1. Applicability of the General Purchase Conditions and definitions

1.1 This document contains the General Purchase Conditions issued by Haldex AB (publ) on behalf the Haldex Group. These General Conditions of Purchase will apply between a Haldex entity (as the Buyer) and a supplier of goods when referred to in a Contract. A Contract, including these General Purchase Conditions, may not be modified or amended except by a written agreement signed by Haldex.

1.2 In these General Purchase Conditions, the following definitions apply:

(a) Annual Production Capacity: is as further defined in the Contract.

(b) Call-off: means when Haldex orders Parts by a binding Purchase Order.

(c) Call-off Period: means when the Purchase Order is sent to the Supplier at least the number of working days before the date of delivery as set out in the Price Agreement.

(d) Contract: the contract between Haldex and the Supplier for the sale and purchase of the Parts in accordance with these General Purchase Conditions, including, but not limited to, any Price Agreement, Logistics Agreement and Purchase Order.

(e) Daily Production Capacity: is as further defined in the Contract.

(f) EDI: means electronic data interchange.

(g) Equipment: means the tools, gauges, patterns, fixtures, machines and any other equipment supplied and/or paid for by Haldex.

(h) Forecast: the forecast issued by Haldex to the Supplier of the number of Parts to be ordered by Haldex from the Supplier under the Contract during a certain time period. The latest version of the Forecast forms a material part of the Contract.

(i) General Purchase Conditions: the terms and conditions set out in this document which may be amended from time to time

(j) Haldex Group: means Haldex AB (publ), incorporated under the laws of Sweden with registration number 556010-1155, and each of its subsidiaries and affiliates. An “affiliate” in relation to a body corporate means any subsidiary, subsidiary undertaking or holding company of such body corporate, and any subsidiary or subsidiary undertaking of any such holding company for the time being. A company is a "subsidiary" of another company, its "holding company", if that other company:

   (i) holds the majority of the voting rights in it, or is a member of it and has the right to appoint or remove a majority of its board of directors;

   (ii) or is a member of it and controls alone, under an agreement with other members, a majority of the voting rights in that company,

   (iii) or if it is a subsidiary of a company that is itself a subsidiary of that other company.

(k) Haldex: means any entity within the Haldex Group that becomes a party to a Contract.
(l) **Intellectual Property Rights**: all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

(m) **LT**: the “Lead Time” as further defined in the Contract.

(n) **LTWF**: the “Haldex Forecast Liability” for the “Lead Time With Forecast” as further defined in the Contract.

(o) **MLTWF**: the “Mid Lead Time With Forecast” as further defined in the Contract.

(p) **Non-Conforming Part**: means a part which (a) in any respect deviates from the Part Specification referred to in the Contract; (b) in any respect deviates from a sample and/or prototype demonstrated by the Supplier; (c) cannot be used in the way that the Part is intended to be used; (d) causes or risks to cause personal injury or damage to property; or (e) in any other respect deviates from what Haldex reasonably could have expected.

(q) **Purchase Order**: The orders by Haldex for the Parts, as set out in the purchase order form of Haldex, or as agreed in writing with Haldex, as the case may be.

(r) **Parts**: the goods (or any part of them) set out or referred to in the Contract, that is (or may be) purchased by Haldex (or any entity within the Haldex Group) from the Supplier.

(s) **Part Specification**: the specifications for the Parts set out or referred to in the Contract, subject to adjustments and amendments made by Haldex.

(t) **Parties**: means the parties to the Contract and a **Party** means anyone of them, including all their successors and assigns.

(u) **Price Agreement**: means any purchase agreement entered into between Haldex and the Supplier for a specified sum and/or term governed in accordance with these General Purchase Conditions.

(v) **PPM Target**: as set out in the Contract.

(w) **Recall**: means any voluntary or government-mandated offer by Haldex (or any customer of Haldex or an entity further down the manufacturing/distribution chain) to purchasers of any item incorporating any Part to remedy an alleged defect in relation to a Part that affects safety or to address an alleged failure to comply with an applicable safety standard or guideline or legislation.

(x) **Recall Limit**: If the Non-Conforming Parts delivered during a certain time period exceed a certain percentage set out in the relevant Contract of the total number of Parts delivered during the same time period.

(y) **Rejected Material Report**: a report from Haldex to the Supplier in respect of a Non-Conforming Part.
(z) **Supplier:** the person or firm from whom Haldex purchases the Parts.

(aa) **Supplier Quality Manual:** means the quality supply manual produced and supplied (or otherwise made available) by Haldex to the Supplier.

(bb) **Conflict Minerals:** Defines as Columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); Cassiterite (the metal ore from which tin is extracted); gold; Wolframite (the metal ore from which tungsten is extracted; or their derivatives; or (B) any other mineral and or its derivatives determined as conflict in the Democratic Republic of the Congo (DRC) or an adjoining covered country.

(cc) **Covered Country:** is defined as a country that shares an internationally recognized border with DRC, which presently includes Angola, Burundi, Central Africa Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

1.3 In these General Purchase Conditions, the following rules apply:

(a) A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

(b) A reference to a **Party** includes its personal representatives, successors or permitted assigns.

(c) A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

(d) Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

(e) A reference to **writing** or written includes faxes and e-mails.

(f) **Conflict Minerals**

1.4 These General Purchase Conditions shall form an integral part of any Contract.

1.5 The Supplier Quality Manual (located at www.haldex.com) shall be deemed to form an integral part of the Contract and these General Purchase Conditions and which is to be adhered to by the Supplier.

