



I. SCOPE

These General Terms and Conditions of Purchase – Direct (the “Terms and Conditions”) apply to all tenders issued by Navco, each purchase order or scheduling agreement (each the “Purchase Order”) and all agreements with regard to goods or materials supplied and/or services performed (collectively the “Goods”) by the “Supplier” to Navco International B.V. (“Navco”). Any additional or different terms proposed by the Supplier, in particular the Supplier’s terms and conditions of sale and delivery are not applicable and expressly rejected by Navco, even if (1) the Supplier expressly refers to other terms and conditions during the contractual relationship or (2) they are not rejected explicitly by Navco in any individual case or (3) the Supplier delivers the Goods and accepts payment by Navco.

The Supplier will be deemed to have accepted these Terms and Conditions when he indicates its acceptance, or otherwise performs, including without limitation, delivering and rendering any of the Goods to Navco.

In case a legal verdict rules that a part of these Terms and Conditions of Purchase is void, invalid or inoperative, such invalid part shall be deemed modified to the least degree necessary to remedy the invalidity. The remaining parts shall not be affected and shall remain in full force.

II. FORECASTS QUANTITIES

1. Forecast quantities set forth in the Purchase Order or otherwise communicated by Navco to the Supplier are not binding, including but not limited to the Supplier’s obligation to complete all releases received during the term of the Purchase Order, nor do they oblige Navco to purchase specific quantities during the term of the agreement. The forecast quantities will be reviewed periodically by Navco and adjusted if necessary.

2. Only the Purchase Order is relevant for quantities of Goods, and also for material scheduling, capacity reservation and other advance planning. Unless otherwise expressly stated in the Purchase Order, or otherwise explicitly agreed in writing between the Parties, the Supplier shall not make any commitments for raw materials or other inventory or manufacture Goods in advance of the time necessary to permit shipments on delivery dates.

3. The Supplier acknowledges that any estimates or forecasts of production volumes or length of a program, whether from Navco or Navco’s customer, are subject to change from time to time, this with or without notice to the Supplier, and shall not be binding upon Navco.

III. DELIVERY, TRANSFER OF RISK, TRANSFER OF TITLE, INSPECTION

1. The Supplier shall follow the requirements specified in the Purchase Order and routing instructions defined by Navco. In the event of non-compliance with said instructions the Supplier shall bear the excess transportation costs. Delivery of Goods shall be performed FOB (pursuant to the Incoterms of the ICC, 2010 Edition) to the agreed port of shipment, if not agreed otherwise in writing.

2. The Supplier ensures professional and faultless packaging and guarantees to follow the marking and labelling instructions and specifications of Navco. The Supplier is liable for all damages as a result of inadequate or unsuitable packaging.

3. Unless otherwise defined in separate agreements, Navco may on notice to the Supplier change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle the Supplier to a modification of the price of Goods covered by the concerned Purchase Order.

4. Time of delivery is of essence for delivery, quality and quantity of each Purchase Order. The Supplier shall immediately notify Navco in writing if the Supplier is unable to perform the services or deliver the Goods in the quantities and on the delivery dates and times specified in the Purchase Order and Navco may require a more expeditious method of transportation of the Goods as originally specified. The Supplier shall ship the Goods as expeditiously as possible at the Supplier’s sole costs. The Supplier, at its expense, shall use its best effort to mitigate any adverse effect or cost to Navco due to any actual or potential delay, including the implementation of a production contingency plan.

5. If any Goods are delivered beyond the agreed deadline, the Supplier is in default of delivery, without reminder. Navco may choose, without limiting or affecting its other rights or remedies available at law,



to waive performance or a part thereof or to withdraw from the Purchase Order and to return the Goods to the Supplier at the Supplier's risk and costs. In case of default, the Supplier shall compensate Navco for all damages caused by delay, including, without being conclusive, handling charges, the costs for any shutdown and for the costs of obtaining the Goods from an alternate source. Where late delivery of the Goods is accepted, Navco is entitled to deduct, without limiting or affecting its other rights or remedies available hereunder or at law, a penalty of 1% from the price for said delivery for each calendar week or part thereof, limited to a maximum of 10% of the price for said delivery, until delivery is completed in accordance with the terms of the Purchase Order.

