

**1 Applicability.**

a. These General Purchasing Conditions (“GPCs”) shall apply to every purchase order, contract, and/or other agreement expressly entered into between Auto Kabel of North America, Inc. (“AKNA”) and any Supplier of goods, parts, commodities, or services. Any terms and conditions of Supplier that are in addition to, contradict, conflict, and/or deviate in any way from these GPCs shall be deemed excluded unless AKNA expressly approves such terms and conditions in a signed writing. Supplier’s terms and conditions shall not apply and are to be deemed null and avoid.

b. AKNA is a global supplier of safety and functional products for passenger cars, trucks, special vehicles, agricultural vehicles, and special applications. All obligations to prevent defects imposed on AKNA by its customers and/or statute, regulation or other applicable law shall apply to Supplier. By entering into a contractual relationship with AKNA based upon these GPCs, Supplier guarantees its capability to supply parts without defects.

c. The GPCs are available for download at the following link and are titled “General Purchasing Conditions of Auto Kabel of North America, Inc.:

<https://www.autokabel.com/en/contact/purchasing.html>  
<https://mexico.autokabel.com/AutoKabelMX/Suppliers/>

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**2. General Principles, Scope And Objectives.**

a. The primary objective of the GPCs is to establish a method of co-operation between both Parties in all logistics and purchasing transactions and to better serve their customers and suppliers.

b. Additional objectives of the GPCs include:

- i. Reducing throughput time throughout the entire manufacturing, delivery, and service process;
- ii. Eliminating cost-adding activities; and
- iii. Establishing and executing an efficient ordering and planning system.

c. The scope of the GPCs is to clearly define and establish any planning and procurement rules. This includes the uninterrupted and on-time delivery of all necessary parts, goods, and/or components (collectively referred to as “parts” herein) to ensure the best possible service for the Parties’ customers and suppliers.

d. Both Parties agree that the terms and conditions set forth in the GPCs serve as a baseline for their relationship. Both Parties agree to improve this baseline and exceed these obligations, wherever possible.

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e. Both Parties agree to achieve a relationship of openness, mutual trust, and transparent data communication to ensure a smooth and efficient supply chain to better serve their customers and suppliers.

f. The Parties shall continuously improve on the following areas throughout the duration of the GPCs:

- i. All planning, forecasting, and ordering procedures;
- ii. The communication of information between the Parties (e.g. electronic ordering and confirmation); and
- iii. Ensure flexibility in the supply chain by adopting and/or implementing consignment procedures or programs.

**3. Formation, Offer, Acceptance, And Exclusive Terms.**

a. Each purchase order, together with the GPCs, is an offer made by AKNA to the party to whom the purchase order is addressed, along with the party's applicable affiliates and subsidiaries, to enter into the agreement described therein and it shall be the complete and exclusive statement of such offer. A purchase order does not constitute AKNA's acceptance of any offer or proposal, whether in Supplier's quotation, acknowledgement, invoice or otherwise. In the event that Supplier's quotation, acknowledgement, invoice, or otherwise is held to be an offer, that offer is expressly rejected and is replaced in its entirety by the offer made in response by AKNA.

b. A contract is formed when Supplier accepts AKNA's purchase order, *i.e.* the offer. Each purchase order shall be deemed accepted upon the terms and conditions in the purchase order and these GPCs when Supplier ships parts, performs requested services, commences work on parts, issues a written acknowledgement, or engages in any other conduct that recognizes the existence of a contract pertaining to the subject matter of the purchase order.

c. Supplier's acceptance is conditioned on the acceptance of the GPCs and the terms and conditions as expressly referenced on the face of the purchase order. No purported acceptance of any purchase order on terms and conditions which modify, supersede, supplement or otherwise alter these GPCs shall be binding upon AKNA, and such terms and conditions shall be deemed rejected and replaced by the GPCs, unless Supplier's proffered terms or conditions are accepted in a writing signed by AKNA, notwithstanding AKNA's acceptance of or payment for any shipment of parts or similar act of AKNA.

d. In the event of a conflict between AKNA's purchase order with any prior or contemporaneous agreements or documents exchanged between Supplier and AKNA, the purchase order and GPCs control or govern.

e. AKNA may from time to time make purchases for its affiliates and subsidiaries and issue purchase orders containing AKNA's logo, but identifying a different purchaser. Supplier acknowledges and agrees that no such purchase order shall constitute or be

interpreted to represent an order of AKNA or a guaranty by AKNA of any obligations or liabilities of the purchaser identified on the purchase order.

**4. Quantity And Duration.**

a. The quantity applicable to each purchase order and its duration are specified on the face of the purchase order. For all blanket orders and requirement contract orders, AKNA shall regularly issue releases for the requisite number of parts. A release is a schedule by which AKNA (i) specifies the firm quantity of parts or services Supplier is to deliver to AKNA and on what dates or within what time period; (ii) authorizes material fabrication; and/or (iii) authorizes the purchase of raw materials/components, each for the period specified therein (the "Release").

b. The Release indicates the firm quantity of parts or services and/or the firm quantity of raw materials/components, as applicable, for which AKNA is liable to Supplier and that Supplier is obligated to provide to AKNA for the period specified therein

c. The Release may state (i) the parts with code number and description; (ii) the address for shipment and payment; (iii) any firm order quantities along with required deadlines; (iv) relevant data for lot sizes, packaging, etc; (v) the buyer; (vi) the required shipping date; and (vii) date of issue. The Release may also provide a forecast of the quantity of parts or services that will be ordered beyond the firm quantity amount.

d. Supplier acknowledges and agrees that, notwithstanding anything in any purchase order to the contrary, Supplier is obligated to provide parts and services to AKNA in at least the quantity and for at least the period specified in the Release. A Release will specify a firm quantity of parts or services and/or a firm quantity of raw materials/components that AKNA will be responsible for in the event of termination. A Release may include volume and duration projections, but a Release is only binding upon AKNA for, and AKNA will have no obligation or liability beyond, the quantity specified as firm in the Release. Supplier acknowledges and agrees to accept the risk associated with the lead times of the various components if they are beyond the firm Release amounts provided by AKNA.

e. Unless the purchase order specifically provides that Supplier shall produce one hundred percent (100%) of AKNA's requirements for the parts or services, AKNA shall have the right to obtain a portion of such parts or services from another third party source or from AKNA's internal sources.

f. Order Confirmation:

i. Supplier shall send all order confirmations to AKNA within two days of receipt of the Release, either by fax or email.

ii. If confirmation is not received within two days after receiving the Release, Supplier agrees that the Release is automatically accepted, in accordance with the dates and quantities requested by AKNA.

g. In Case Of Changes.

- i. Both Parties shall provide any change proposals, with such specifications as lead-time, minimum order quantity ("MOQ"), price, and/or any other pertinent information. This request must be submitted and responded to promptly by the other Party. To effectuate this change, however, both Parties must agree to the modification in writing.
- ii. Any MOQ shall only be applicable if AKNA agrees in a signed writing.