1.6 In the event of a conflict between the General Purchase Conditions, a Contract, the documents referred in such a Contract, the Supplier Quality Manual or a Call-off for a specific quantity of Parts they shall prevail in the listed order.

1.7 The Contract and these General Purchase Conditions [for a specific quantity of Parts] constitutes the entire understanding between Haldex and the Supplier and supersedes all prior agreements, representations or promises, whether oral or written, made by the parties regarding the relevant subject matter.

2. **No Obligation to Purchase**
2.1 Unless otherwise expressly stated in the Contract, Haldex is under no obligation to enter into any Price Agreements or to place any Purchase Order with the Supplier.

2.2 Haldex is always entitled to purchase the Parts from any other supplier than the Supplier.

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3. Delivery

3.1 A Part shall be delivered by the Supplier to Haldex in accordance with the Contract and/or a Call-off as the case may be.

3.2 Part Specification

The Supplier shall deliver Parts to Haldex according to the specifications set out in the Part Specification, subject to adjustments and amendments made by Haldex. The latest version of the Part Specification at each time of order shall be deemed to automatically become an integral part of the Contract.

3.3 Haldex' Obligation to Purchase

Haldex may issue a forecast of the number of Parts to be ordered by Haldex from the Supplier under the Contract during a certain time period (“Forecast”). The latest version of the Forecast at each time forms an integral part of the Contract. Haldex only undertakes to purchase in accordance with LTWF, MLTWF and LT, as set out in the Contract. LTWF, MLTWF and LT will roll as shown in the Contract until terminated by Haldex. Upon such termination Haldex will have no obligation to purchase any Parts outside LTWF, MLTWF and LT valid at the date of termination. The relationship between LTWF, MLTWF and LT is shown in the Contract. Except for the obligation set out in this Section 3.3, the Contract, including the Forecast, does not imply any obligation for Haldex to purchase any Part.

3.4 Cancellation

Notwithstanding Haldex’ obligations in Section 3.3, Haldex is entitled to cancel Parts covered by a Forecast and/or Call-off. In case of a cancellation [with respect to Parts covered by LTWF, MLTWF and LT,]

] the Supplier will be compensated for the cost of such cancelled Part reduced with the value of materials and semi-finalized parts which can be used for deliveries to another party, or for another purpose. Haldex obligation to compensate the Supplier is conditional upon the Supplier submitting a specified claim for compensation in writing not later than thirty (30) days after cancellation.

3.5 Adjustment of Forecast

Haldex has the right to change the Forecast for LTWF and/or MLTWF and/or LT in accordance with the Forecast Flexibility set out in the Contract.

3.6 Supplier’s Obligation to Deliver

Haldex shall order Parts by a Call-off (a binding Purchase Order). The Call-off shall be sent to the Supplier in line with the Call-off Period. Subject to a Call-off being within the scope of the relevant Forecast, the Supplier undertakes to deliver Parts in accordance with the Call-off.
3.7 **Supplier’s Obligation to Notify**

3.7.1 Without limiting the Supplier’s obligation in Section 3.6, the Supplier shall within three (3) working days after having received the Call-off either confirm the Call-off, and thus accept these General Purchase Conditions, or reject it. If the Supplier has neither confirmed nor rejected the Call-off within the said time period, the Supplier is deemed to have accepted the Call-off, and thereby these General Purchase Conditions. Changes or additions to a Call-off shall only be valid if duly executed in writing by Haldex and the Supplier.

3.7.2 Without limiting the Supplier’s obligation in Section 3.6, the Supplier shall inform Haldex within five (5) working days from the receipt of an updated Forecast if there is any risk that the Supplier will not be able to deliver in accordance with the Forecast. If no information is provided by the Supplier the within the said time period, the Supplier is deemed to have accepted the Forecast, and is thereby liable to deliver accordingly.

3.7.3 Should the Supplier become aware of reasons to believe that the agreed delivery date cannot be met, the Supplier shall immediately notify Haldex in writing, stating the cause of the delay and the new estimated delivery date. Such notification shall not limit the Supplier’s liability for delay according to these General Purchase Conditions or applicable law. Notwithstanding any other rights and remedies set forth herein, if the Supplier fails to give such notice in due time, Haldex shall be entitled to compensation for all additional costs and expenses incurred as a result thereof which Haldex could have avoided if the notice had been duly given.

3.7.4 In case the Supplier has the intention to discontinue production and/or support and maintenance of a Part purchased by Haldex the Supplier shall give not less than twenty four (24) months’ notice to Haldex thereof. The above should also hold where there is currently no active Contract between the Parties, for Parts that previously has been covered by such Contract.

3.8 **Production Capacity**

The Supplier undertakes to maintain the Daily Production Capacity and Annual Production Capacity, dedicated for production of Parts, as set out in the Contract.

3.9 **Terms of Delivery**

3.9.1 Unless otherwise agreed, the Parts shall be delivered FCA (Haldex named location), Incoterms 2010. In all cases, shipments shall be made utilizing carriers specified by Haldex. Ownership of goods is transferred at receipt at the Haldex location, if nothing else agreed. The Supplier shall be able to deliver the Parts during any Haldex working day as per the relevant Forecast and/or Call-off.

