taxes or duties, etc., (unless otherwise stated on a Purchase Order or a country's practice allowing such credits to remain with Seller). Seller shall furnish all documents required to obtain the foregoing benefits and credits. Seller shall identify the country of origin of the materials used in any good purchased under a Contract and the value added thereto in each country.

**ARTICLE 8. HOLD HARMLESS - INDEMNITY (PRODUCT LIABILITY); COOPERATION IN RESOLVING CLAIMS**

- (a) Seller agrees to defend, indemnify and hold harmless Veoneer, its employees, officers, directors, agents, and other representatives from and against any and all claims, demands, actions, debts, liabilities, judgments, costs, and reasonable attorneys' fees arising out of product liability claims relating to any actual or alleged negligence of Seller or any actual or alleged defect in goods and/or services supplied to Veoneer by Seller pursuant to the Contract and of all breaches of warranties, representation, etc. Veoneer reserves the right to participate in the defense of any such suit without relieving Seller of any obligation thereunder.
- (b) Seller agrees to cooperate with Veoneer and provide technical assistance, as requested by Veoneer, toward the resolution of any and all claims, demands, actions, debts, liabilities, judgments, costs, and attorneys' fees arising out of product liability claims within ARTICLE 8(a), above.
- (c) Seller shall assist Veoneer in compiling, producing, formatting, and or accessing all electronic records, data, etc., it creates or maintains in connection with this Contract.

**ARTICLE 9. SERVICE PARTS**

- (a) Seller will supply parts to Veoneer in support of its service and/or replacement part requirements throughout the term of this Contract and after termination or expiration of the Contract for a minimum of fifteen (15) years, and thereafter for as long as Veoneer requires such parts to meet its obligations to its customers.
- (b) Seller's obligations pursuant to ARTICLE 9(a) shall include, but not be limited to, establishing similar contractual requirements for its sources of components and raw materials, or otherwise taking adequate steps to assure a continuing source for such goods, as well as retaining and maintaining tooling required to manufacture parts in support of Veoneer's service and/or replacement part requirements.
- (c) For five (5) calendar years after the end of the production contract or any extension, Seller agrees to sell its components or service parts at the last piece part price accepted by the parties with no allowance for set-up costs. After the fifth (5) calendar year, Seller agrees to sell its components or service parts at no more than three times the last piece part accepted by the parties. Unless accepted by Veoneer in writing, it shall not be liable for set-up costs, etc. After Seller completes the last production contract or any extension, Seller agrees to sell its components or parts for fifteen (15) years. When requested by Buyer, Seller shall make service literature and other materials available at no additional charge to support Buyer's service part sales activities.

**ARTICLE 10. INSPECTION AND TITLE PASSAGE; VISITATION RIGHTS; ACCEPTANCE TESTING; LICENSE**

- (a) All supplies (which term includes but is not limited to equipment, raw materials, components, intermediate assemblies, end products, and lots of supplies) shall be subject to inspection and test by Veoneer on reasonable notice at all reasonable times and places including the place of manufacture. Final inspection and acceptance of goods delivered hereunder shall be made after delivery at Veoneer's designated point, notwithstanding any prior payment or inspection.
- (b) Unless provided elsewhere in this Contract, risk of loss and title to all conforming goods and/or work provided under this Contract shall pass to Veoneer at the F.O.B. point, or at the time of acceptance, whichever is later, provided, however, that in the event the goods and/or work subsequently are rejected by Veoneer for any reason, risk of loss and title will be divested from Veoneer and will revert immediately to Seller.
- (c) Seller shall maintain quality control, inspection and manufacturing process and record keeping systems

acceptable to Veoneer that shall be subject to review, verification, and analysis by an Authorized Representative of Veoneer and/or its customers.