**5. Volume and Duration Projections.**

- a. From time to time and in connection with quotations, requisitions and purchase orders, AKNA may provide Supplier with estimates, forecasts or projections of its future volume or quantity requirements for the good or services and/or the term of a program. Volume and duration projections, unlike a Release for a firm quantity, are not binding on AKNA. They also are not evidence of a requirements contract. Supplier acknowledges that any volume and duration projections, like any other forward looking projections, are based on a number of economic and business factors, variables and assumptions, some or all of which may change over time, and may or may not be accurate at the time they were made or later. AKNA makes no representation, warranty, guaranty or commitment of any kind or nature, express or implied, regarding any volume and duration projections or other estimate, forecast or projection provided to Supplier, including as to its accuracy or completeness. Supplier accepts that volume and duration projections may not be accurate and that actual volume or duration could be less than or greater than the projections. Supplier acknowledges that this risk, and possible reward, is an aspect of the automotive industry.
- b. The purpose of the forecast is to provide Supplier with information so Supplier can plan future orders; the forecast does not constitute, reflect, or create any obligation on the part of AKNA to buy such quantities.

**6. Cost.**

- a. The price agreed to between AKNA and Supplier shall be stated in the blanket purchase order.
- b. Prices charged for parts or services listed on the blanket purchase order and purchase order are not subject to increase, including any increase based upon changes in raw material or component pricing, labor or overhead, unless specifically agreed to by AKNA in a writing signed by AKNA.
- c. Supplier represents that the price charged to AKNA for parts or services is at least as low as the price charged by Suppliers to buyers of a class similar to AKNA under conditions similar to those specified in the purchase orders and that all prices comply with all applicable governmental laws and regulations in effect at the time of quotation, sale, and delivery. Supplier agrees that any price reduction implemented by Supplier for any parts, services, or related charges will apply to all shipments of such parts or services under the purchase order or any purchase order amendment from and after Supplier's implementation of the price reduction.

- d. Supplier shall ensure that the price charged to AKNA for parts or services remains competitive with the price for similar parts available to AKNA from other sellers.
- e. Supplier agrees to participate in AKNA's cost savings and productivity programs and initiatives, and to implement Supplier's own cost savings and productivity programs and initiatives to reduce Supplier's costs.

**7. Quality.**

- a. Supplier agrees to participate in AKNA's quality and development program(s) and to comply with all quality requirements and procedures specified by AKNA, as revised from time to time. Based on AKNA's assessment of responsibility, Supplier may be held responsible for any and all costs associated with quality issue investigation, containment, and remedial actions on account of the parts or services provided by Supplier to AKNA (including third party activities identified and initiated by AKNA). Supplier is obligated to provide any reasonable support requested by AKNA to immediately address and correct concerns regarding the quality of parts or services provided. Supplier shall provide additional resources, as necessary and as identified by AKNA, to support product development, process development, validation, production launch, or any issue that may jeopardize the success of the manufacture or assembly of any parts or services.
- b. Supplier is responsible for all sub-tier or upstream providers of parts or services. Supplier must maintain adequate development, validation, launch, and ongoing supervision to ensure all parts or services provided to AKNA conform to all specifications, standards, drawings, samples and descriptions, including, without limitation, as to quality, performance, fit, form, function and appearance, under the purchase order.

**8. Quality Management System.**

- a. Supplier shall establish and maintain during the term of its business relationship with AKNA a certified Quality Management System, in accordance with and complying to ISO 9001:2015 and International Automotive Task Force ("IATF") 16949:2016, or equivalent. If Supplier does not maintain a certified Quality Management System, AKNA may, at its discretion, request that one hundred percent (100%) of Supplier's outgoing parts be inspected. Supplier shall promptly notify AKNA of any expiration, limitation, or withdrawal of the Quality Management System certificate. At any time, AKNA shall be entitled to request an audit and annual re-qualifications of the parts.
- b. Supplier shall sign and provide a Quality Assurance Agreement ("QAA") to AKNA at AKNA's request.

**9. Determination Of Products, Duality And Nature Of A Product, Initial Sample Inspection Report, And Change of Products.**

- a. In accordance with IATF 16949-4.3.2, Supplier shall collaborate with AKNA to determine the specifications and safety requirements (IATF 16949-4.4.1.2) of the parts, in both quality and nature. Supplier shall assess the feasibility and viability of any requirements identified by AKNA in documentation compliant with IATF 16949-8.2.3.1.3, and in agreement with AKNA, Supplier shall determine all characteristics relative to the parts for this purpose. The product's quality and nature shall be documented in an Initial

Sample Inspection Report (“ISIR”). The ISIR shall contain, but is not limited to, evidence of process capabilities, control plan, capabilities of test and measure equipment, and product history.

b. By submitting the ISIR, including ancillary documents as agreed upon herein, Supplier, based on the Part Submission Warrant (“PSW”) or an equivalent document of performance, guarantees that its deliveries and services comply with the agreed upon product quality and nature described herein, and is eligible and capable for release to AKNA. Any release by AKNA shall not be interpreted as and shall not constitute AKNA’s acceptance.

c. Supplier shall store the ISIR and any change or amendment thereof (hereafter, “ISIR Information”) for a period of 15 years from the date of Supplier’s agreement with AKNA to supply parts under the GPCs. Supplier shall not store ISIR Information in external servers, including, but not limited to, any form of cloud-computing storage servers, without the express written authorization of AKNA. Supplier shall guarantee the security of the storage of ISIR Information against any unauthorized or illegal access. Supplier shall timely and without undue delay furnish AKNA with ISIR Information upon AKNA’s request, particularly when such requests are related to warranty, product liability, and/or other quality claims. By entering into a contractual relationship with AKNA based upon the GPCs, Supplier waives any right to refuse AKNA’s request for ISIR Information made in writing within 15 years of the date of Supplier’s agreement with AKNA to supply parts under the GPCs.

d. Supplier shall promptly notify AKNA of any necessary changes to the product, production process, or changes within the supply chain, and AKNA must approve of these changes in a signed writing. AKNA may request a new ISIR at Supplier’s cost. Supplier shall demonstrate the effects of any such changes to AKNA.

e. AKNA must approve, in writing, any third party’s engagement and may, at Supplier’s cost, require a new ISIR. Supplier shall approve and guarantee the quality capability of any third party. Supplier shall validate and verify any purchased product to ensure no defects and that it meets AKNA’s product safety requirements.

f. At any time, AKNA may request changes to the product and the production process. Supplier shall collaborate with AKNA to implement these changes. Any adjustments to cost shall be subject to good faith negotiations. Supplier, however, shall not make this performance dependent on AKNA and Supplier reaching a final agreement to a cost adjustment.