6. Notwithstanding Navco withdrawing from the Purchase Order in accordance with clause III paragraph 5, the Supplier is not released from its delivery obligations that have already been issued by the Navco to the Supplier unless specifically cancelled by Navco.

7. Unless otherwise specified in the Purchase Order, ownership of the Goods is transferred at the date of delivery of the Purchase Order by the Supplier. The Supplier acknowledges that Navco is the sole owner of all samples, models, prototypes and tooling produced by the Supplier for the performance of the Purchase Order. No reservation of title clause proposed by the Supplier shall be effective against Navco. The Supplier will ensure that no such title reservations are asserted by its subcontractors of sub-suppliers.

IV. PRICE AND PAYMENT

1. The Supplier shall sell the Goods to Navco, in such quantities as may be ordered by Navco, at the price agreed by Navco and reflected in the Purchase Order. The delivered Goods shall be invoiced by the Supplier according to the terms of the Purchase Order.

2. Payment is due according to the terms set forth in the Purchase Order. Payment remittances shall be made by bank transfer.

3. In case of defective/nonconforming deliveries, Navco shall be entitled to withhold payment pro rata to the value of the defective/nonconforming Goods until such Goods have been replaced.

4. In the event Navco withdraws from the Purchase Order due to delay or defective/nonconforming deliveries, Navco shall issue a debit note in the amount of the purchase price invoiced by the Supplier and of the damages to be borne by the Supplier.

5. Without previous written consent of Navco, the Supplier shall not be entitled to assign his receivables to third parties or to have such receivables collected by third parties.

V. OFFSETTING

1. In addition to any right of set off provided by applicable law, Navco may set off and recoup against Navco's accounts payable to the Supplier or any of its subsidiaries or affiliates, unless prohibited by applicable law, any amounts for which Navco determines in good faith that the Supplier or any of its subsidiaries or affiliates is liable to it under any Purchase Order or any other agreement with the Supplier or any of its subsidiaries or affiliates. Navco may do so after prior notice to the Supplier.

2. Navco will be presumed to have acted in good faith if it has a commercially reasonable basis for believing that the Supplier or any of its subsidiaries or affiliates is liable for the amount of the debit. A debit may include charges of Navco's customer to Navco, professional and service fees and other costs incurred by Navco.

VI. PRODUCT QUALITY ASSURANCE, DOCUMENTATION, CPM tool AND APPLICABLE LAWS, REGULATIONS AND STANDARDS

1. If not otherwise stated, the Supplier warrants fulfilling the requisites of the quality standards ISO 9001, ISO 14001 and ISO 45001 (OHSAS 18001), the standards TS 16949 and any further relevant standards of the automotive industry. The Supplier agrees to meet the full requirements of industry Production Part Approval Processes (PPAP) as specified by Navco and Navco's customer, as applicable, and agrees to present this information to Navco upon request, at the level requested, unless otherwise specifically agreed by Navco in writing. The Supplier further warrants that the Goods supplied conform to all laws, regulations and standards for use in the country of delivery. The Supplier is required to provide a material data sheet (MDS) in IMDS for all products supplied to the Navco.



The Goods shall comply in particular but not exclusively with all applicable laws regulations and standards (environmental regulations and request, critical and hazardous material and substances, RoHs (2011/65 EU), REACH (EC 1907/2006), GADSL, etc., and the Goods delivered must not contain any product, material or substance prohibited by the legislations or regulations applicable in the Supplier's country, the European Union and all countries in which the products or parts are marketed and used.

2. To the extent that any Goods delivered under a Purchase Order are to be imported into the United States of America, the Supplier shall, upon Navco's request, comply with all applicable recommendations or requirements of the United States Bureau of Customs and Border Protection's Customs Trade Partnership against Terrorism Initiative or any successor or replacement initiative or program. To the extent that any Goods delivered under a Purchase Order are to be imported into Canada, the Supplier shall upon Navco's request, participate in the Canada Border Services Agency's Partners in Protection Program or any successor or replacement initiative or program.

3. Navco examines deliveries only for completeness (in terms of quantity and identity) and transport damages. It has no further inspection obligations. The Supplier waives any right to require Navco to conduct an inspection. Navco may return the Goods delivered in excess of the quantity specified in the Purchase Order at the Supplier's sole expense and risk.