3.9.2 The Supplier shall include the Purchase Order number issued by Haldex on all shipment documents and delivery notes. The Supplier acknowledges that failure to comply with this requirement may result in processing delays, for which Haldex shall not be responsible.

3.10 **Prototypes**

Unless otherwise agreed, the Supplier shall at Haldex’ request, deliver prototypes to Haldex free of charge.

3.11 **Spares**

3.11.1 The Supplier undertakes to deliver spares at commercially reasonable prices for a period of fifteen (15) years after Haldex has stopped using the Part in question in serial production of
its products. Tooling and other component specific equipment, other than Equipment referred to in Section 9, necessary for manufacturing of a Part shall also be made available to Haldex at reasonable cost.

3.11.2 When the Supplier is responsible for the design of a Part, the Supplier shall furnish Haldex with a comprehensive list of spares related to the Part as well as identification drawings and service instructions in a form that can be used by Haldex and Haldex’ customers without alterations.

3.12 Approval and Initial Sample Process

3.12.1 The Supplier shall, prior to commencement of serial production of a new or changed Part, manufacture and perform quality control of samples in accordance with Haldex’ applicable requirements relating to “Part Approval” as described in the Supplier Quality Manual.

3.12.2 The Supplier may not relocate production, change the design or production process or the specification of a Part, wholly or partly, without the written approval of Haldex and compliance with the “Initial Sample process” set out in the Supplier Quality Manual.

3.12.3 Unless otherwise mutually agreed in writing, the Parts specified by Haldex’ Purchase Order and/or the Contract are the Parts Haldex requires. The Supplier may not substitute, modify or replace any material, service or product without prior written permission and approval from Haldex. Any proposed change in materials, products or services covered by the Contract must be sent in writing six (6) months in advance of the proposed change.

3.13 PPM

The Supplier undertakes to deliver Parts in accordance with the PPM Target.

3.14 Packing and Marking

3.14.1 The price shall include the cost of packing and packaging or other protection required to prevent damage to or deterioration of the Parts while in transit to Haldex. The Parts shall be packed and marked in accordance with Haldex’ instructions at each time of shipment. The Purchase Order number and part numbers (if any) shall be set out in the shipping documents.

3.14.2 As a minimum, all Parts are required to be marked with Country of Origin (“Made in Japan”, or equivalent depending on country) on the display carton with the same font and font size as the other print on the display cartons. This requirement is applicable to all Parts packaged in individual boxes viewed as finished goods. With respect to bulk or raw materials, the outer container is required to be marked accordingly.

NOTE: In all cases where applicable, the Supplier must provide to Haldex, via the packing list and the customs invoice (as applicable), the Country of Origin and the appropriate export classification codes including, if applicable, the Export Control Classification Number (ECCN) and the Harmonized Tariff Codes of each and every one of the Parts supplied to Haldex, including, in sufficient detail, to satisfy applicable trade preferential or customs agreements, if any.

3.15 Import and Export

The Supplier is responsible for obtaining and maintaining any export license(s) required for delivery of the Parts to Haldex according to the Purchase Order. The Supplier shall issue all other documents reasonably requested by Haldex regarding export and import of the Parts,
including, for example, Manufacturer’s declaration of origin or NAFTA declaration where applicable.

3.16 **EDI**

The Supplier shall establish relevant systems (including software) for the electronic data interchange (EDI) required by Haldex at each time of shipment.

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4. **Price**

4.1 The Supplier shall deliver the Parts at the prices set out in the Contract. Unless otherwise stated the prices in the Contract shall be a fixed price, inclusive of all duties, levies, fees, [packing/packaging and shipping], but exclusive of VAT.

4.2 In the event of any mutually agreed upon price increase, Haldex requires a 90 day notice period prior to implementation of the change.

4.3 **Competitive Prices**

4.3.1 The Supplier warrants that the Parts will remain competitive in terms of technology, price, design and quality with similar Parts available to Haldex during the term of this Agreement. If, in the reasonable opinion of Haldex, any of the Products do not remain competitive, Haldex will notify the Supplier in writing of the area(s) in which the Parts or part thereof is/are not competitive. The Supplier will have thirty (30) days from the date of such notice within which to submit a plan acceptable to Haldex to make the Parts competitive. If the Supplier is unable or unwilling to do so, or if the Supplier fails to implement the plan within the accepted time plan, Haldex may terminate the Contract with respect to the non-competitive Parts and purchase such Parts from another source without liability to the Supplier.

4.3.2 The Supplier undertakes to supply a complete cost breakdown (including but not limited to labour, material and amortization) and the price of all the basic components of any Part, which in the aggregate shall not exceed the price of the Part it together constitutes.

4.3.3 The Supplier agrees to submit an annual cost reduction program to Haldex for review and approval in January of each year of this Agreement. The Supplier commits to annual price reductions of five per cent (5%) in accordance with a Contract.

4.4 **Payment**

4.4.1 Unless otherwise agreed, payment for delivered Parts is due ninety (90) days after the end of the month in which delivery took place.

4.4.2 Payment shall not be construed as acknowledgement or agreement that the Parts are as agreed between the Parties. Haldex reserves the right to audit or test any Parts and/or audit any invoice prior to payment thereof.

4.5 **Invoice**

4.5.1 All invoices shall be correctly addressed, without being marked for the attention of any individual, and include all other information that is required by Haldex.
4.5.2 The invoice from the Supplier shall state Haldex’ Forecast and/or Call-off number, as the case may be, Haldex’ Part number, the delivered quantity, price per Part, relevant delivery note number and any other information relevant to Haldex.

4.5.3 Without prejudice to Haldex’s other rights and remedies, Haldex may deduct from any payments due to the Supplier the amount of any bona fide contra accounts or other claims which Haldex or any other entity within the Haldex Group may have against the Supplier.

5. **Inspection and testing**

5.1 Haldex shall be entitled to inspect the Parts and the production thereof, including the relevant quality assurance system, at the premises of the Supplier and its subcontractors. Haldex reserves the right to test the Parts and make reasonably examinations at the Suppliers premises. The Supplier shall free of charge provide all documents, tools and information necessary to perform the tests. Testing of the Parts by Haldex shall not be deemed as acceptance of the Parts.

5.2 In the event Haldex rejects or disapproves the Parts, it shall have the right to return or store the Parts at the risk of and for the account of the Supplier. Haldex shall be entitled at its discretion and without prejudice to any other right or remedy which Haldex may have, to terminate any Contract/Purchase Order or parts thereof without notice, legally and without prior default letter and without prior judicial recourse, by means of a registered notification to the Supplier in which reference is made to the present clause.

5.3 Once a sample has been approved, alteration of the function, appearance, characteristics, material, production method, place of manufacture, Typebound Tooling or other equipment which may affect the Part, may be done only after written approval on each occasion from the responsible department at Haldex. Delivery may thereafter be made only after renewed approval of a sample.

6. **General Requirements on the Supplier**

6.1 **Continuous Improvement**

The Supplier shall always strive to continuously improve the production process for the Parts in all respects.

6.2 **Laws and Regulations**

6.2.1 The Supplier shall comply with all laws and regulations of any governmental entity having jurisdiction over the production, transport and/or sale (including re-sale) of the Parts. Supplier agrees to indemnify and hold Haldex harmless from losses and damages arising from any non-compliances.

6.2.2 The Supplier shall also comply with Haldex’ directive on banned and restricted substances. This list was provided to the Supplier at the time of signing the Contract and is published on the Supplier Portal, (located at www.haldex.com). If requested by Haldex, the Supplier
shall furnish a certificate for delivered Parts stating that the Parts conform to all requirements mentioned above in this clause.

6.2.3 The Parts shall comply with the technical standards and environmental- and/or special market requirements stated in the Contract/Purchase Order or otherwise agreed upon between the parties.

6.2.4 As an integral part of the Contract, the Supplier agrees to provide an accurate, up-to-date copy of Material Data Safety Sheets for all Parts that comply with the regulatory requirements imposed by any governmental entity having jurisdiction over the country or region where the Parts will be used. Such documentation should be provided to Haldex within thirty (30) days after Haldex’ written request.

6.3 Social Responsibility

6.3.1 Haldex will use appropriate methods to assess and choose suppliers based on their ability to meet the requirements of Haldex’s social policy and other social principles. Haldex’s social policy is based on the UN’s Universal Declaration of Human Rights, the UN Global Compact initiative, the International Labor Organization’s (ILO) basic principles on labor law and the OECD guidelines for multinational companies. The complete Social Responsibility Policy is available on the Haldex global website, Haldex.com.

6.3.2 Haldex reserves the right to audit the Supplier’s compliance with the requirements of Haldex’s Social Responsibility and the Supplier shall accommodate and provide the necessary access for such audits whether or not the audit has is announced or unannounced. Haldex reserves the right to (a) forthwith terminate the relationship with the Supplier (wholly or partially) in the event, in the reasonable opinion of Haldex, (i) any compliance audit is obstructed or (ii) the conduct of the Supplier’s business or the Supplier’s acts or omissions otherwise are not in compliance with the requirements of Haldex’ Social Responsibility Policy or, (b) to pose conditions on the Supplier to remedy any non-compliance with the requirements of Haldex’ Social Responsibility Policy within a certain period of time.

6.3.3 Haldex is committed to its Corporate Social Responsibility regarding Conflict Minerals throughout its supply chain. As a result, Haldex has implemented a full scale Global Conflict Minerals Compliance Program that addresses this governmental requirement. The compliance program incorporates the identification of origin of such minerals that can be incorporated into Haldex products by way of mapping, tracing and soliciting declarations from its suppliers. The industry standard declaration Electronic Industry Citizenship Coalition (EICC) template has been sent to Haldex suppliers as part of our due diligence process.

Haldex in turn is requiring its suppliers to implement a policy that addresses the sourcing of conflict minerals within its supply chain as a socially responsible supplier to Haldex; failure to do so will result in Haldex to remedy the concerns which will include reevaluating supplier affiliations.

6.4 Certifications

The Supplier shall be certified according to the latest revision of TS 16949, ISO 9001/2, at all times. In addition, the Supplier shall be certified, by an accredited and Haldex approved third party, according to ISO 14001 at all times or have a plan on how to obtain such certification within three (3) years from execution of the Contract. Any change in the
Suppliers certifications shall be notified immediately by the Supplier to Haldex and renewed certificates should be forwarded to Haldex without delay.

6.5 **Information**

Each Party shall inform the other Party of any matters of relevance to the business relationship between the Parties.

6.6 **Professional Standards**

The Supplier shall always adhere to professional standards within its industry.

6.7 **Language Skills**

The Supplier shall ensure that its employees have the adequate skills in the English language in order to be able to meet Haldex' requirements.

6.8 **Supplier Quality Manual**

The Supplier shall at all times keep itself informed about the content of the Supplier Quality Manual, as amended from time to time (located at www.haldex.com).

7. **Liability**

7.1 **Late Delivery**

7.1.1 For the avoidance of doubt, all delivery/performance dates contained in a Call-off or otherwise agreed upon shall be considered essential to Haldex.

7.1.2 The criterion for deciding whether a delivery has been delivered on time is the time at which the delivery is received by Haldex at the location specified by Haldex; the criterion for deciding whether Parts are delivered on time shall be the acceptance by Haldex of such Parts.

7.1.3 Haldex shall, for each commenced week of delay, be entitled to claim penalties amounting to five per cent (5%) of the relevant Call-off price. Notwithstanding the aforementioned, in the event of delay, Haldex shall always be entitled to terminate any Contract/Call-off or parts thereof without notice, legally and without prior default letter and without prior judicial recourse, by means of a registered notification to the Supplier in which reference is made to the present clause.

7.1.4 If a Part is delivered later than at the delivery date specified in a Contract and/or Call-off as the case may be, Haldex has the right to make a substitute purchase of the Part from a third party at the Supplier's expense.

7.1.5 If Parts are not delivered within the time agreed and any damage exceeding the amount of the penalties is incurred, Haldex shall be entitled to all statutory relief including, in particular and without limitation, the right to claim compensation for such damages resulting from Supplier’s non-performance. In particular, in the case where Haldex is forced to shut down manufacturing lines due to failure of the Supplier to deliver Parts in a timely manner, forced to conduct changes in quality or specifications according to Haldex’
requests, any consequential costs thereof will be billed to the Supplier at a rate of Ten-Thousand Euros (€10,000) per hour of production shutdown.

7.1.6 If Parts are not delivered within the time agreed, Haldex shall be entitled to arrange for an expedite delivery via air freight or other means of transportation to minimize the damage for Haldex at the Supplier’s expense.

7.1.7 For the avoidance of doubt, strikes and/or other forms of labour dispute shall not excuse the Supplier from delivery/performance by the agreed date.

7.2 **Non-Conforming Part**

7.2.1 Haldex shall give the Supplier a notice, within reasonable time after Haldex discovered a Non-Conforming Part, through a Rejected Material Report. The Supplier shall upon receiving such report immediately implement short term actions to prevent additional non-conformity and describe those actions in writing to Haldex within twenty four (24) hours. In addition, a corrective action plan listing the root cause and corrective as well as preventive actions must be sent to Haldex no later than ten (10) working days after receipt of the initial notice.

7.2.2 Haldex may charge the Supplier an administration fee of up to €180 per Rejected Material Report sent pursuant to section 7.2.1.

7.2.3 The Supplier shall at the request of Haldex immediately rectify any Non-Conforming Part or immediately make a replacement delivery.

7.2.4 Haldex has the right to make a substitute purchase from a third party at the Supplier’s expense for a Non-Conforming Part and cancel the purchase of Parts which thereby are no longer needed, without any compensation to the Supplier.

7.2.5 At the request of Haldex, the Supplier shall, at the Supplier’s expense, inspect the complete shipment of Parts to which one or more Non-Conforming Parts belongs. If the Supplier does not carry out such an inspection within reasonable time, Haldex, or a third party designated by Haldex, may carry out the inspection, at the expense of the Supplier.

7.2.6 Haldex may charge the Supplier at the local hourly labour rate if the inspection is conducted with Haldex personnel or the actual cost charged by the third party if a third party is to carry out the inspection mentioned in section 7.2.5.

7.2.7 A shipment of Parts to which one or more Non-Conforming Parts belongs should be considered as a late delivery and Haldex shall be entitled to compensation according to sections 7.1.3 and 7.1.5.

7.2.8 For the transportation of Non-Conforming Parts from the Supplier to Haldex, all costs and risks of loss or damage incurred with respect to the repair and/or replacement of Non-Conforming Parts shall be borne by the Supplier. Any return delivery from Haldex to the Supplier shall be EXW (Incoterms 2010) from the place where Haldex makes the Parts available, by normally scheduled carrier, if applicable and unless otherwise agreed.

7.2.9 In a case of repeated deliveries of Non-Conforming Parts, Haldex, or a third party designated by Haldex, has the right to inspect Parts at the Supplier’s premises prior to delivery at the expense of the Supplier.
7.3 **Recall**

In the event of a Recall or if the Recall Limit is reached or exceeded, Haldex is entitled to recall and exchange every Part and not only Non-Conforming Parts delivered during that time period at the expense of the Supplier. The Supplier shall reimburse all damages, direct and indirect costs and expenses, including, but not limited to, administrative costs, purchase costs, transport and logistics costs, costs for analysis, assembly and disassembly and costs due to claims from Haldex’ customers or other third parties arising out of such recall and/or exchange.

7.4 **Indemnification**

In case of a late delivery pursuant to section 7.1 or if the Supplier delivers a Non-Conforming Part, the Supplier shall indemnify and hold Haldex harmless from any damages, direct and indirect or consequential costs and expenses for substitute purchases from a third party as well as from all other damages, direct and indirect or consequential costs and expenses such as, but not limited to, administrative costs, purchase costs, transport and logistics costs, costs for analysis, assembly and disassembly and costs due to claims from Haldex’ customers or other third parties arising out of such late delivery or Non-Conforming Part.

7.5 **Notice of Claim**

Haldex is not entitled to make any claims against the Supplier due to delivery of a Non-Conforming Part unless notice of such claim is given to the Supplier within thirty six (36) months after installation or other use of the Part by Haldex’ customer or forty-two (42) months after the date of delivery to Haldex, whichever occurs latest. Notwithstanding the aforesaid, claims arising from a Part that causes or risks to cause personal injury can be made for an unlimited time. Claims due to late delivery pursuant to sections 7.1 and 7.4 can only be made by Haldex by giving notice to the Supplier within six (6) months after the occurrence of such late delivery.

7.6 **Litigation**

If a third party initiate legal proceedings against Haldex for a claim due to personal injury caused by a Non-Conforming Part, the Supplier shall support the defense conducted by Haldex during the litigation at the Supplier’s own expense.

7.7 **Product Liability Insurance**

The Supplier shall maintain a product liability insurance with coverage of at least five million Euros (€5,000,000.00), or the equivalent amount in the official currency of the country in which Haldex is registered as a company, for as long as Haldex is exposed to product liability in relation to the Parts. The foregoing is without prejudice to claims by Haldex for damages. The Supplier will also carry cargo insurance of at least one million Euros (€1,000,000) covering transport of Parts to Haldex location. Upon request the Supplier shall supply Haldex with a copy of the insurance policy of such insurance.

7.8 **Permits and Authorizations**

The Supplier shall indemnify and hold Haldex harmless from any damages, direct and indirect costs and expenses including, but not limited to, any costs due to sanctions being imposed upon Haldex caused by the Supplier not having the necessary permits and authorizations to produce, sell and deliver the Part to Haldex, and by a Part being subject to export restrictions.
7.9 **Equipment**

The Supplier’s liability hereunder shall not be limited due to any use, non-delivery, lacks, malfunctions or defects of any Equipment.

8. **Intellectual Property Rights**

8.1 Unless otherwise expressly stated, any and all intellectual property rights in relation to a Part shall belong to Haldex.

8.2 Unless otherwise expressly stated, no Party shall acquire any rights to any intellectual property belonging to the other Party.

8.3 The Supplier grants Haldex a perpetual and unlimited license to use and have used and to change and have changed any software, owned by or licensed to the Supplier, which is embedded in a Part.

8.4 The Supplier shall indemnify and hold Haldex harmless from and against any and all damages suffered and costs and expenses (including reasonable attorneys’ fees) incurred as a result of any claim, suit or proceeding brought against Haldex or any of its customers based on the allegation that the use, sale, distribution or other disposal of any Parts constitutes an infringement of any Intellectual Property Rights or applications thereof or an unauthorized use of know-how, trade secrets or other proprietary rights.

8.5 In the event that the Parts or any part thereof are in such claim, suit or proceeding held to constitute an infringement or their further use, sale, distribution or other disposal is enjoined, the Supplier shall promptly, at its own cost and expense but at Haldex’ option, either; (a) procure for Haldex and/or any concerned customer the right to continue the use, sale, distribution or other disposal of such Parts; (b) replace the same with non-infringing Parts of equivalent function and performance; or (c) modify such Parts so that they become non-infringing without detracting from function or performance. Provided that the Supplier acts promptly and diligently as aforementioned, Haldex shall refrain from taking actions towards third parties on account of such claim, suit proceeding or enjoinder, which are prejudicial to the Supplier, without the Supplier’s prior approval.

8.6 In the event the Supplier develops Parts for Haldex, the Intellectual Property Rights related thereto shall vest in Haldex and title thereto is hereby assigned and transferred to Haldex. The Supplier shall take all necessary actions and provide all necessary support to assign and transfer such rights to Haldex or to confirm such assignment and transfer, as the case may be. The Supplier represents and warrants that it has the right to assign and transfer such rights to Haldex and that no other party has any options, licenses or other rights related thereto. The Supplier hereby waives any and all personal and moral rights regarding the Parts and shall hold Haldex harmless against possible personal and moral rights of third parties. In the event the Parts have not been developed for Haldex and Intellectual Property Rights relate to such Parts, the Supplier hereby grants Haldex a non-exclusive, unrestricted, transferable license to use the Parts for a duration equal to the legal protection period of such Intellectual Property Rights, at no additional charge, for the anticipated purpose thereof. For computer software such anticipated use shall be defined as inter alia: the storage into a computer in machine readable form, the display, the viewing on a monitor or screen, the execution, support, the transmission and making of back-up copies.
8.7 Any and all drawings, specifications, technical details, models as well as all other documents manufactured or made by or on behalf of the Supplier in connection with the Purchase Order shall be deemed to have been manufactured or made for Haldex and shall be handed over to Haldex upon delivery. Any Intellectual Property Rights shall be vested in Haldex at the moment of creation or licensed at the moment of delivery, as applicable. The respective Contract shall be deemed to be a deed of transfer or grant of license, as applicable.

8.8 The Supplier shall not without Haldex’ prior written permission have the right to use trademarks, trade-names or logos of Haldex. If Haldex has given such permission to the Supplier, then the Supplier shall always comply with the prevailing conditions and instructions of Haldex when using such trademarks, trade-names and/or logos.

8.9 With regard to non-tailor made computer software supplied to Haldex, the Supplier shall at its own cost upon Haldex’ first request and for the benefit of Haldex place all source code of the computer software and other materials necessary for upgrading and maintenance of the computer software in escrow with a trustworthy and solid escrow agent acceptable to Haldex and enter into a three-parties agreement in which the escrow agent is obliged to hand over the source code and related materials to Haldex in the cases to be specified in such escrow agreement, which shall in any event include, but not be limited to, liquidation, bankruptcy or a moratorium of payment of the Supplier and/or a breach of contract by the Supplier.

9. Equipment

9.1 The Equipment shall be and remain the property of Haldex. The Supplier shall immediately confirm the receipt of any Equipment to Haldex. The Equipment shall be marked by the Supplier in such a way that it is obvious that it belongs to Haldex.

9.2 Holding of Equipment

The Equipment must be kept by the Supplier in such a way that it is protected from damage and deterioration. The Supplier is responsible for maintenance of the Equipment. The Equipment used for measuring shall be included in the Supplier’s own calibration system. The Supplier shall maintain insurance for the full value of the Equipment for as long as it is kept by the Supplier. The Equipment shall be available for inspection by Haldex or a third party designated by Haldex. The Equipment may not be scrapped without Haldex’ prior permission. The Supplier undertakes to inform Haldex of any need to substitute any Equipment at such time that will make it possible for Haldex to supply or order replacement Equipment therefore, without delaying any delivery of Parts to Haldex.

9.3 Use of Equipment

9.3.1 The Supplier undertakes not to use the Equipment for any other purpose than for which it has been provided unless expressly approved by Haldex. When such approval is given, the Parties shall agree on a license fee per sold unit to be paid by the Supplier to Haldex.

9.3.2 Any processing or restructuring of equipment by the Supplier shall be performed on behalf of Haldex. If any new Parts are created as a result of restructuring, processing or blending, Haldex shall acquire co-ownership in such Parts in proportion to the value of the
9.3.3 If Parts are combined with other Parts in such a way that the Parts of the Supplier are deemed to be the main Parts, the Supplier shall assign proportionate co-ownership to Haldex. The Supplier shall act as custodian for the sole ownership or the co-ownership for Haldex.

9.3.4 Haldex reserves all property rights and/or copyrights relating to Equipment such as tools, patterns, etc., as well as illustrations, drawings, calculations and other documents placed at the disposal of the Supplier. The above items, as well as any items which may be made on the basis of the above, must not be made available to third parties without the explicit written consent of Haldex. They must be used exclusively for the agreed purposes and must be automatically returned to Haldex after order processing has been completed. They must not be disclosed to third parties.

9.4 **Right of Retrieval**

Haldex has the right to retrieve the Equipment at any time.

9.5 **Equipment List**

The Equipment in relation to a specific Part is specified in the Equipment list in the relevant Contract, indicating, for the time of the execution of the Contract, all Equipment held by the Supplier, ordered by the Supplier or to be supplied by Haldex, or a third party ordered by Haldex, to the Supplier.

10. **Confidentiality and Publicity**

10.1 **Confidentiality**

The Supplier shall bear unlimited liability for ensuring that all data, drawings, films, samples, documentation, documents or information of any kind and in whatsoever form given or disclosed by Haldex is not brought to the knowledge of third parties, in whole or in part, without Haldex’ prior written authorization.

10.2 **Documents**

10.2.1 Any documents provided to the Supplier by Haldex shall remain Haldex’ exclusive property and shall be returned to Haldex upon request. Such documents may not be copied, reproduced or distributed without prior express written approval by Haldex.

10.2.2 Documents specifically prepared as a result of Haldex’ order of the Parts and provided by the Supplier to Haldex, shall be the exclusive property, including the respective Intellectual Property Rights, of Haldex. With respect to other documents provided by the Supplier and not specifically prepared as a result of Haldex’ order of Parts, Haldex shall have the unrestricted right to copy and use such other documents for the purposes intended by Haldex’ purchase of the Parts.

10.3 **Publicity**
The Supplier shall not without Haldex’ prior written permission advertise or publish any information related to a Contract/Purchase Order or the relationship between the Supplier and Haldex.

10.4 Survival of Obligations

The obligations set out in this Section 10 shall survive the termination of any Contract between the Parties for the delivery of Parts for a period of ten (10) years from the termination, howsoever occasioned, or until the information becomes public without the Supplier’s fault.

11. Communication

11.1 Notices, requests, approvals and any other communication between the Parties referred in these General Purchase Conditions or in any Contract shall be sent by mail, fax, email or electronic data interchange (EDI), if applicable, to the applicable contact persons in accordance with this Contract.

12. Assignment / Subcontracting

12.1 Without limiting any rights of all entities within the Haldex Group to purchase the Parts from the Supplier under the terms of any Contract, no Party may assign any rights or obligations under such a Contract or under these General Purchase Conditions without the prior approval by the other Party.

12.2 The Supplier shall not have the right to involve subcontractors in the execution of a Contract/Purchase Order or of any right or obligation pursuant thereto without the prior written approval of Haldex. In the event Haldex gives such approval to the Supplier, the Supplier shall remain fully responsible and liable for such subcontractors.

13. Non Waiver

13.1 The failure by either Party to enforce any provisions of the Contract (including these General Purchase Conditions) or to exercise any right in respect thereto shall not be construed as constituting a waiver of its rights thereof.