g. If Supplier has been nominated by a customer of AKNA (nominated supplier or “directed” supplier as to IATF 16949-8.4.1.3), the scope of contractual and technical determinations and specifications agreed upon between Supplier and AKNA’s customer shall be deemed integral parts of Supplier’s obligations and responsibilities to AKNA. In the event AKNA’s customer requests AKNA’s purchase of parts from Supplier, then Supplier shall ensure the validation of its parts for the application of the parts of AKNA. Supplier shall provide AKNA with all documents and information that, in Supplier’s judgment, may be necessary or appropriate to ensure the absence of defects in the parts. Supplier shall, upon written request from AKNA, execute a Quality Assurance Agreement identifying and defining interfaces and measure methods to ensure the validation of

Supplier's parts. The contractual relationship between AKNA and Supplier shall be deemed a business relation.

h. If the nominated supplier is a dealer, these GPCs shall apply except the provisions directly referring to the manufacturing of the parts. The dealer shall independently guarantee the performance of all specifications as agreed upon herein. The agreed upon specifications between the dealer and its contractor shall be deemed to provide protective effect for AKNA.

i. For all parts, Supplier shall ensure within the production management and production control that its performance meets specifications. EN ISO 16426 shall apply informatively. On request of AKNA, Supplier shall establish appropriate tests to ensure the absence of defects. PPM-quotes are solely indicators for initiating corrective actions of Supplier's production process.

## **10. Shipping And Delivery.**

a. AKNA is a supplier of safety and functional products for passenger cars, trucks, special vehicles, agricultural vehicles, and special applications. AKNA's obligation to prevent defects in the products supplied to its customers extends to Supplier. By agreeing to the GPCs, Supplier guarantees it can manufacture the requested parts without defect.

b. All shipments are made in accordance with the most up to date Incoterms.

c. AKNA agrees to purchase the parts identified by part number in the contract and/or blanket purchase order.

d. Supplier agrees (i) to properly pack, mark and ship parts in accordance with the requirements of AKNA and the involved carrier in a manner to secure the lowest transportation cost; (ii) to route shipment in accordance with AKNA's instructions; (iii) to make no charge for handling, packaging, storage, transportation (including duties, taxes, fees, etc.), cost of vehicle or other transport expenses or drayage of parts unless otherwise approved by AKNA on the face of a purchase order or purchase order amendment or in a signed writing; (iv) to provide with each shipment papers showing the purchase order number, order amendment or Release number, AKNA's part number, Supplier's part number where applicable, quantity of pieces in shipment, number of cartons or containers in shipment, Supplier's name and vendor number, the bill of lading number and the country of origin; and (v) to promptly forward the original bill of lading or other shipment receipt for each shipment in accordance with AKNA's instructions and carrier requirements. The marks on each package and identification of the parts on packing slips, bills of lading and invoices shall be sufficient to enable AKNA to easily identify the parts purchased.

e. The Supplier must ship all parts in a manner that avoids any damage during transportation or handling, including properly packaging all shipments to ensure the integrity, security, quality, and safety of the parts.

f. Prior to shipment, Supplier shall provide a packaging proposal for AKNA's approval. Any changes or alterations to the agreed upon packaging terms must be approved by AKNA in writing.

g. Deliveries shall be made both in quantities and at times specified on the purchase order or on Releases furnished by AKNA. Time and quantity of delivery are of the essence of each purchase order. Supplier shall adhere to shipping directions specified on the purchase order or Releases. AKNA shall not be required to make payment for parts or services delivered to AKNA that are in excess of firm quantities and delivery schedules specified in AKNA's Releases. AKNA may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Supplier to a modification of the price of parts or services covered by any purchase order. With each delivery, Supplier shall be deemed to have made the representations, warranties and covenants with respect to its agreed upon financial and operating condition.

h. All parts supplied are construed as a completed part and shall permanently bear AKNA's part number and name or code name, Supplier's name or code name, and date of manufacture by Supplier.

i. Premium shipping expenses and/or other related expenses necessary to meet delivery schedules set forth in the Releases shall be Supplier's sole responsibility, unless the delay or expense was the result of AKNA's negligence and Supplier provides AKNA with notice of any claim against AKNA within ten (10) days after the occurrence of the alleged negligent action of AKNA giving rise to such claim.

j. Notwithstanding any agreement concerning payment of freight expenses, delivery shall not have occurred and the risk of loss shall not have shifted to AKNA until the parts have been delivered and accepted by AKNA at AKNA's applicable facility.

k. On-Time Delivery:

- i. Deliveries must be on time, *i.e.*, on the date due with the quantity stated in the Release.
- ii. Deliveries must be shipped to the address identified in the Release.
- iii. AKNA reserves the right to refuse acceptance and payment of material or parts in excess of the Release quantities, with excess material or parts being returned at Supplier's risk and expense.

l. If Supplier is unable to provide the parts as requested in the Release, Supplier is to notify AKNA in writing within two days from the date the Release was issued. In the event this occurs, AKNA shall determine the consequences of Supplier's failure and inform Supplier about any necessary or potential MOQs. The Supplier agrees to take all necessary actions to meet these MOQs, and supply any remaining parts set forth in the Release as soon as possible.

m. The standards, rules, and/or regulations set forth in International Automotive Task Force ("IATF") 16949:2016 shall be an integral part of the GPCs and shall be incorporated as if fully set forth herein.



n. The Supplier shall provide all shipping information to AKNA either via EDI, fax, or email.

o. The Supplier must provide AKNA a certificate of origin on an annual basis, by December of each calendar year, at the latest, in accordance with the North America Free Trade Agreement's ("NAFTA") customs and regulations, to secure the import/export operations for the following years. Additionally, Supplier must comply with the regulations set forth in the International Organization for Standardization ("ISO") No. 14000, ISO No. 9001, and ISO Technical Specification 16949.

**11. Shipping Information Specific to the United States.**

a. Delivery Is Ex-Works.

i. Unless agreed to by AKNA in writing, Supplier shall use either Pro Trans International and/or ALG/Gamer Logistics for the delivery of parts to the address identified herein.

b. Shipment Address.

i. Unless otherwise specified by AKNA, Supplier shall make all deliveries to:

Auto Kabel of North America, Inc.  
1320 Henry Brennan Dr., Suite H  
El Paso, TX 79936  
Ph. (915) 858-3800  
Ph. (915) 217-2253

c. Invoices.

i. Unless otherwise specified by AKNA, Supplier shall submit all invoices by email to:

Accounts.payable@autokabel.com  
Auto Kabel of North America, Inc.  
7362 Remcon Circle  
El Paso TX, 79912  
Ph. (915) 217-2253  
Fax: (915) 217-2259

**12. Shipping Information Specific to Mexico.**

a. Delivery Is Ex-Works.

- i. The Supplier agrees that AKNA shall identify the suitable transportation carrier for delivery of parts prior Supplier's shipment.
  