4. The Supplier shall respect and perform all the agreed checks in the control plan during the initial sampling and demonstrate at any step the compliance with Navco's specifications. The Supplier is obliged to maintain all the quality check records and evidence of product approval according to new requirements and to make these available to Navco if requested. All these evidences must be kept for at least ten (10) years and presented to Navco upon request. The Supplier shall implement the same approach with its Sub-Suppliers.

5. The Supplier is obliged to inform Navco immediately in writing if and when deviations of any specifications or nonconformities of the Goods are identified (the "Change of Goods") or if a change of the Sub-Supplier's occurs. For any Change of Goods, the prior written approval of Navco is required. After written approval of Navco for the Change of Goods, the Supplier will fully review the quality standards according to clause VI paragraph 1, in particular the Production Part Approval Processes (PPAP) as applicable.

6. If required, the Supplier shall be obliged to provide a declaration of origin for the Goods being supplied and materials contained therein or used for the manufacture thereof.

VII. RECALL

1. Navco reserves the right to initiate a recall of any Goods supplied when Navco or Navco's customer determines, or any authority alleges, such Goods are defectively designed or manufactured; and/or which fail to comply with all applicable laws, rules or regulations including but not limited to safety, environmental or emission laws.

2. If Navco should elect or be required to initiate a product recall, withdrawal or field correction for any reason, Navco will notify the Supplier. The Supplier will assist Navco in an investigation to determine the cause and extent of the problem and in the handling of the recall. The Supplier shall not contact or respond to any inquiry by any authority with regard to any recall but its communications shall be with Navco, who will coordinate all communications.

3. If any Goods are recalled as a result of (1) supply by the Supplier of Goods that do not conform to the warranties contained in the Contract or (2) the negligent or intentional wrongful act or omission of the Supplier or any of its affiliates, subsidiaries or subcontractors, then the Supplier will pay all costs and expenses of such recall, including but not limited to Navco's reasonable attorney fees and expenses associated with such recall. Provided Navco gives the Supplier advance notice of any such recall action, the Supplier shall reimburse Navco and its customer(s) and their dealers for all costs incurred in connection with such recall, including but not limited to the costs of notifying vehicle owners and replacing all defective Goods.

4. The Supplier shall also reimburse Navco for warranty claims based on related damage caused by any defect or failure of any Goods and/all costs, settlements, judgments, expenses, fines, penalties, remedies and/or damages in connection with any claim or proceeding brought against Navco or its customers to the extent based upon an allegation that any Goods supplied by the Supplier pursuant to the Contract is defective.

5. The Supplier will maintain complete and accurate records concerning the manufacture of the Goods for the longer of (1) the period of series manufacture for the Goods or (2) such periods as may be required by applicable law and provide access to such records to Navco and Navco's customer upon their request.

VIII. PRE-ACCEPTANCE AND ACCEPTANCE

1. Except as expressly stated otherwise in the Purchase Order, the Supplier is responsible for (1) all labour, materials, equipment, tools and supervision necessary to perform the Contract; (2) designing, manufacturing, assembling, constructing, building, installing the equipment and other Goods listed in the Purchase Order, (3) conducting testing, training and warranty procedures related to the operation and maintenance of the Goods, and (4) all labour, materials, equipment, tools and supervision necessary to perform the services specified in the Purchase Order and other specifications.

2. The Supplier will submit to Navco all production, function and quality control test reports and other data as Navco may request from time to time concerning the Goods. The Supplier grants to Navco the right to enter the Supplier's premises at any reasonable time to make an inspection and examination of the Goods, and any component parts and the fabrications/assembly techniques proposed or used by the Supplier as Navco may deem appropriate. The Supplier agrees to fully cooperate with Navco in such inspections. The exercise of the inspection rights by Navco does not release the Supplier from its own inspection and warranty obligations.

3. Upon completion of fabrication of the Goods, the Supplier shall notify Navco in writing that the Goods are ready for shipment/pre-acceptance testing. Navco shall have the right to inspect the Goods prior to shipment at the Supplier's facility. Any defects or deficiencies discovered by Navco shall be promptly replaced by the Supplier at Supplier's sole cost and expense, and the Goods shall be subject to another pre-acceptance inspection or test by Navco.