13.2 The nullity or unenforceability of any provision contained in the Contract (including these General Purchase Conditions) will in no way affect the enforceability of the other provisions. The Parties agree that if, and insofar as, it would be established by a competent judicial or administrative tribunal that a provision of the Contract is illegal and/or unenforceable, such provision will be replaced by the parties by a provision that is legal, valid and enforceable, and approaches the original intention of the parties as closely as possible.
14. **Force Majeure**

14.1 Unless otherwise explicitly stated, a Party shall not be liable for events beyond a Party’s control and which that Party could not reasonably have anticipated or should have prevented, and which result in that Party not being able to comply with its obligations under any agreement between the Parties for the delivery of Parts, such as stroke of lightning, fire, war, mobilisation or military calling up of a major extent, requisition, confiscation, foreign currency restrictions, stipulations by authorities, insurrection and riot, limitation of fuel, general scarcity of transport, goods and energy as well as defects or delays in deliveries from sub-suppliers due to circumstances stated above. If such circumstance has occurred, the time of compliance shall be moved forward for a period of time corresponding to the duration of the obstacle.

15. **Governing Law, Jurisdiction and Disputes**

15.1 Unless otherwise agreed, any Contract between the Parties shall be governed by the substantive laws of Sweden. The United Nations Convention on Contracts for the International Sale of Goods of 1980 shall not be applicable.

15.2 Any and all disputes, controversies and claims arising out of or in connection with any Contract between the Parties, or the breach, termination or invalidity thereof shall be referred to senior level executives of the Parties with authority to resolve such dispute, controversy or claim prior to the commencement of any other dispute resolution.

15.3 Unless otherwise agreed, any and all disputes, controversies and claims arising out of or in connection with any Contract between the Parties, or the breach, termination or invalidity thereof, which remain unsolved after the procedure set out in Section 15.2 shall be settled by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three arbitrators. The place of arbitration including the making of the award shall be Stockholm, Sweden. The language to be used in the arbitral proceedings shall be English.

15.4 The Parties undertake and agree that all arbitral proceedings conducted with reference to this arbitration clause will be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party without the written consent of the other Party. This notwithstanding, a Party shall not be prevented from disclosing such information in order to safeguard in the best possible way his rights vis-à-vis the other Party in connection with the dispute, or if the Party is obliged to do so disclose pursuant to statute, regulation, a decision by an authority, a stock exchange contract or similar.

15.5 In case a Contract or any part of it is assigned or transferred to a third party, such third party shall automatically be bound by the provisions of this arbitration clause.
16. **Termination**

16.1 Unless otherwise agreed, a Contract shall be valid for a period of three (3) years from the date of signing by both Parties. If the Contract is not terminated by notice six (6) months prior to the end of a term, it shall be extended with one (1) year periods under the same conditions as applied at the end of the previous term, until terminated by six (6) months’ notice by either Party.

16.2 In addition to possible termination rights elsewhere in these General Purchase Conditions or a Contract, either Party may immediately terminate the Contract by giving notice to the other Party if,

(a) the other Party commits a material breach of its obligations according to the Contract without fully rectifying such breach within thirty (30) days after having been given a request for such rectification, with a notice that the Contract may otherwise be terminated, or

(b) the other Party should enter into liquidation, become insolvent or enter into composition or statutory reorganisation proceedings.

17. **Regulatory Compliance**

17.1 **Compliance with Laws:** Supplier will comply in all respects with all United States and foreign laws, regulations and standards applicable to its activities under this Agreement. Specifically, with respect to laws relating to corruption, commercial bribery, and money laundering, Supplier represents and warrants that no part of any fees paid or payable to you or any profits obtained by you in connection with your activities on behalf of buyer will be (i) directly or indirectly paid, offered, transferred, or given to any official, representative, or employee of any government, government agency, or instrumentality for the purpose of obtaining or retaining business for or with, or directing business to, any person or company (such as Manufacturer), or (ii) otherwise used for any purpose which would violate the U.S. Foreign Corrupt Practices Act or any other laws, regulations, and standards of the United States or other applicable countries.

Supplier also agrees to indemnify buyer and hold it harmless from any and all fines, damages, losses, costs and expenses (including without limitation reasonable attorneys’ fees) incurred by Supplier/Manufacturer as a result of any breach of the above, and Supplier understands and agrees that a breach will entitle buyer to terminate any and all of contractual relationships with supplier. This provision shall survive the expiration or termination of this Agreement.

With regard to exports and re-exports, Supplier represents and warrants that no product supplied by Manufacturer either to you or over which you have control as a supplier or reseller for buyer, will be shipped, directly or indirectly, to any person or organization (i) in Cuba, Iran, North Korea, Sudan, or Syria, or who is considered a part of the government of those countries, or (ii) who is involved in improper development or use of nuclear weapons, or of chemical/biological weapons (CBW) or missiles, or in terrorist activities, or (iii) who is
listed by the government of the United States or of any other country as prohibited from receiving the product, or from participating in export transactions involving the product.

17.2 **Approvals:** If necessary, Supplier, at its own expense, will obtain all necessary permits and licenses for the exportation/importation of the Products into the Territory and Supplier is responsible for obtaining all necessary regulatory approvals (including governmental and/or technical regulations) and complying with local laws regarding the distribution, sale or use of the Products within the Territory. Buyer will cooperate with the Supplier in obtaining any necessary approvals.