- (d) Seller agrees that Veoneer or its Authorized Representative or Veoneer's customer may visit Seller's facility where this Contract is to be performed, in whole or in part, to review progress, discuss problems/failures and witness testing pertaining to the requirements of this Contract. Seller agrees to provide access to, without charge, all reasonable facilities and assistance for the safety and convenience of Veoneer or its Authorized Representative during such visits.
- (e) Acceptance Testing/Equipment - Unless waived by Veoneer, all Equipment shall undergo successful acceptance testing before final payment for the Equipment is made. As used herein, a successful acceptance test shall mean that the Equipment, as delivered and installed, shall have performed its full intended purpose and function in accordance with the applicable specifications, and shall have met all performance criteria and operational functions under circumstances which simulate or duplicate the day-to-day environment in which such Equipment is to be used by Veoneer. If Equipment consists of one or more discrete items delivered and/or installed in stages, each such item shall undergo acceptance testing. In the event any Equipment fails an acceptance test, Seller will use its best efforts to repair, replace or service such Equipment, whereupon a new acceptance test shall commence. If any Equipment fails two successive acceptance tests, Veoneer may, at its option, cancel this Contract, whereupon Seller will immediately tender to Veoneer all amounts previously paid by Veoneer for the Equipment and Veoneer will return the failed Equipment to Seller at Seller's expense.
- (f) License/Equipment - If the Equipment includes operating system software, Seller grants to Veoneer a perpetual, fully paid-up license to use such software in connection with the Equipment. The license granted hereby shall be nontransferable except if the Equipment is sold by Veoneer to a third party.

#### **ARTICLE 11. TITLE TO DRAWINGS, DATA, AND SPECIFICATIONS**

- (a) Veoneer at all times shall own all rights in and to all drawings, data, and specifications furnished or funded by Veoneer to Seller and intended for use, or created, modified, developed, etc., in connection with this Contract. Seller agrees not to use such Veoneer drawings, data, or specifications for purposes outside the scope of this contract. Seller shall use such drawings, data, and specifications only in connection with this Contract and, upon Veoneer's request or upon completion of this Contract, shall promptly return all drawings, data, and specifications to Veoneer. In addition, Veoneer shall have and Seller hereby grants, a nonexclusive, royalty-free, fully paid-up license, with right of sublicense, to practice under any intellectual property rights of Seller (whether patent, trade secret or otherwise) which are or may be incorporated or used in or related to any of the goods sold under this Contract including, without limitation, any such intellectual property right incorporated in any Tool (as defined in ARTICLE 12. TOOLING hereunder) or used in the manufacture or design of any of the goods sold hereunder. These rights shall survive cancellation, termination, or breach of this Contract.
- (b) The approval or concurrence by Veoneer of any drawings, data, or specifications developed by Seller shall not be construed as a complete check but will only indicate that the general method of construction and detailing are satisfactory to Veoneer. Such approval of drawings, data, and specifications will not relieve Seller of responsibility for any errors that may exist, and Seller shall be responsible for the dimensions and design of adequate connection details and satisfactory construction of Equipment and deliverables.
- (c) All references to other Veoneer specifications in any specification incorporated herein shall be deemed to include all supplementary or superseding specifications in effect as of the date of Seller's latest quotation, if Seller was furnished or otherwise notified, electronically or otherwise, of the existence of such supplementary or superseding specifications at the time of quotation.
- (d) Veoneer reserves the right to assign design responsibility to Seller. Seller agrees that Veoneer shall however retain title to all such drawings, data, specifications, design, etc. Seller shall retain responsibility for manufacturability, operability, functionality, and other warranties, express or implied.

#### **ARTICLE 12. TOOLING**

- (a) Except as otherwise expressly agreed by Veoneer, Seller shall, at Seller's own expense, furnish, maintain and replace (when necessary) all tools, jigs, dies, gauges, fixtures, molds, patterns and equipment (hereinafter "Tools" or "tools") necessary for the production of goods or the performance of services to be supplied to Veoneer hereunder. Seller shall insure such Tools with full fire and extended coverage for the replacement value thereof. Tools include all related warranties, specifications, designs, manuals, instructions, drawings, etc.