4. All Goods ordered shall be subject to final acceptance by Navco. Navco shall notify the Supplier as specified in the Purchase Order to make arrangements for the final acceptance testing, which shall be designed by Navco to evaluate whether the Goods are in compliance with all agreed specifications. In the event the Goods do not meet all agreed specifications and requirements, the Supplier shall at the Supplier's own expense, immediately make such repairs or adjustments so as to render the Goods in compliance therewith. Notwithstanding payment or any prior inspection, final acceptance will not occur until (1) the Supplier has corrected all deficiencies related to the Goods identified by Navco, (2) the Supplier has provided all documentation in accordance with the Purchase Order, and (3) the Supplier has satisfied all other requirements as specified in the Purchase Order.

5. For only the first pre-acceptance test and the first final acceptance test performed, Navco shall be responsible for its own travel costs and the costs of providing any materials or supplies that Navco deems necessary in order to verify the proper operation and performance of the Goods. For all pre-acceptance and final acceptance tests performed after the first one, the Supplier shall be responsible, at its sole costs and expense, for any materials or supplies that Navco supplies or that the Supplier requests Navco to supply in order to verify the proper operation and performance of the Goods. In addition, the Supplier shall be responsible for any and all travel expenses and other related costs incurred by Navco as a result of the non-compliance of the initial pre-acceptance test or final acceptance tests performed or due to any subsequent pre-acceptance and/or final acceptance testing that are performed. The pre-acceptance testing and final acceptance testing parameters shall be established by Navco and shall be based upon the specifications and requirements set forth in the Contract Documents.



IX. WARRANTY

1. In addition to all other warranties expressed or implied by applicable law, the Supplier grants Navco full legal and material warranty during the "Warranty Period" (as defined in paragraph 8 below). In particular the Supplier warrants that the Goods will be free of defects in material, workmanship and design, conform to the agreement including any agreed specifications and comply with the warranties and requirements according to clause VI. During the Warranty Period, the Supplier agrees to promptly perform any corrective work (the "Corrective Work") in connection with the Goods which may be required at no cost for Navco. The Supplier shall also be solely responsible for all expenses necessary to perform any warranty service.
2. Navco shall notify the Supplier with written notice or by email of any defects in or the non-conformity of the Goods as soon as reasonably practicable in the ordinary course of its business within the Warranty Period and specify the defect/non-conformity and request the Corrective Work. The notice of non-conformity sent by email shall be deemed as a binding notice of defect. The Supplier waives any right to reject delayed notifications of defects.
3. Supplier commits to response times as defined by the quality assurance process such as but not limited to ANPQP, reporting and communication should be based on methods and or quality standards as agreed by ANPQP process. This can include but is not limited to 8D, 5S methodology. Depending on the defects found, Supplier shall visit Navco and/or its Customer upon Navco's first request for further analysis of defects and additional testing. Supplier will bear all costs and expenses for travel and lodging.
4. If Navco determines in good faith that the Corrective Work cannot be done as Navco has started to use the Goods or it will cause any delay in Navco's operation or cause Navco to incur in any additional costs, Navco is entitled to reject the non-conforming/defective Goods, and at Navco's option, (1) request redelivery of conforming Goods or (2) retain them and either repair the defective Goods itself or have such work undertaken by a third party and reduce the purchase price, or (3) withdraw from the Purchase Order. Costs for inspection, for off-lining of defective Goods, costs for any line shut down, of repairing, replacing or reworking as well as transport and any customs duty, taxes, charges or other levies payable in connection with the performance of work and the transport of the defective replaced Goods shall be borne by the Supplier. All further claims available by applicable law for compensation of costs and damages shall be reserved. Navco shall be entitled to charge the Supplier for administrative costs for each notification of nonconformity.
5. Navco will endeavour to store rejected defective Goods. The Supplier shall collect such Goods within 14 days from the notification stated above in paragraph 2. If defective Goods are not collected within this period, Navco shall be entitled at its choice to return, destroy or dispose of the defective Goods. All arising costs shall be borne by the Supplier.
6. In case the Goods are repeatedly supplied in a defective condition, Navco may immediately withdraw from the Purchase Order with respect to Goods not yet supplied without any liability whatsoever.
7. A warranty claim does not arise if the defect is attributable to the non-observance of operation, service or installation instructions, inappropriate or unsuitable use, incorrect or careless treatment, normal wear and tear as well as to changes to Goods made by Navco or a third party.
8. If no other Warranty Period is stated in the respective Purchase Order, the Warranty Period for the Goods is three years and commences with receipt and acceptance of the Goods by Navco. The period between the delivery date and the manufacturing date of the Goods must not exceed three months.
9. Identical warranty terms, as applicable to the original items delivered, shall apply to spare, replacement or repaired parts delivered in accordance with the warranty.