- b. Shipment Address.
  - i. Unless otherwise specified by AKNA, Supplier shall make all deliveries to:  
  
Auto Kabel de Mexico  
Prol. Hermanos Escobar #7151-A  
Parque Industrial Omega  
Ciudad Juárez, Chihuahua, México  
Ph. (656) 227-6425  
Ph. (656) 227-6418
  
- c. Invoices.
  - i. Unless otherwise specified by AKNA, Supplier shall submit all invoices by email to:  
  
Accounts.payable@autokabel.com  
Auto Kabel of North America, Inc.  
7362 Remcon Circle  
El Paso TX, 79912  
Ph. (915) 217-2253  
Fax: (915) 217-2259

**13. Shipping Information Specific to Europe.**

- a. Delivery Is Ex-Works.
  - i. Unless agreed to by AKNA in writing, Supplier shall use Rhenus Freight logistics GmbH & Co. KG for the delivery of parts to the address identified herein.
  
- b. Shipment Address.
  - i. Unless otherwise specified by AKNA, Supplier shall make all deliveries to:  
  
Auto Kabel of North America, Inc.  
1320 Henry Brennan Dr., Suite H  
El Paso, TX 79936  
Ph. (915) 858-3800  
Ph. (915) 217-2253
  
- c. Invoices.

- i. Unless otherwise specified by AKNA, Supplier shall submit all invoices by email to:

Accounts.payable@autokabel.com  
Auto Kabel of North America, Inc.  
7362 Remcon Circle  
El Paso TX, 79912  
Ph. (915) 217-2253  
Fax: (915) 217-2259

d. Shipment Route.

- i. Unless otherwise specified by AKNA, Supplier shall ship all parts in bond with the final destination of Ciudad Juárez, México. The following shall also apply:

- 1. Port of departure: Bremen, Germany
- 2. Port of destination: Houston, Texas, USA
- 3. Place of delivery: Juárez, México.

- ii. Address in México:

Prolongación. Hermanos Escobar 7151A,  
Parque Industrial Omega CP 32320.  
Ciudad Juárez, Chihuahua, México.

- iii. Further Shipment Information:

- 1. Route the cargo directly to Juarez, Mexico using in bond concept and bill of lading.
- 2. The shipment would not need to clear United States Customs in Houston, Texas because that will occur in El Paso, Texas.
- 3. Notify the following customs broker to clear the cargo in El Paso, Texas:

Cordova Brokerage International, Inc.  
9300 Billy The Kid  
El Paso, TX 79909  
Phone: (915) 595-8774  
Fax: (915) 595-3530

4. If an air shipment is required, ship to the following address:

Auto Kabel of North America, Inc.  
1320 Henry Brennan Dr., Suite H  
El Paso, TX 79936  
Ph. (915) 858-3800  
Fax ( 915) 858-3802

(Use this Address on the air way bill and invoice as well)

**14. Invoices.**

a. All invoices and/or advanced shipping notices ("ASN") for parts shipped pursuant to each purchase order must reference the order number, order amendment, or Release number; AKNA's part number, where applicable; quantity of pieces in shipment; number of cartons or containers; Supplier's name and number; and bill of lading number. In addition, no invoice may reference any term separate from or different than these GPCs or the terms that appear on the face of the purchase order. AKNA reserves the right to return all invoices or related documents submitted incorrectly. Payment terms will begin to run once the latest correct invoice or ASN is received and input into AKNA's system by the applicable AKNA facility. Any payment by AKNA of a nonconforming invoice is not an acceptance of any non-conforming element or terms on such invoice.

**15. Coordinators, Product History, And Change Management.**

a. AKNA and Supplier shall appoint responsible coordinators for each project. The coordinators shall determine the processes related to product realization and documentations unless otherwise agreed upon in accordance with VDA 2 (2012). The coordinators are process owners according to IATF 16949.1.1.3.

b. Any change in the parts or production processes shall be deemed a change to the contract and shall be subject to an agreement applying ISO/TS 16949 7.1.4. Each determination between the coordinators in particular, but not limited to, the drawing number and indices shall be documented by the coordinators in the product history which must be signed by the coordinators. The product history shall be deemed the final binding determination of the contractual status between AKNA and Supplier. The product history may only be executed by the coordinators or specifically appointed representatives of AKNA and Supplier. Deletions in the product history are not permitted.

c. On request of AKNA, Supplier shall reveal and provide all documents produced within or relative to the product realization process to AKNA. In the event that good cause exists to protect Supplier's business secrets, AKNA may request to release or provide those documents to an independent representative professionally committed to confidentiality.

**16. Re-traceability.**

- a. Supplier shall ensure the re-traceability of its parts and services, including but not limited to, purchased products, components, bulk materials, and services. The re-traceability must be ensured through the entire supply chain in accordance with IATF 16949-8.5.2.1. Supplier shall mark the parts as required by AKNA.
- b. At AKNA's request, Supplier shall provide without condition or objection all documents related to re-traceability.

**17. Incoming Inspection.**

- a. Supplier shall inspect and document that inspection for all parts to be delivered to AKNA. Based on Supplier's inspection, AKNA is released from a comprehensive inspection and may reduce the incoming inspection to check the identity, quantity, and for noticeable transportation damages. AKNA shall promptly notify Supplier of any deficiency.
- b. Supplier understands and accepts that AKNA may not be able to detect defects in the parts or Supplier's production process. Thus, if AKNA detects any such defect during AKNA's production process, AKNA shall immediately notify Supplier of the defect. In such an event, AKNA shall be deemed to have complied with its obligations to notify Supplier of any deficiency under the GPCs and/or any applicable statute, law, or regulation. Supplier expressly waives the right to object to any delayed complaint or deficiency raised by AKNA.

**18. Production Equipment And Tools.**

- a. Any production equipment provided by AKNA, e.g., machines, jigs, gauges, drawings, models, tools, documents, software, etc., shall remain AKNA's exclusive and sole property and shall be marked by Supplier as such. Moreover, any production equipment manufactured or purchased by Supplier, which is paid for by AKNA, shall become the exclusive and sole property of AKNA at the moment of Supplier's physical acquisition. Supplier shall be fully responsible to protect AKNA's property with the same care that Supplier applies its own property. At any time, AKNA may request specific tool agreements.
- b. Any production equipment shall be maintained and/or cared for by Supplier without cost to AKNA, separated from Supplier's any/or third party's property, and be protected with all due care against any access or attachment. Supplier shall be liable for any damage to the production equipment provided that the damage had not been caused by AKNA.
- c. The production equipment may only be used for AKNA's purpose otherwise AKNA can withdraw the production equipment at any time. The cost for repairs, maintenance, and operations shall be borne by Supplier unless otherwise agreed upon in writing.
- d. Supplier shall promptly notify AKNA of a third party attachment of its production equipment and shall unconditionally support AKNA in the defense against that attachment.
- e. Unless otherwise agreed upon in writing, Supplier shall insure the production equipment for at least its replacement value against any type of damage. Supplier shall instruct its insurer to direct all insurance proceeds to AKNA.

f. The Supplier shall, in accordance with ISO 14000, ISO 9001, and ISO TS 16949, maintain all tools necessary to service the parts for fifteen (15) years after the production program is phased out. Supplier shall be liable for any damage that AKNA may sustain from its failure to maintain the equipment and tools necessary to service the parts.

**19. Compliance.**

a. Supplier agrees to comply with all federal, state, local and foreign laws, executive orders, rules, regulations and ordinances that may be applicable to Supplier's performance of its obligations under each purchase order, and each purchase order shall be deemed to incorporate by reference all the clauses required by the provisions of said laws, orders, rules, regulations and ordinances. All purchased materials used in manufacture of the parts shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale. All suppliers must be in compliance with ISO14001, TS16949 and ELV or their successors, as amended from time to time.

b. Supplier shall not (i) utilize forced or involuntary labor, regardless of its form, (ii) employ any child, except as part of a government approved job training, apprenticeship or similar program, or (iii) engage in abusive employment or corrupt business practices, in the supply or production of parts under any purchase order.

c. Supplier shall establish and maintain a certified Environment Management System according to ISO 14001, or equivalent, and shall promptly notify AKNA of any withdrawal, reduction, or suspension of the Environment Management System certified. If Supplier has not established an Environment Management System according to ISO 14001, Supplier shall guarantee to undertake and to maintain all appropriate activities for the protection of the environment as required by any law, regulation, or ordinance. Supplier shall promptly notify AKNA of any restrictions which might impact the manufacture of the parts.

d. Supplier shall declare and document all substances and materials used to manufacture the parts in the International Material Data System ("IMDS"). Supplier shall not use any forbidden substance and shall monitor and survey all applicable laws and regulations, including, but not limited to, the Global Automotive Declarable Substances Lists, which can be located at [www.gadsl.org](http://www.gadsl.org), and shall keep AKNA informed thereof.

e. At AKNA's request, Supplier shall promptly provide all information and documents available to assist AKNA in reporting in accordance with any law, regulation, or ordinance regarding the source of any materials, substances, or components used by Supplier to manufacture the parts. Supplier shall not refuse any such request from AKNA. Supplier shall be liable for all costs, fines, and expenses, including reasonable attorneys' fees, that AKNA incurs as a result of any delay or incomplete performance caused by Supplier.

**20. Logistics And Packaging.**

a. Every delivery made by Supplier to AKNA shall be made in accordance with the GPCs, blanket purchase orders, and purchase orders.

- b. Any deliveries shall only be deemed compliant with the contract if they conform to the quality and nature of the product as agreed upon between AKNA and Supplier and if the delivery contains all the documents required by statute, regulation, or other law.
- c. AKNA does not agree to accept any partial delivery unless expressly accepted in a signed writing. Any acceptance of a partial delivery by AKNA shall not preclude AKNA from enforcing its legal rights and remedies as it relates to that partial delivery.
- d. Supplier shall be responsible for the appropriate and adequate packaging of the parts for the safe delivery to AK. The packaging must be in compliance with environmental requirements and be appropriate for disposal according to the requirements set forth herein.

**21. Deliveries, Default In Delivery, And Damages.**

- a. The delivery date shall be determined by the respective purchase orders submitted by AKNA and shall be binding upon Supplier's receipt. Any deviation in delivery date not approved by AKNA in a signed writing shall serve as a default.
- b. Supplier shall promptly notify AKNA of any potential default and shall take all measures to avoid or to mitigate any consequences from the default.
- c. If Supplier does not object to AKNA's purchase orders within five (5) days, AKNA's purchase shall be deemed accepted in its entirety. Within the five (5) days, AKNA may revoke any purchase order submitted to Supplier without cost.
- d. After a reasonable grace period, AKNA shall be entitled to undertake any activity to mitigate the damages and costs caused by Supplier's default.
- e. Supplier agrees that if it cannot meet either the terms of the GPCs, blanket purchase orders, or purchase orders, in addition to any remedy allowed under applicable law, AKNA shall be able to recover from Supplier:
  - i. The cost to return non-conforming materials;
  - ii. Any costs associated with line stops and/or premium freight charges; and
  - iii. All other costs or losses that affect AKNA's customers.

**22. Force Majeure.**

- a. Any delay or failure of AKNA or Supplier to perform its obligations will be excused if, and to the extent that, the party is unable to perform specifically due to an event or occurrence beyond its reasonable control and without its fault or negligence, such as: acts of God; restrictions, prohibitions, priorities or allocations imposed or actions taken by a governmental authority; embargoes; fires; explosions; pandemics; natural disasters; riots; wars; sabotage; labor dispute; or inability to obtain power. Shortages in raw materials or bulk materials, e.g., production stop of certain plastics, shall not be deemed events of Force Majeure. After the occurrence, the party shall immediately provide written notice

describing such delay and assuring the other party of the anticipated duration of the delay and the time that the delay will be cured.

b. During the term of an event of Force Majeure, a party shall be released from its contractual obligations in the scope as reasonably and directly affected.

c. Short term Force Majeure events shall entitle AKNA to cancel an order or rescind partially or in total. This also applies if the event could cause a material reduction of the needs of AKNA.

d. Irrespective of the foregoing, Supplier shall undertake any reasonable measure to maintain the supply to AKNA and to support as the case may be and requested by AKNA the covering purchases. Upon approval of AKNA and for the duration of the effects of an event of Force Majeure, Supplier shall be entitled to shift the production to another location or to cover the needs from third sources. AKNA shall not refuse its approval unreasonably. AKNA shall without limitations remain entitled to undertake any measure AKNA in its sole discretion believes to be reasonable or supporting to mitigate the impacts from the event of Force Majeure.

e. Supplier shall establish and maintain contingency plans to be prepared in any event of disturbances or in the event of Force Majeure. Supplier shall provide evidence of the effectiveness of any contingency plans in any event of Force Majeure.

**23. Payment.**

a. AKNA shall make payment to Supplier within forty-five (45) days of Supplier's delivery of parts that comply with all contractual obligations.

b. In the event Supplier delivers parts that are defective and/or which otherwise fail to comply with all contractual obligations, AKNA shall be entitled to withhold an amount from Supplier equivalent to such defective and/or non-compliant parts until complete performance or repair of such defective and/or non-compliant parts has been completed, including associated costs for AKNA's complaint management. In such event, Supplier shall provide AKNA with appropriate documentation reflecting the cancellation of affected invoices and/or the application of credits to such invoices. Payments made by AKNA shall not be deemed or construed in any way as acceptance or approval of any parts that are defective and/or non-compliant, and shall not in any way affect, alter, or otherwise impair any rights AKNA possesses under any and all laws and/or regulations.

**24. Assignment.**

a. Supplier shall not assign or delegate any of its duties or obligations under any purchase order without the prior consent in a writing signed by AKNA, which consent may be withheld in AKNA's sole discretion. Any sale or other transfer of stock or other securities of Supplier that would result in a change in control of Supplier shall be deemed an assignment under the purchase order. Supplier may assign its claims for money under any purchase order as collateral security for indebtedness of Supplier, but AKNA shall not be required to pay the assignee until AKNA receives written notice of the assignment, a true copy of the assignment and a release from Supplier reasonably acceptable to AKNA. Any such assignment shall not prohibit AKNA from enforcing its rights against Supplier or



the assignee, including, without limitation, AKNA's rights to setoff and recoupment, all of which rights of AKNA against Supplier or assignee are senior to any rights of such assignee. AKNA may freely assign to any third party its rights and obligations under any purchase order without the consent of Supplier.

b. Supplier shall not assign any account receivable without the written approval of AKNA, which AKNA may not unreasonably withhold. In the event of extended retention of title, AKNA's approval shall be deemed granted. In the event of an assignment without AKNA's approval, AKNA shall be entitled to make payment discharging AKNA's obligations to either Supplier or third party.

**25. Warranty.**

a. Supplier expressly warrants that all parts covered by each purchase order will conform to all specifications, standards, drawings, samples or descriptions furnished by or on behalf of AKNA, and all industry standards, laws and regulations in force in countries where parts or vehicles equipped with such parts are to be sold and that all parts will be merchantable, of good material and workmanship and free from defects. In addition, Supplier acknowledges that Supplier knows of AKNA's intended use and expressly warrants that all parts covered by each purchase order will be fit and sufficient for the particular purpose intended by AKNA.

b. Supplier expressly warrants that, for all parts under the purchase order, Supplier shall convey good title to AKNA, free and clear of all liens, claims, or other encumbrances.

c. Each deviation from the quality and nature of the product as determined or reasonably to be expected by the latest status of the product history including, but not limited to, missing, defective, or incomplete documentation of ancillary documents, shall be deemed to create a defective product that entitles AKNA to pursue all statutory rights and remedies including, but not limited to, mantling and dismantling costs as well as all costs imposed on AKNA by any third party. AKNA reserves all other rights created or allowed by any statute, regulation, or ordinance.

d. If, upon written notice from AKNA, Supplier is not able or willing to timely perform the statutory and/or contractual obligations of AKNA with respect to a warranty complaint, AKNA may at its discretion undertake any measure to mitigate the impact of Supplier's breach of warranty, including, but not limited to, repairing the defects or have them repaired by third parties or replacing defective parts from other sources at Supplier's costs. In addition, AKNA may also rescind the order or reduce any payments owed to Supplier. This also applies even if AKNA seeks a remedy in addition to the acceptance of partial deliveries.

e. If AKNA is accused of breaching any warranty obligations that are the responsibility of Supplier, Supplier shall unconditionally support AKNA to avoid or mitigate any costs or damages of any kind. Supplier shall provide to AKNA all information and documents relating to the warranty issue in its possession as well participate in the process of identifying the cause of the warranty issue and implementing any containment and/or corrective actions. Supplier shall not refuse any reasonable supporting activity.

f. In addition to any and all statutory obligations, Supplier shall indemnify AKNA from any costs asserted by third parties and shall reimburse all costs incurred by AKNA due to warranty complaints attributable to Supplier.

g. Warranty claims shall be barred after thirty-six (36) months from the date of delivery of parts to AKNA provided that any applicable law does not provide for a longer period. This warranty period shall be suspended upon written notification by AKNA to Supplier of a specific claim made within the warranty period or by AKNA's initiation of an 8D report or other process to determine the root cause, containment, and/or corrective action associated with a warranty claim. The extended warranty period shall not expire prior to three months after the closing of the last 8D report related to a warranty claim.

**26. Limitation of Damages.**

a. In no event shall AKNA be liable to Supplier for anticipated profits or for special, incidental, or consequential damages. This limitation of liability provision applies notwithstanding the type of the purchase order, including, without limitation, spot-buy orders, blanket orders, or requirements contract orders. AKNA's liability for a claim of any kind or for any loss or damage arising out of or in connection with or resulting from each purchase order, the parts or any other agreement between AKNA and Supplier is the Reasonable Obsolescence, if any, created by the event giving rise to the claim.

b. AKNA and Supplier agree that "Reasonable Obsolescence" means the following amounts without duplication: (i) the purchase order price for all finished and completed parts that conform to the requirements of the purchase order and not previously paid for; (ii) Supplier's reasonable actual cost of the usable and merchantable work in process and raw materials/components transferred to AKNA in accordance with the termination and that are covered by outstanding firm Releases from AKNA; and (iii) Supplier's reasonable actual cost of settling claims for the obligations Supplier would have had to the subcontractors approved in a signed writing by AKNA in the absence of termination limited to the amount of the firm quantities of parts and raw materials/components specified in Releases issued by AKNA that are currently outstanding.

c. AKNA 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, recoupment of investment, unabsorbed overhead, 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 purchase order or otherwise.

d. Notwithstanding anything to the contrary, AKNA's obligation to Supplier upon termination of any purchase order shall not exceed the obligation AKNA would have had to Supplier in the absence of termination of such purchase order.

**27. Indemnification.**

a. In the event a third party asserts claims against AKNA relating to, arising from, or based in any way on an alleged defect in the parts, regardless of the legal theory or governing law under which the claim is asserted, Supplier shall, upon AKNA's written

request, indemnify and hold AKNA harmless from any costs incurred as a result of the claim and reimburse AKNA for all such costs. Supplier shall also provide reasonable support to AKNA in connection with such claim, including but not limited to, providing documents and information to AKNA upon its written request, assisting in root cause analyses, containment actions, corrective actions, and the mitigation of potential damages. Supplier may reserve proof that the damages as asserted are not reasonable or not caused by Supplier.

**28. Product Liability, Recall, And Insurance.**

a. If a claim is made against AKNA due to domestic or foreign product liability law or regulation based on a defect in a product which is attributable to a delivery item of Supplier, Supplier is required to indemnify AKNA from the resulting liability.

b. If a recall, a workshop action or other precautionary measure is taken to check parts which are suspected of being defective and to rectify faults, either by AKNA, its customers or the vehicle manufacturer, either voluntarily or by order of the authorities (hereinafter "Recall"), Supplier shall be liable to AKNA for all damages, costs and expenses in connection with the Recall insofar as the Recall is attributable to a defective delivery item or a breach of the obligations arising from a supply contract by Supplier.

c. Irrespective of any liability, Supplier shall obtain and maintain insurance coverage for all potential contractual and statutory claims that could be brought against Supplier for at least five years following the specific purchase order at issue. The insurance coverage shall be comprehensive, and encompass product liability and environmental damages based on the contractual relationship with AKNA and on respective statutory provisions and any related legal theory. Unless otherwise agreed upon, the coverage shall encompass:

- i. For manufacturer's liability insurance, including extended product liability coverage, five million dollars (\$5,000,000) in coverage for injuries and other damages, in particular, but not limited to investigative costs, field costs, dismantling and mantling costs and replacement.
- ii. An additional five million dollars (\$5,000,000) in coverage for environmental damages and derived damages.

d. Supplier shall provide a confirmation from the insurer within four (4) weeks after the contract is entered or the purchase order is accepted. Supplier shall notify AKNA immediately of any interruption, suspension or termination of the respective insurance contracts.

e. AKNA reserves the right to pay the premiums owed by Supplier directly to the insurer to secure insurance coverage and to impose those payments on Supplier or to recover by set offs. AKNA also reserves the right to include Supplier with AKNA's insurances (insurance for the account of Supplier) or to terminate such insurance without consent of Supplier. In the event of insurance for the account of Supplier, any correspondence between Supplier and the insurer shall be subject to prior approvals of AKNA.

f. Supplier shall not subcontract any of its duties or obligations under any order without prior approval by AKNA in writing. Supplier shall ensure that any subcontractor so approved complies with all production part approval process requirements of AKNA and any other requirements of AKNA. An AKNA representative shall be afforded the right to verify at any subcontractor's premises and Supplier's premises that the subcontracted parts conform to all specified requirements. Verification by an AKNA representative shall not (i) shift responsibility for quality by the subcontractor from Supplier to AKNA, (ii) absolve Supplier of the responsibility to provide acceptable parts nor (iii) preclude subsequent rejection of parts by AKNA. Notwithstanding any verification by an AKNA representative, Supplier remains fully liable for any work subcontracted:

- i. In the event that Supplier's subcontracting of any of the work under any an order is approved by AKNA as set forth above, as a condition to such approval, Supplier shall provide AKNA with written evidence that the subcontractor agrees to be bound by the purchase order and the GPCs.
- ii. In the event Supplier cannot fulfill any of its obligations, Supplier shall, at AKNA's option, and in addition to any other rights or remedies available to AKNA, assign to AKNA all of Supplier's rights with respect to any subcontractors.

**29. Industrial Property Rights.**

a. Under no circumstances, unless otherwise agreed upon in writing, shall an order by AKNA include any transfer of AKNA's industrial property rights ("IPRs") to Supplier or constitute any right of Supplier to use or exploit such IPRs for any purpose other than the performance of contract with AKNA.

b. AKNA shall be entitled to use Supplier's IPRs inherited in the parts, including software, for any application of parts by AKNA and the customers of AKNA.

c. Supplier undertakes to transfer to AKNA all transferable rights to parts and/or work results which are manufactured or developed individually for AKNA. If the rights to parts or work results are not transferable and these are manufactured or developed individually for AKNA, Supplier shall grant AKNA a free, transferable, exclusive, temporally and geographically unlimited right of use for all types of use. If parts or work results are not manufactured or developed individually for AKNA, Supplier shall grant AKNA a free, non-exclusive, temporally and geographically unlimited right of use. Unless otherwise agreed, the source code of any software supplied in its current version, including the associated documentation (content and structure of the data carrier, program and data flow plans, test procedures, test programs, troubleshooting, etc.) must also be handed over to AKNA.

d. Insofar as Supplier's existing IPRs are used in delivery items and/or work results, Supplier shall grant AKNA a transferable, non-exclusive, temporally and locally unlimited right of use free of charge, insofar as necessary for the use of the delivery item and/or work result.

e. Supplier is liable for ensuring that any patents or other IPRs of third parties (according to any applicable law) are not infringed upon by its deliveries to AKNA or the utilization of the delivery items by AKNA. In the event of any violation, Supplier, at

Supplier's costs, shall ensure that AKNA achieves the right to either utilize the third parties IPRs without additional costs to AKNA or otherwise shall change the product in a way not violating any third party's IPRs.

f. Supplier is required to indemnify AKNA against all claims raised by third parties against AKNA due to the infringement of IPRs and to reimburse AKNA for all necessary expenses in connection with this claim, including reasonable attorneys' fees. AKNA is also entitled to obtain the necessary approval for delivery, commissioning, use, resale, etc. of the delivery items from the owner of such IPRs at Supplier's expense.

**30. IT – Security.**

a. Supplier shall establish and permanently maintain an IT-management system based on DIN/ISO IEC 27001 in the actual version. Supplier shall notify AKNA without any undue delay each event which might have an impact on its IT-security (in particular but not limited to hacker attacks, Trojans, virus etc.). Supplier must properly document any such event and must submit documentation available to AKNA. AKNA and Supplier shall evaluate all possible impacts of such an event to the IT-systems and the security of the systems. Supplier shall determine containment actions immediately and effectively. If there is no reasonable action possible, AKNA is entitled to interrupt the IT-communication with Supplier. AKNA at any time is entitled to audit the effectiveness of the IT-security at the premises of Supplier or to have it audited by a third person under professionally committed to confidentiality.

**31. Term of the Contract, Termination of the Contract.**

a. Unless otherwise agreed upon, AKNA shall be entitled to terminate any purchase order, contract, and/or other written agreement in total or in part upon fourteen (14) days written notice via Certified Mail:

- i. In the event either party threatens or files for insolvency and fails to notify the other party immediately in writing via Certified Mail.
- ii. In the event either party fails to collaborate or cooperate in the determination of a specification or within the processes of product realization after its receipt of written notice by the other party via Certified Mail.
- iii. In the event of the expiration, suspension or withdrawal of the certification of the other party's Quality Management System.
- iv. In the event of more than one deficiency in the deliveries or services of a party despite written notice by the other party via Certified Mail.
- v. In the event of the refusal of the other party to agree upon a Quality Assurance Agreement as set forth herein.
- vi. In the event of the partial or total cancellation of the supply to AKNA's customer unless AKNA is responsible for the cancellation. In such case, AKNA shall compensate Supplier for parts already produced or in the production process, including the costs for materials Supplier under its lead

time and processes reasonably has purchased and which Supplier cannot use otherwise. AKNA reserves the right to purchase these materials at Supplier's cost price.

- vii. In the event of a change in control in the organization of the other party.
- b. The rights of AKNA and Supplier to terminate for good cause shall remain unaffected.
- c. Any termination or cancellation must be in writing and must be served by proper notice.
- d. In the event of AKNA's termination, Supplier shall continue with deliveries or provide services upon AKNA's request until AKNA can establish a new supply source for the parts or services at issue.
- e. Because AKNA's commitments to its customers are made in reliance on Supplier's commitments under each purchase order, Supplier has no right to terminate any purchase order.

**32. Arbitration, Venue, and Waiver of Jury Trial.**

- a. The Parties understand and agree that the transaction evidenced by the GPCs takes place in and substantially affects interstate commerce. Any controversy or dispute arising out of or relating in any way to the GPCs or corresponding purchase orders, including for recovery of any claim under the GPCs or corresponding purchase orders, the applicability of this arbitration clause, and the validity of the GPCs or corresponding purchase orders, shall be resolved by a neutral binding arbitration on an individual basis without resort to any form of class action or any other collective or representative proceeding by the American Arbitration Association (AAA) under the Commercial Arbitration Rules in effect at the time the claim is filed. All preliminary issues of arbitration will be decided by the arbitrator.
- b. The arbitration shall take place before a panel of three arbitrators selected in accordance with the AAA Commercial Arbitration Rules. The AAA rules and forms may be obtained and all claims shall be filed at [www.adr.org](http://www.adr.org) or at any AAA office. The arbitration shall take place in Dallas, Texas.
- c. The cost of the arbitration shall be shared equally between the Parties except that each party must bear the cost of filing and the cost of its own attorneys, experts and witness fees and expenses. If the arbitrators hold that either AKNA or Supplier has raised a dispute without substantial justification, the arbitrators shall have the authority to order that the cost of the arbitration proceedings be borne by the other Party.
- d. It is understood and agreed that the arbitration shall be binding upon the Parties, that the Parties are waiving their right to seek remedies in court, including the right to a jury trial and punitive damages. Supplier will not be able to participate as a representative or member of any class of claimants. An arbitration award may not be set aside in later litigation except upon the limited circumstances set forth in the Federal Arbitration Act. An

award in arbitration will be enforceable under the Federal Arbitration Act by any court having jurisdiction.

e. If any portion of this arbitration provision is deemed invalid or unenforceable, the remaining portions of this arbitration provision shall nevertheless remain valid and in force. In the event of a conflict or inconsistency between this arbitration provision and the other provisions of the GPCs or corresponding purchase orders, this arbitration provision shall govern.

f. Subject to the arbitration provision above, AKNA and Supplier hereby consent to the exclusive jurisdiction and venue in the United States District Court for the Northern District of Texas. Both AKNA and Supplier hereby waive any objection they may have now or hereafter to the laying of venue of any proceedings in such forum and to any claim that such proceedings have been brought in an inconvenient forum, and further irrevocably agrees that a judgment or order in any such proceedings shall be conclusive and binding upon each of them and may be enforced in the courts of any other jurisdiction.

g. AKNA and Supplier acknowledge that the right to trial by jury is a constitutional one, but that it may be waived. Each of the Parties involved; exception to third parties non-affiliated; after consulting (or having the opportunity to consult) with counsel of its choice, knowingly, voluntarily and intentionally waives any right to trial by jury in any action or other legal proceeding arising out of or relating to any order or any other document pertaining to any order.

**33. Governing Law.**

a. The substantive laws of Texas will govern any disputes arising between AKNA and Supplier, except to the extent preempted by Federal law.

**34. Confidentiality.**

a. The Parties shall, and shall instruct their respective representatives to, maintain in confidence and not disclose the other Party's financial, technical, sales, marketing, development, personnel, and other information, records, or data, including but not limited to customer lists, supplier lists, trade secrets, designs, product formulations, product specifications, or any other proprietary or confidential information, however recorded or preserved, whether written or oral (any such information, "Confidential Information"). Each Party shall use the same degree of care, but no less than reasonable care, to protect the other Party's Confidential Information as it uses to protect its own Confidential Information of like nature.

b. Unless otherwise authorized in any other agreement between the Parties, each Party receiving any Confidential Information of the other Party (the "Receiving Party") is permitted to use Confidential Information only for the purposes of fulfilling the Receiving Party's obligations under the GPCs (the "Permitted Purpose"). A Receiving Party is permitted to disclose such Confidential Information only to such Receiving Party's representatives who have a need to know such information for the Permitted Purpose and who have been advised of the terms of this Section and such Receiving Party is to be liable for any breach of these confidentiality provisions by such persons; provided, however, that such Receiving Party is permitted to disclose such Confidential Information to the extent

such Confidential Information is required to be disclosed by an Order, in which case such Receiving Party shall promptly notify, to the extent possible and permitted by applicable Legal Requirements, the disclosing Party (the “Disclosing Party”), and take reasonable steps (at the sole cost and expense of the Disclosing Party) to assist in contesting such Order or in protecting the Disclosing Party’s rights prior to disclosure, and in which case such Receiving Party shall only disclose such Confidential Information that such Receiving Party is advised by such Receiving Party’s counsel in writing that such Receiving Party is legally bound to disclose under such Order.

c. Notwithstanding the foregoing, Confidential Information does not include any information that the Receiving Party can demonstrate: (i) was publicly known at the time of disclosure to the Receiving Party, or has become publicly known through no act of the Receiving Party or its representatives in breach of this Section; (ii) was rightfully received from a third party without a duty of confidentiality; or (iii) was developed by the Receiving Party independently without any reliance on the Confidential Information.

d. This confidentiality obligation shall apply during the business relationship with Supplier and shall remain in full force from the time of termination of the business relationship for a period of at least 10 years or otherwise specified.

e. In the event Supplier violates this Section of the GPCs, Supplier agrees to provide AKNA all the information it provided to the third party upon request and Supplier agrees to waive all objections to AKNA requesting that information from the third party.

**35. Notices.**

a. All notices, claims and other communications to AKNA required or permitted under the purchase order shall be made in writing and sent by certified or registered mail, return receipt requested and proper postage prepaid to the following address and shall be effective only upon receipt by AKNA:

Auto Kabel North America, Inc.  
7362 Remcon Circle  
El Paso, Texas 79912

b. Supplier’s failure to provide any notice, claim or other communication to AKNA in the manner and within the time periods specified in the purchase order shall constitute a waiver by Supplier of any and all rights and remedies that otherwise would have been available to Supplier upon making such notice, claim or other communication.

**36. Miscellaneous.**

a. None of the terms or conditions in the GPCs may be changed, waived, modified, discharged, terminated or varied in any manner whatsoever unless in writing duly signed by each party to the GPCs. No course of conduct shall constitute a waiver of any of the terms and conditions of the GPCs, unless such waiver is specified in writing, and then only to the extent so specified.



- b. The GPCs constitute the entire agreement between AKNA and Supplier relating to the terms expressed herein and sets forth in their entirety the obligations and duties of AKNA and Supplier.
- c. The failure of ANKA to insist upon strict adherence to any provision of this agreement on any occasion shall not be considered a waiver or deprive AKNA of the right thereafter to insist upon strict adherence to such provision or any other provision of this agreement. No purported waiver shall be effective as against AKNA unless consented to in writing by AKNA. The waiver by AKNA of a breach of any provision of this agreement shall not operate or be construed as a waiver of any subsequent or other breach by Supplier.
- d. Supplier shall not refer to AKNA in advertising or public releases without AKNA's prior approval in a signed writing, and shall not use AKNA's trademarks or trade names in advertising or promotional materials.
- e. Any change to a regulation referenced in this document shall become binding on the Parties on the date the regulation becomes effective. To the extent any provision of the GPCs are prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the GPCs.
- f. The Section headings appearing in the GPCs have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and conditions of the GPCs.
- g. Nothing in the GPCs, express or implied, is intended to or shall confer upon any person other than the signatory parties hereto any right, benefit or remedy of any nature whatsoever under or by reason of the GPCs.
- h. The place of performance is the shipping address or place of use indicated by AKNA.