- (b) All Tools furnished or paid for by Veoneer, directly or indirectly, to enable Seller to perform this Contract shall be and remain the property of Veoneer or its designee. This provision also applies to indirect financing or payment through amortizing tooling costs. Nevertheless, Seller shall bear the risk of loss of and/or damage to such Tools in Seller's possession or under Seller's control that are Veoneer's property and shall execute and deliver to Veoneer such documentation (including financing statements on Forms UCC-1) as Veoneer may require evidencing Veoneer's ownership of such Tools. Seller shall assume the responsibility and costs for properly filing such financing statements. Veoneer shall have the right to enter onto Seller's premises at all reasonable times to inspect Tools covered by this Sub Article and audit Seller's records with respect thereto. Seller shall remain liable for any deficiencies uncovered in any audit.
- (c) Such Tools shall at all times be properly housed and maintained by Seller to reflect normal operational capabilities; shall not be used by Seller for any purpose other than the performance of this Contract or other contracts with Veoneer; shall be deemed to constitute personal property and shall be dealt with by Seller as such; shall be conspicuously marked as Veoneer's property or marked using Veoneer customers asset identified tags by Seller in such manner as Veoneer's Authorized Representative shall approve; shall not be commingled with property of Seller or with that of third parties; and shall not be moved from Seller's premises without the prior written approval of Veoneer's Authorized Representative. Upon the request of Veoneer, such Tools shall be immediately released to Veoneer or delivered by Seller to Veoneer or in accordance with Veoneer's instructions either (i) F.O.B. (Incoterms 2000 if shipped internationally or UCC § 2-319 if shipped in the United States) Seller's plant on board the vehicle or other transport equipment of such carrier as Veoneer has selected, properly packed and marked in accordance with the requirements of such carrier, or (ii) to any location designated by Veoneer, in which event Veoneer shall reimburse Seller for the reasonable cost of delivering such Tools to such location.

**ARTICLE 13. ASSIGNMENT AND SUBCONTRACTING;SETOFF**

- (a) No interest herein may be assigned, in whole or in part, by Seller without the prior written consent of Veoneer.
- (b) No significant portion of this Contract may be further subcontracted by Seller without the prior written consent of Veoneer.
- (c) All claims and requests of Seller (or its assignees) for money due or to become due from Veoneer shall be subject to deduction by Veoneer in accordance with Article 2-717 of the Uniform Commercial Code or for any setoff or counterclaim arising out of this or any other of Veoneer's contracts with Seller, whether such setoff or counterclaim arose before or after any assignment by Seller.

**ARTICLE 14. RELEASE OF NEWS INFORMATION AND CONFIDENTIALITY**

- (a) Without the prior written consent of Veoneer, Seller shall not make any news release or public announcement of any part of the subject matter of this Contract.
- (b) Seller further warrants that all confidential information received by Seller prior to the date of this Contract has been and shall continue to be held in strictest confidence and that no such information has been or will be disclosed to third parties except as authorized by Veoneer in writing.



**ARTICLE 15. PACKING AND MARKING**

Seller warrants its compliance with all Contract specifications for dunnage, labeling, marking, packaging, packing, etc., and guarantees delivery free of damage or deterioration. This includes shipments with any returnable packaging provided by Veoneer.

**ARTICLE 16. PATENT AND INTELLECTUAL PROPERTY INDEMNITY**

At its expense, Seller shall hold harmless and defend Veoneer, its customers and all persons claiming under Veoneer, against any suit for the infringement of any patent, intellectual property, copyright or trademark, and shall indemnify the aforesaid parties against all damages, costs, and expenses arising therefrom by reason of the manufacture, sale or the normal or intended use of the articles covered by this Contract, provided that the foregoing hold harmless obligation shall not apply to any infringement claim arising solely out of Seller's compliance with specifications furnished by Veoneer. Veoneer shall give Seller prompt notice in writing of any suit for infringement and such opportunity as is afforded by applicable laws, rules or regulations to participate in the defense thereof.

**ARTICLE 17. HOLD HARMLESS – WORK ON VEONEER PREMISES**

In the event Seller, its agents, and/or employees are required to perform this Contract or any part thereof on the premises of Veoneer (including any premises under Veoneer's control or responsibility), Seller agrees to save harmless and defend Veoneer from and against any and all claims, demands, actions, debts, liabilities, judgments, costs, and attorneys' fees arising out of claims on account of, or in any manner predicated upon loss of, or damage to the property of, the injuries to, or the death of, any or all persons whatsoever (including employees of Seller), in any manner caused or contributed to by Seller, its agents or employees while in, upon, or about Veoneer's premises and to indemnify and save Veoneer harmless, from and on account of damages or liability of any kind which Veoneer may suffer as a result of the acts of any of Seller's agents or employees in or about the area involved. Veoneer reserves the right to participate in the defense of any such suit without relieving Seller of any obligation thereunder. Seller shall not employ, or engage, in the performance of the work any person unfit or unskilled in the work assigned to it. The foregoing obligations of Seller shall not apply to any such loss, damage, injury or death proximately and solely caused by the negligent acts or omissions of Veoneer or its employees.