X. INDEMNITY, INSURANCE

1. The Supplier shall indemnify and hold Navco, its agents, servants, officers, directors and employees, Navco's distributors, dealers and all entities which sell Goods or products into which the Goods are incorporated, and their respective customers, fully harmless against liability, costs, damages, losses, claims and expenses (including legal expenses) occasioned by or arising out of any



claim for death, personal injury or propriety damage, which results from any (alleged) defect/non-conformity in the Goods or from Supplier's breach of any term of the Purchase Order. The Supplier will indemnify Navco for all claims for damages made by third parties, especially for claims arising from product liability legislation, which are asserted against Navco in connection with the Goods and/or from the Supplier's breach of any term of these Terms and Conditions and/or the Purchase Order.

2. The Supplier shall hold Navco, its agents, servants, officers, directors and employees, Navco's distributors, dealers and all entities which sell Goods or products into which Goods are incorporated, and their respective customers, fully harmless against liability, costs, damages, losses, claims and expenses (including legal expenses) arising out of any action to recall any vehicle, or any product into which Goods have been incorporated consequent upon any defect in the Goods.

3. For the duration of the Contract and the contractual obligations of the Parties, but at least for three years after delivery, the Supplier shall maintain a comprehensive insurance which covers the Supplier's product liability and general commercial liability from a financially sound and reputable insurance company. Such insurance policy shall include a clause relating recall campaign costs and including reinstallation and dismantling costs incurred at Navco or its customer. The Supplier shall procure insurance to insure against bodily injury and property damage in no amount less than EUR 5 Million (five Million Euro) per occurrence. The Supplier informs Navco immediately in case of termination or material change of the insurance coverage. If the insurance coverage cannot be provided by the Supplier, Navco may terminate anytime all Purchase Orders with a notice period of 14 days. Furthermore at any time upon request of Navco, the Supplier shall provide to Navco an insurance certification of the existing coverage.

XI. SPARE PARTS

1. The Supplier guarantees to Navco for the period of fifteen years following the date of last production of such vehicle model for which the Goods were supplied to maintain an adequate inventory of all unique or specially manufactured parts and to furnish Navco with spare parts as well as to render any documents necessary for service, such as plans, piece lists, etc., unless a different period is set forth in the Purchase Order.

2. The price for the spare parts will be separately agreed between the Parties but in any event shall not be greater than the price for corresponding production parts.

3. If Sub-Suppliers of the Supplier discontinue production of key materials or components used for the manufacture of the Goods, the Supplier shall inform Navco immediately. In such a case the Supplier shall undertake all its best efforts to look for alternative Suppliers and transfer all relevant know-how and materials to a new Sub-Supplier.

4. The Supplier shall inform Navco immediately, in case key materials or components used for the manufacture of the Goods are no longer available. The Supplier shall undertake all its best efforts to look for alternative materials and transfer all relevant know-how to Navco.

XII. INTELLECTUAL PROPERTY RIGHTS

1. The Supplier is responsible for ensuring that the Goods are not subject to any patent, industrial designs trademarks, trade secrets and the like ("Intellectual Property Rights") of the Supplier or any third party and do not infringe any third party's Intellectual Property Rights. The Supplier shall inform Navco immediately if the Goods contain his own Intellectual Property Rights and shall provide Navco with a respective list. The same rule applies if third party Intellectual Property Rights are detected by the Supplier.

2. The Supplier will fully indemnify Navco against any infringement or claimed infringement of Intellectual Property Rights of third parties, with respect to the Goods or (where the Supplier has been notified of the intended use of the Goods) any goods with which the Goods are combined. The Supplier undertakes to join at Navco's request any legal proceedings brought against Navco, or to conduct the proceedings in Navco's place at its own expense and/or to assume the costs and compensation arising from the proceedings limiting the right of use of Intellectual Property Rights. The Supplier acknowledges that Navco or Navco's customers may have valuable Intellectual Property Rights in tools, documents and information provided to the Supplier. The Supplier may use Intellectual



Property Rights of Navco only in the production and supply of the Goods to Navco. Any further use requires the prior written approval of Navco.

3. The Supplier agrees not to assert any claim with respect to any technical information which the Supplier shall have disclosed or may hereafter disclose to Navco in connection with the Goods or Services covered by the agreement. The Supplier shall furnish to Navco, or any other party designated by Navco, without restrictions on use or disclosure, all information and data the Supplier acquires or develops in the course of the Supplier's activities under the agreement.

4. The Supplier agrees to, and hereby does, as far as permitted by applicable law, assign its entire right, title and interest in all Intellectual Property Rights to Navco, including, but not limited to, all writings, designs, mask works, software, inventions, improvements and discoveries, conceived or made by all employees and agents of the Supplier in connection with their provision of services or the Goods under the agreement, except as otherwise agreed in writing by the Supplier and Navco. The Supplier further agrees to do all lawful acts and sign all assignments and other papers Navco deems necessary, appropriate or advisable relating to applications for patents, mask works, registrations, trademarks, and copyrights related to the Improvements, or relating to the conduct of any interference, litigation or other controversy in connection therewith, provided that all expenses incident to the filing of such applications, the prosecution thereof and the conduct of any interference, litigation or other controversy, including the Supplier's employees' time and travel expenses incurred in connection with such applications, shall be borne by Navco. The Supplier further agrees not to assert any Intellectual Property Rights against Navco in relation to Navco's use of any Improvements in connection with the Supplier's performance under the agreement, and grants a royalty free, irrevocable, non-exclusive, worldwide license to any patent rights in the Goods provided that the Navco's use is limited to the Navco to use, operate and maintain the Goods supplied under the agreement.

XIII. CONFIDENTIALITY

1. The Supplier and Navco each commit themselves to treat the agreement and all related documents as business secrets and to keep confidential all commercial and technical information of the other Party which comes to their knowledge during the course of their business relationship unless such information is or becomes public known without fault of the party receiving such information.

2. Drawings, models, patterns, samples and similar objects shall not be reproduced, disclosed or otherwise be made available to third parties without the written consent of the Party which owns them.

3. The Supplier shall not use the established business relationship for advertising purposes without having obtained Navco's previous written consent.

The Supplier shall not use any trade mark, trade name, trade dress, logo or other marks in which Navco or any Navco Affiliate has an interest except in such manner as Navco may direct in writing in advance.

4. The Supplier ensures that any Sub-Suppliers commit themselves to this clause XIII.

5. Disclosure by Navco to affiliated companies shall not be considered as a breach of the confidentiality obligation.

6. The Supplier shall use any confidential information belonging to Navco solely for the purpose of the supply of the Goods to Navco.

XIV. SALES TO THIRD PARTIES

Supplier shall not, without Navco's prior written consent, manufacture for the benefit of or supply to a third party any goods that:

- (1) are based in whole or in part upon the Navco Drawings;
- (2) use any Intellectual Property Right of Navco or any of its Affiliates; or
- (3) are based in whole or in part upon the Acceptance Drawing, or any derivative or copy thereof, except for any products or parts that Supplier independently developed.



XV. TOOLS, PROTOTYPES, SAMPLES

1. Supplier acknowledges that Navco is the owner of all samples, models, prototypes and tools produced by the Supplier for the performance of the agreement.

Supplier shall maintain the tools in good condition so that the manufacture of the Parts is not interrupted.