**ARTICLE 18. INSURANCE REQUIREMENTS**

Seller shall obtain and present evidence acceptable to Veoneer of insurance coverage for the goods and/or services covered by this Contract in amounts at least equal to the minimums described below. By requiring such insurance, Veoneer does not represent that coverage and minimums will necessarily be adequate to protect Seller. Such specified coverages and minimums shall not be deemed as any limitation on Seller's liability under the indemnities granted by Seller to Veoneer in this contract. Even if Seller fails to obtain the required kinds or levels of insurance coverage listed below, it shall remain liable for any claim, dispute, recalls, etc., that would have otherwise been covered by such insurance. Such insurance shall provide that no cancellation or material changes in the policies shall become effective except on thirty (30) days written notice to Veoneer and that Veoneer shall be named as an additional insured on coverages (a) through (f) below. Seller shall maintain all required coverages in effect throughout the term of this Contract and for a minimum of five (5) years thereafter. Seller shall furnish to Veoneer certificates evidencing all required coverages and stating the expiration date for each coverage.

Seller shall likewise furnish to Veoneer certificates evidencing all required renewals of coverage. The minimum insurance that Seller must obtain (unless lower coverage is approved in writing by Veoneer's Authorized Representative) is:

- (a) Worker's Compensation insurance, including Employer's Liability--\$500,000,
- (b) Comprehensive General Liability insurance--\$1,000,000 combined single limit for bodily injury and property damage, including owner's and contractor's protective coverage, contractual liability coverage and products/completed operations coverage,
- (c) Comprehensive Automobile Liability insurance covering all owned, hired and non-owned vehicles--\$1,000,000 combined single limit for bodily injury and property damage,
- (d) Excess Liability coverage--\$10,000,000 per occurrence,
- (e) Product Liability insurance coverage - \$10,000,000 per incident, and
- (f) Product Recall Program insurance - \$10,000,000 per recall.

Veoneer has determined that the failure of the goods or services supplied to it by Seller pursuant to the Contract could result

in a material malfunction of the products manufactured by Veoneer, including without limitation, the nondeployment, inadvertent deployment or nonconforming deployment of an airbag module, inflator, seat belt restraint system, or other components. Accordingly, Seller's obligation to maintain product liability and product recall program insurance shall be specifically enforceable. Veoneer shall also have the option, in the event Seller fails to maintain any insurance coverage required above, to purchase or arrange for such insurance on Seller's behalf and Seller shall be liable to Veoneer for the cost of the premiums. The rights and remedies herein reserved to Buyer shall be cumulative and in addition to any other or further rights and remedies available at law or equity.

**ARTICLE 19. FINANCIAL RESPONSIBILITY**

- (a) Prior to commencing work under this Contract, Seller shall furnish such financial data and related information as may be required by Veoneer to permit a determination of financial capability and responsibility under this Contract.
- (b) At no increase in Contract price, during the progress of work under this Contract, Seller shall submit such interim financial data as may be requested by Veoneer to determine continuing financial capability and responsibility.

**ARTICLE 20. LIENS**

Seller agrees that no liens or property rights of any kind shall lie or attach upon or against the goods, any Equipment, tools, or services under this Contract, or any part thereof, for or on account of any work performed or products furnished by Seller pursuant to this Contract. If any lien or encumbrance is asserted against the goods, or any Equipment or tools, to be delivered under this Contract, or any part thereof, Veoneer shall have the right to discharge the same at its sole discretion. In such event, Seller shall repay to Veoneer, upon demand, the amount thus paid by Veoneer for the purpose of discharging such claim, plus all administrative and legal expenses incurred by Veoneer in this connection.

**ARTICLE 21. CHANNELS OF COMMUNICATION; SELLER'S RISK**

All communications between the parties shall be through Veoneer's Authorized Representative. From time to time, Veoneer's engineering and technical personnel may render assistance or give technical advice to or affect an exchange of information with Seller's personnel in a liaison effort concerning the products to be furnished hereunder. Such exchange of information or advice, however, shall not vest Seller with the authority to change the products to be furnished hereunder or the provisions of this Contract, nor shall such change in products or provisions of this Contract be binding upon Veoneer, unless incorporated as a change, pursuant to ARTICLE 3. CHANGES hereof, or as an amendment hereto, in either case in writing signed by Veoneer's Authorized Representative. Seller's actions or non-actions, based on such exchange from engineering or technical personnel, shall be at Seller's risk unless it obtains proper written authorization in advance.

**ARTICLE 22. NO WAIVER; CUMULATIVE REMEDIES**

Veoneer's delay in enforcing or failure to enforce at any time any of the provisions of this Contract, or any rights in respect thereto, or to exercise any election herein provided, shall in no way be considered to be a waiver of the right to thereafter enforce such provisions or rights or exercise any subsequent elections. Any and all of the rights and remedies conferred upon Veoneer under this Contract shall be cumulative and in addition to, and not in lieu of, any other or further rights and remedies available at law or in equity.

**ARTICLE 23. GOVERNING LAW AND COMPLIANCE WITH LAWS**

- (a) Seller shall comply with all applicable Country, Federal, State or Provincial, and local laws, government orders and regulations in performing this Contract. Seller covenants to save and hold Veoneer harmless from and to reimburse Veoneer for damage and expenses (including reasonable attorneys' fees and court costs) incurred by Veoneer as a result of any failure of Seller to comply with any such law, order or regulation. Irrespective of the place of performance, this Contract will be construed and interpreted according to the laws of the Country or State of the



Veoneer facility issuing this Contract, and Seller hereby consents to the jurisdiction of the Federal and State courts situated in that Country or State and to personal service as provided by that State's laws.

- (b) Seller shall inform Veoneer of any consequences caused by changes in export/import laws, regulations, restrictions, etc.

**ARTICLE 24. INSOLVENCY; INABILITY TO PERFORM**

Veoneer may immediately terminate this Contract without liability in the event of any of the following or any comparable event:

- (a) Insolvency of the Seller,
- (b) Filing by Seller of a voluntary petition in bankruptcy,
- (c) Filing of any involuntary petition in bankruptcy against Seller,
- (d) Appointment of a receiver or trustee for Seller,
- (e) Execution by Seller of an assignment for the benefit of creditors, provided in each of the foregoing cases that such petition, appointment or assignment is not vacated or withdrawn within fifteen (15) days of such event, or
- (f) Death (if a person), inability, or incapacity of Seller.

**ARTICLE 25. BREACH BY SELLER; VEONEER'S RIGHT TO TERMINATE FOR CONVENIENCE**

- (a) Veoneer shall have the right to terminate all or any part of this Contract or releases hereunder, without liability of Veoneer to Seller, if Seller: (i) fails to maintain prices competitive with the market, (ii) repudiates or breaches any of the terms of this Contract, including without limitation Seller's warranties, ARTICLE 11. TITLE TO DRAWINGS AND SPECIFICATIONS, etc., (iii) fails to perform services or deliver goods as specified by Veoneer in accordance with the terms hereof, or (iv) fails to make progress so as to endanger timely and proper completion of services or delivery of goods, provided in each of the foregoing cases that Seller does not correct such failure or breach within ten (10) days after receipt of written notice from Veoneer describing such failure or breach, or within the time period as otherwise specified. As part of any remedy for breach by Seller, Veoneer reserves the right to enforce Seller's obligations under ARTICLE 34. SPECIAL NOTICE BY SELLER, and to require Seller to supply a bank of parts, to arrange for an orderly transition, to continue with performance with other work, etc.
- (b) In addition to any other rights of Veoneer to cancel or terminate this Contract, Veoneer may, at its option, immediately terminate all or any part of this Contract or releases hereunder, at any time and for any reason, by giving written notice to Seller. Upon such termination, Veoneer shall pay to Seller, without duplication, the following amounts, which shall be Seller's exclusive remedy: (i) the contract price for all goods and services that have been completed and delivered in accordance with this Contract and not previously paid for, and (ii) the actual cost of work-in-process and raw materials incurred by Seller in furnishing goods or services pursuant to this Contract to the extent such costs are within reasonable scope of commitments made by Veoneer in releases or pull signals, are reasonable in amount and nature, and are properly allocable or apportionable to the terminated portion of this Contract, less the reasonable value or cost (whichever is greater) of any goods or materials used or sold by Seller with Veoneer's written consent and of any goods or materials that are damaged or destroyed or would otherwise be unusable in the performance of this Contract.
- (c) Notwithstanding the foregoing, Veoneer shall not be obligated to make payments for finished goods, work-in-progress or raw materials fabricated or purchased by Seller in excess of amounts authorized by this Contract and delivery releases issued by Veoneer hereunder, nor shall Veoneer be obligated to make payments for undelivered goods or materials that are in Seller's standard inventory or that are readily marketable. In all cases, payments by Veoneer pursuant to this Article shall not exceed the aggregate contract price payable by Veoneer for finished goods that would be produced and delivered by Seller under this Contract and delivery releases issued by Veoneer hereunder outstanding at the date of Veoneer's termination notice. Veoneer's maximum liability shall be two (2) weeks of finished goods and six (6) weeks of raw materials. Except as expressly provided in this Article, Veoneer shall not be liable for, and shall not be required to make payments to Seller, directly or on account of claims by Seller's suppliers, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development, qualification, engineering or similar costs, facilities and equipment purchase or rental costs, unamortized capital expenditures, or general and administrative or burden charges as a result of any termination of this Contract or releases hereunder in whole or in part. Within forty-five (45) days from the effective date of termination, Seller

shall submit its complete termination claim to Veoneer, together with sufficient supporting data and evidence to enable Veoneer to audit such claim, and Seller shall thereafter promptly furnish such supplemental and supporting information as Veoneer shall request. Veoneer or its agents shall have reasonable access to and the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim submitted by Seller.

**ARTICLE 26. FORCE MAJEURE**

- (a) The failure of either party to perform its obligations hereunder if caused by Force Majeure, as defined below, shall not constitute a breach of this Contract nor subject the party so failing to any liability to the other; provided, however, the party affected by such Force Majeure shall promptly notify the other party of: (i) the existence of such Force Majeure, (ii) its expected duration, (iii) the estimated effect such Force Majeure will have on the notifying party's ability to perform its obligations under this Agreement, and (iv) when such Force Majeure circumstances have ceased to affect its ability to perform its obligations hereunder.
- (b) As used herein, "Force Majeure" means any circumstance (other than a delay or a failure to deliver by Seller's supplier's) beyond the reasonable control of the affected party, including, without limitation, the following: any act of God or the public enemy, accident, explosion, fire, storm, earthquake, flood, drought, perils of the sea, the elements, casualty, strikes, lockouts, labor troubles (whether or not such labor trouble is within the reasonable control of the party affected thereby), riots, sabotage, embargo, war (whether or not declared and whether or not the United States is a participant), Federal, State, Provincial, municipal or other law, regulation or order (including laws, regulations, and orders pertaining to protection of the environment).
- (c) Either party affected by a Force Majeure circumstance shall use its best efforts to eliminate and/or mitigate the effect of such Force Majeure situation.
- (d) During the period of any Force Majeure that prevents Seller from delivering the goods that are the subject of this Contract, Veoneer, at its option, may purchase goods from other sources and reduce its schedules to Seller by such quantities, without liability to Veoneer, or have Seller provide the goods from other sources in quantities and at times requested by Veoneer and at the price set forth in this Contract. If requested by Veoneer, Seller shall, within ten (10) days of such request, provide adequate assurances that the delay will not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurance as requested, Veoneer may immediately cancel this Contract without liability.

**ARTICLE 27. LABOR DISPUTES**

In the event of any actual or potential labor dispute delaying or threatening to delay Seller's timely performance of this Contract, Seller will immediately notify Veoneer and provide all relevant information concerning such dispute or potential dispute. In addition, Seller will notify Veoneer in writing at least six (6) months in advance of the expiration of any labor contract. If requested by Veoneer, Seller will deliver a supply of finished goods at least thirty (30) days prior to the expiration of any such contract in such quantities as Veoneer shall designate. Failure by Seller to timely notify Veoneer shall be a ground for liability.

**ARTICLE 28. DISPUTES**

Any dispute related to or arising under this Contract that is not settled by agreement of the parties shall only be litigated before any court of competent jurisdiction located in the State or Country of the Veoneer facility issuing this Contract. Pending any decision, appeal or judgment in such proceedings or the resolution of any dispute arising under or related to this Contract, Seller shall proceed diligently with the performance of this Contract in accordance with Veoneer's written instructions. Veoneer alone reserves the right to select the Federal or State Court.

**ARTICLE 29. SEVERABILITY**

If any term or provision of this Contract is invalid or unenforceable under any applicable statute, regulation, ordinance, executive order or other rule of law, such term or provision shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, executive order or rule, and the remaining provisions of this Contract shall remain in full force and effect.

**ARTICLE 30. ENTIRETY OF AGREEMENT**

This Contract as written, embodies the entire understanding between Veoneer and Seller with respect to the subject matter

hereof, and all previous negotiations, discussions, and written or oral agreements are hereby superseded by this Contract. The terms of this Contract supersede and control any previous course of dealing or usage of trade. In the event of any conflict between the terms of this Contract and the terms of any acknowledgment, invoice or other document delivered by Seller to Veoneer relating to this Contract, the terms of this Contract shall control. Except as specifically provided for herein, this Contract may not be altered, amended or modified except in writing, signed by duly authorized representatives of the parties.

**ARTICLE 31. ENVIRONMENT - CUSTOMIZED MACHINERY, EQUIPMENT AND COMPUTER HARDWARE**

Seller agrees that it has had an opportunity to inspect or otherwise analyze the environment in and under which the Equipment is to be installed or used, and covenants that such environment shall not affect or otherwise limit Seller's performance or non-performance of the Equipment hereunder or the scope of Seller's warranties hereunder.

**ARTICLE 32. ORDER OF PRECEDENCE**

Conflicting provisions hereof, if any, shall prevail in the following descending order of precedence: (1) typed provisions on the face of this Contract; (2) specifications attached or incorporated by reference; (3) attachments to this Contract; and (4) the printed portion of this Contract, including these terms and conditions. Veoneer's specification shall prevail over any subsidiary documents referenced therein. Seller shall not use any specification in lieu of those incorporated in this Contract without written consent from Veoneer's Authorized Representative.

**ARTICLE 33. NOTICES**

All notices required to be given or made by Veoneer to Seller hereunder shall be given to at the address appearing on the relevant Purchase Order issued by Veoneer to Seller. All written notices required to be made by Seller to Veoneer shall be given to or made to Veoneer at the following address:

**Veoneer US, Inc.** ATTENTION Legal Department 26545 American Drive, Southfield, Michigan 48034  
U.S.A.

or other Veoneer address identified by the Veoneer facility issuing this Contract. Electronic transmissions, (e.g., e-mails), shall not constitute acceptable written notice, except as otherwise provided in ARTICLE 5., INVOICES AND PAYMENT; Veoneer Partner Portal.

**ARTICLE 34. SPECIAL NOTICE BY SELLER AND SELLER'S CONTINUING OBLIGATIONS FOR BREACH**

- (a) The parties expressly acknowledge that the goods purchased or ordered by Veoneer from Seller represent a component that will be incorporated in a motor vehicle. The automotive industry has distinct market conditions such as competitive pricing, qualification requirements, high quality standards, recalls, PPAPs, just-in-time inventory, supply continuity, national and international regulations, etc. Certain Seller's obligations under this Article shall also apply for Seller's breach.
- (b) Accordingly, the parties agree that Seller shall provide at least six (6) months written notice in advance of any contract expiration, or of any extension, to Veoneer if Seller unilaterally decides to cease or discontinue production of the part(s) under this Order, including at the end of such Order. After notifying Veoneer of a decision to discontinue production or for Seller's breach, Seller shall build an inventory adequate to allow a proper transition of tooling, raw materials, equipment, etc., to another Seller. The parties will act in good faith to adopt an orderly written transition plan addressing work-in-process, raw materials, tooling, customer approvals, ramp up schedules, long-lead time items, arrangements for an alternate Seller/Supplier, etc.
- (c) Seller accepts and understands the distinct market conditions outlined above. Accordingly, if Seller fails to provide timely notice under ARTICLE 34(b) or for its breach, it waives all defenses, immunities, etc., to Buyer's application for injunctive relief, declaratory judgment or other relief. Seller agrees to continue its performance, without objections or conditions, for a reasonable time but not less than four (4) months after any contract, order, release, or written authorization issued by Buyer has expired.
- (d) Seller accepts complete liability for all damages and costs, incurred or suffered by Veoneer because of Seller's failure to provide such timely notice, breach of the contract, failure to perform or incomplete performance under the transition plan, any extra costs related to Seller's timely notice or to arrange for an alternate Seller or Supplier, or the parties' failure to agree on a transition plan. Seller agrees Veoneer shall have the right to withhold any payment for any Seller failure or for extra costs incurred for any timely notice. Seller also waives any objection to any claim by Veoneer for such costs.

- (e) Regardless of any timely notice or for breach by Seller, Seller shall not be relieved of producing parts unless and until Veoneer agrees that the transition to another Seller has been completed and Veoneer has obtained any customer approval. Further, regardless of any timely notice, Veoneer reserves the right, and Seller agrees without objection, to extend the term of this Contract by up to twelve (12) months with pricing, terms, and conditions in effect at the end of this existing Contract.
- (f) In addition, regardless of any special notice, transition, or exit from the business, Seller shall retain its obligation to provide service parts under ARTICLE 9. SERVICE PARTS, unless Veoneer agrees that the obligation has been properly accepted by the successor Seller or Supplier. Seller shall promptly release all goods or assets upon Veoneer's request.

**ARTICLE 35. FOR ORDERS WHERE TOOLING IS PURCHASED OR FUNDED BY VEONEER OR SPECIAL TOOLING IS REQUIRED**

In the event Seller exits the business, unilaterally decides to cease or discontinue production of the goods purchased hereunder, or otherwise breaches the agreement, Seller agrees to the following:

- (a) Subject to ARTICLE 34. SPECIAL NOTICE BY SELLER AND SELLER'S CONTINUING OBLIGATIONS FOR BREACH, Seller shall provide written notice to Veoneer of its intent to exit the business, or its intent to cease or discontinue production of the goods, at least six (6) months days in advance of such event.
- (b) Prior to exiting the business or ceasing or discontinuing production, Seller will build an adequate bank of the goods so as to allow transitioning of the Veoneer tools, or construction of new tooling (if required) by new Seller, as determined by Veoneer to meet its customer demands during the tooling transition period. Only upon Veoneer's written concurrence will Seller be relieved of its obligations under this clause.
- (c) Seller, at Seller's cost and expense, agrees to retrofit all Veoneer-owned tooling to the extent necessary to prepare the tool for operation at the new Seller location.
- (d) In the event the Veoneer-owned tooling is unable to be retrofitted, Seller shall, at Veoneer's option, refund all tooling charges to Veoneer, pay all costs associated with producing new tooling at new Seller's location, and assume all costs related to its breach or to its decision to cease its performance.
- (e) Seller shall reimburse Veoneer for all transportation costs incurred by Veoneer associated with transferring the tooling to the new Seller and for costs related to restoring the tooling to normal operational capabilities, except for reasonable wear and tear.
- (f) Seller shall provide Veoneer with all valid warranties, specifications, designs, manuals, instructions, drawings, machining, and fixtures, related to the tooling upon notice of its intent to exit the business or otherwise cease or discontinue production.
- (g) Seller agrees Veoneer shall have the right to take immediate possession of the tooling and any goods or assets.

**ARTICLE 36. SURVIVAL**

The provisions of Articles 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 20, 22, 23, 25, 26, 28, 29, 30, 32, 34, and 35 shall survive the expiration or earlier termination of this Contract.

/end.