2. Supplier shall only use the tools for manufacturing the Goods for Navco. Supplier shall, immediately upon Navco's request, deliver the samples, models, prototypes and tools to Navco or its nominee in accordance with Navco's instructions. All samples, models, prototypes and tools shall be marked as the property of Navco by Supplier, shall not be commingled with the property of Supplier or any third person, and shall not be moved from Supplier's premises (except for repair or modification) without Navco's prior written approval. Supplier shall not modify, lease, transfer or dispose of any samples, models, prototypes and tools unless Supplier obtains Navco's prior written consent.

XVI Penalty

In case Supplier breaches any provision in clause XII, XIII, XIV or XV, Supplier shall incur a penalty, payable immediately on demand to Navco of EUR 25,000 (twenty-five thousand Euro) for each breach, and of EUR 1,000 (one thousand Euro) for every day that the breach continues, without any requirement for prior notice of default or notification.

Such penalty will not prejudice in any way Navco's right to full compensation of costs, expenses, damages and losses suffered as a result of the breach by Supplier.

XVII. FORCE MAJEURE

1. Either of the Parties may suspend performance of a Purchase Order during the occurrence of an event of force majeure, which shall be limited to epidemics, mobilization, war, damage to production facilities caused by natural disaster, embargoes, irrespective of whether this arise with regard to the Supplier, Navco or third parties. Not as event of force majeure shall be considered (a) any non-performance caused by Supplier's financial difficulties (b) change of credit lines or other financing conditions by financial institution of the Supplier, (c) a change in costs or availability of materials and components based on market condition or the Sub-Supplier action affecting the Supplier, or (d) any labour strike or any labour disruption applicable to the Supplier or to any of its Sub-suppliers.

2. During any period of force majeure, Navco shall be entitled without any obligation to the Supplier to revoke the Purchase Order or to reduce the quantities of the Goods set forth in the Purchase Order or such releases and to obtain such Goods from other sources.

3. In the event that the Supplier discovers any fact which may, or could result in an excusable delay as defined hereunder, the Supplier will immediately advise Navco of such facts and use its best efforts to take all measures and precaution to mitigate and to reduce any adverse effect of the excusable delay.

4. Each Party will itself bear the costs it incurs as the result of an event of force majeure.

XVIII. REPORTS

1. If requested by Navco, the Supplier will provide to Navco the most recent financial reports for itself and for any of its related companies involved in manufacturing, supplying or financing the Goods or any component parts of the Goods. Financial reports include income statements, balance sheets, cash flow statements and supporting data. Navco may use financial reports provided under this clause XV only to assess the Supplier's ongoing ability to perform its obligations under the Purchase Order and for no other purpose, unless the Supplier agrees otherwise in writing. The obligation under clause XIII shall apply to financial reports.

2. If requested by Navco, the Supplier shall provide to the Navco all reports required for EC Regulation No. 1907/2006 (REACH), and/or for the United States Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism Initiative, and/or for the Canada Border Services Agency's Partners in Protection Program and all regulations and/or codes of practice relating thereto, as amended and replaced from time to time.



XIX. GENERAL PROVISIONS

1. Changes and amendments to these Terms and Conditions, and/or agreements and legally relevant declarations by the Parties are binding only if made in writing or in the form set forth herein. This also applies to any agreement to waive the requirements for observance of the written form. Declarations become legally effective upon receipt by the counter party.
2. References to "writing" include printing, lithography, facsimile reproduction, electronic mail, portable document formats and other means of reproducing words in a tangible visible form.
3. In the event of a conflict between the documents, which constitute part of the Purchase Order, unless otherwise expressly agreed in a specific document, the documents shall apply in the order in which they are listed hereinafter so that the documents listed first shall take precedence over documents listed subsequently: Purchase Order, any individual agreement, release, these Terms and Conditions, other agreed documents and/or documents provided by the Supplier. With respect to such documents, a subsequently issued version shall prevail over a previously issued one. Terms defined in these Terms and Conditions shall have the same meaning in all documents constituting part of the Purchase Order, unless the context expressly provides otherwise.
4. Should one of the provisions of these Terms and Conditions or of any additional stipulations agreed upon be or become invalid, then the validity of the remaining part of these Terms and Conditions shall not be affected thereby. The Parties are committed to replace the invalid provision by another - with respect to the commercial effect - equivalent provision, in so far as this is possible.
5. Every right and remedy of Navco provided in these Terms and Conditions shall be cumulative concurrent and in addition to any other right and remedies available by applicable law.
6. Failure or delay by Navco in enforcing or partially enforcing any provision of the Purchase Order will not be construed as a waiver of any of its rights under the Purchase Order. Any waiver by Navco of any breach of, or any default under, any provision of the Purchase Order by the Supplier will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of the Purchase Order.

XX. ORDINARY TERMINATION

1. In addition to any other rights of Navco to terminate the Purchase Order and/or agreement, Navco may, at its sole discretion, upon thirty (30) calendar days prior written notice to the Supplier or, if applicable, such shorter period as may be required by Navco's customer, terminate the Purchase Order and/or agreement for any reason, in whole or in part (other than the minimum quantities specified herein) at any time, and notwithstanding the existence of any excusable delay or other events or circumstances affecting the Supplier. The Supplier may not terminate the Purchase Order except as otherwise expressly provided in the Purchase Order.
2. Upon receipt of notice of termination from Navco, the Supplier shall, to the extent directed by Navco or its representatives: (1) immediately stop the work under the Purchase Order and any other orders related to work terminated by such notice; and (2) protect all property in the Supplier's possession or control, in which Navco has or may acquire an interest, including but not limited to Navco's property.
3. Navco shall, in addition to making payment of the price specified in the Purchase Order for the Goods and the services delivered or performed and accepted by Navco prior to the effective date of termination, pay to the Supplier the following amounts, without duplication: (1) the price specified in the Purchase Order for the Goods and the services manufactured or provided in accordance with the terms of the Purchase Order but not previously paid for; and (2) the actual costs of work-in-process and parts and raw materials incurred by the Supplier in performing its obligations under the Purchase Order, to the extent such costs are reasonable in amount and are properly allocated or apportioned under generally accepted accounting principles to the terminated portion of the Purchase Order.
4. Navco shall not be liable for and shall not be required to make payments to the Supplier, directly or indirectly (whether on account of claims by the Supplier's subcontractors or otherwise), for any loss arising from or attributable to failure to realize anticipated revenue, savings or profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation cost or general and administrative burden



charges arising from a termination of the Purchase Order. In the event of a termination of the Purchase Order by Navco as a result of Navco ceasing to be a supplier to Navco's customer for the vehicle program in respect of which Navco issued the Purchase Order, the Supplier shall be compensated only for the costs under this paragraph if, when and to the extent that the customer reimburses Navco for such costs.

XXI. EXTRAORDINARY TERMINATION

- 1. If the Supplier being in serious breach of its contractual obligations under the agreement or ceases to conduct its operations in the normal course of business or if any proceedings under the bankruptcy or insolvency laws of the jurisdiction in which it carries on business are brought against the Supplier, or a receiver for the Supplier is appointed or applied for an assignment for the benefit of creditors of the Supplier, Navco may terminate the Purchase Order and/or the agreement immediately without notice and without any liability whatsoever.
- 2. The Supplier shall notify Navco in writing, if (1) a sale or an exchange in the controlling interests in the shares of the Supplier has occurred or if (2) a substantial portion of the Supplier assets used for the production of the Goods are sold, leased or otherwise transferred to a third party ("Change of Control") within 5 working days after the Change of Control has become effective. Navco shall have the right within 30 days from the written notification of the Supplier to terminate any Purchase Order and/or the agreement in effect in writing with a notice period of 30 days.
- 3. Any terms of these Terms and Conditions that survive by their nature termination of the agreement shall remain in full force and effect after termination.

XXII. PLACE OF JURISDICTION AND APPLICABLE LAW

- 1. These Terms and Conditions, the agreement and the contractual relationship of the Parties is governed exclusively by Dutch law excluding any conflict of law provisions and excluding the UN Convention on Contracts for the International Sale of Goods (CISG).
- 2. The exclusive venue for all legal disputes arising either directly or indirectly out of the agreement shall be the competent court in The Netherlands.

Signed for and on behalf of,

Signed for and on behalf of,

Navco International B.V.

Date: _____

Date: _____

Name: _____

Name: _____

Designation: _____

Designation: _____

Signature: _____

Signature:
