

This framework supply agreement (this “**Framework Agreement**”), is entered into between

- (i) **PUNCH POWERTRAIN NV**, a company organised under the laws of Belgium and having its registered office at Ondernemerslaan5429, 3800 Sint-Truiden, Belgium, acting on behalf of itself and all of its affiliates (hereinafter referred to as “**PP**”); and
- (ii) **NAME SUPPLIER (HEADQUARTERS)**, a company organised under the laws of [●] and having its registered office at [●], acting on behalf of itself and all of its affiliates (hereinafter referred to as the “**Supplier**”);

PP and Supplier are hereinafter also jointly referred to as “**Parties**” and individually as a “**Party**”.

WHEREAS PP is and its affiliates throughout the world have for many years been engaged in the development, design, and manufacture of powertrains for the automotive sector, and the marketing and distribution thereof throughout the world.

WHEREAS Supplier is a leading manufacturer of high quality [●].

WHEREAS PP (for itself and behalf of its affiliates) and Supplier wish to enter into this Framework Agreement that will govern the supply by Supplier to PP of the Products mentioned each Business Agreement (as defined elsewhere in this Framework Agreement) concluded between the Parties. It is the intention of the Parties to conclude a Business Agreement for the supply of a specific Product from Supplier to PP detailing the commercial terms of such supply while the legal terms of such supply will be governed by this Framework Agreement.

NOW THEREFORE IT HAS BEEN AGREED AS FOLLOWS

1. Definitions

1.1 In this Agreement the following defined terms have the following meanings:

Applicable Law	means all applicable laws, statutes, rules, regulations, directives, edicts, bye-laws, decrees, ordonnances and codes of conduct and mandatory guidelines which have legal effect, whether local, national, international or otherwise existing from time to time, together with any other similar instrument having legal effect in the relevant circumstances
Affiliates	means (i) any subsidiary, holding company or a subsidiary of a holding company of PP or Supplier (from time to time) and (ii) any entity directly or indirectly controlled by, controlling, or under common control (from time to time) with PP or Supplier, whereby “control” means having the ownership of at least 50% of the share capital or having the direct or indirect ability to have a decisive influence over the appointment of the majority of directors or the company policy.
Business Agreement	means the agreement that can be concluded between the Parties or any of their Affiliates containing the commercial terms of the supply of certain Products from Supplier or any of its Affiliates to PP or any of its Affiliates, an example of which is attached to this Framework Agreement as Annex I
Commencement Date	means [●];
Delivery Date	means the date on which the Supplier hands over the Products in accordance with the chosen Incoterm 2020
Incoterms 2020	means the International terms of sale developed by the International Chamber of Commerce to define the sellers' and buyers' responsibilities
Intellectual Property	means trademarks, trade names, domain names, patents, inventions, design rights, drawings, copyrights, database

	rights, know-how and all other similar rights in any part of the world, including rights in software, and where such rights are obtained or enhanced by registration, any registration of such rights and applications and rights to apply for such registrations
Punch Powertrain Group or PP Group	means PP and all of its Affiliates
Products	means the products mentioned in each Business Agreement that PP or any of its Affiliates will purchase from the Supplier or any of its Affiliates.
Product Intellectual Property	means all Intellectual Property that is owned by any entity in the PP Group (or licensed thereto by a third party) and is used in the manufacture of any of the Products
Product Specifications	means all patterns, specifications, drawings, sketches, models, samples, dies, moulds, jigs, designs, technical information or data or other similar information, written, oral or otherwise (including Improvements), that is furnished to Supplier by any member of the PP Group (or provided by a third party on behalf of the PP Group) for use in connection with manufacturing of Products, and all Tooling
Safety Stock	means the minimum inventory stock of Products that Supplier shall be required to maintain throughout the life of a project as defined in the Business Agreement.
Spare Part	Means all spare parts related to the Products.
Tooling	means tools and/or equipment necessary or desirable to produce the Products, including mouldings and Tooling designs
Work in progress	means all partially finished Products which are partially finished at the time of discontinuance, termination or expiry of this agreement

2. Scope

- 2.1. PP has selected the Supplier as one of its suppliers of high quality [●]. This Framework Agreement contains the terms and conditions for the manufacturing and supply of the Products by Supplier and/or any of its Affiliates to PP.
- 2.2. PP and each of its Affiliates will be able to purchase Products from the Supplier and/or any of its Affiliates, and the Supplier and/or any of its Affiliates will sell such Products to PP and each of its Affiliates and all such sales/purchases will be governed by the terms and conditions of this Framework Agreement.
- 2.3. Supplier recognises that for certain Products it can be appointed as sole supplier. Supplier acknowledges that an appointment as sole supplier for certain Products comes with additional responsibilities for the Supplier. Supplier agrees that in the event it is appointed sole supplier, it cannot unduly terminate or suspend deliveries of these Products to PP.
- 2.4. Orders placed under this Framework Agreement or any Business Agreement shall be via the EDI system.
- 2.5. Supplier's sales terms and conditions shall not apply to any sale to PP, even if Supplier's acceptance of the purchase order, invoice or similar documents provide otherwise. Acceptance and/or payment of any invoice shall not be construed as acceptance by PP of Supplier's sales terms and conditions, even if such terms and conditions are printed on the invoice or attached to it.
- 2.6. PP may withdraw any purchase order prior to the Supplier's confirmation thereof. The Supplier may not cancel any previously accepted purchase order.

3. Forecasts - Order Process

- 3.1. PP will provide Supplier once per year with an annual non-binding forecast (the "Forecast") setting out its anticipated requirements for the following calendar year. The Forecast shall be updated from time to time if it becomes apparent to PP that its actual requirements will materially differ from the then current Forecast. The Forecast mainly serves the purpose of facilitating the Supplier's production planning and PP shall not be obliged to purchase the quantities as set out in the Forecast (for the avoidance of doubt: this also applies for service parts).

- 3.2. Supplier shall ensure that its production capacity is and remains sufficient to produce and supply at least the volume and mix of Products set forth in the Forecast.
- 3.3. In addition to that supplier confirms a +/- 20% volume flexibility based on PP's Forecasts. After a ramp-up period of maximum 1 month, Supplier must be able to increase its production to maximum capacity. The Supplier understands that volumes ordered by PP completely depend on PP's sales volumes. In case of significant changes (> 50 %) to the Forecasts and/or between the Forecasts and actual orders by PP, the parties will negotiate in good faith price changes to incorporate the costs, respectively savings directly related to such significant volume changes. This price adjustment mechanism will not apply in the event a volume price table was agreed in a Business Agreement. This price adjustment mechanism will be Supplier's sole remedy with regard to significant volume decreases and the prices can only be increased if PP's customer accepts the corresponding price increase of the end products.
- 3.4. Supplier agrees to provide service parts to PP for a period of 15 years after PP's 'End Of Production'.
- 3.5. The Parties agree that they will cooperate and act in good faith and using reasonable commercial endeavours to optimise the production and delivery of the Products.

4. Quality Procedures - Inspection - Samples

- 4.1 Supplier shall manufacture any Products sold to PP in accordance with the agreed quality standards and requirements, which include:
 - (i) Quality Agreement which needs to be entered into between the Parties;
 - (ii) the Product Specifications as described in the Business Agreement;
 - (iii) OEM specific quality requirements/standards/specifications.
- 4.2 The Supplier shall maintain quality, specification control, testing and inspection procedures ("**Procedures**") to consistently comply with its obligations under any Business Agreement and this Framework Agreement and, at the request of PP, Supplier shall provide full details on such Procedures and any planned changes in such Procedures.
- 4.3 At any time prior to the delivery of the Products, PP shall have the right to inspect and test the Products and the Procedures. If as a result of the inspection or testing, PP finds that the Products are not in conformity with the Business Agreement, this Framework Agreement, the agreed quality standards or with any specification supplied or agreed to by PP, then PP shall reserve the option to require Supplier to take any of the following steps:
 - (i) Supplier shall take forthwith all such necessary steps to make any changes, adaptations, modifications or Improvements required to make the Procedures appropriate and sufficient and the Products in conformity at Supplier's cost; or
 - (ii) to arrange for such steps to be carried out by a third party if agreed between the Parties.
- 4.4 If Supplier is required by PP to submit samples of Products for approval, Supplier shall not carry out any further production until PP has approved such samples unless otherwise agreed to by both Parties.
- 4.5 Without prejudice to any other remedy provided for in this Framework Agreement, the Business Agreement or Applicable Law, Supplier shall bear all the costs arising from disputes in connection with the conformity of Products with the Business Agreement, this Framework Agreement, the Quality Assurance Agreement and any specification supplied or agreed to by PP.
- 4.6 Supplier acknowledges PP does not perform any incoming inspections on the Products. The Products will only be inspected upon use of the Products in PP's production process.

5. Packaging - Documentation - Information

- 5.1 Supplier shall ensure that all Products are correctly packaged in line with agreed specifications and secured for transportation to enable them to reach their destination in undamaged condition.
- 5.2 All Products shall also be accompanied by a delivery note stating, among other details, the delivery number, PP's SKU, delivered quantity and the order number. Supplier shall also include in all invoices, shipping documents and correspondence the same details as required above.
- 5.3 Supplier shall be liable for all damages caused by faulty packaging.

6. Delivery - Transport

- 6.1 The Products shall be delivered in accordance with the logistics agreement that will be entered into between the Parties.

- 6.2 It is the responsibility of Supplier to make sufficient arrangements in order to achieve the Delivery Date.
- 6.3 Supplier must inform PP in writing without undue delay about all circumstances which could affect a timely delivery as soon as these circumstances become apparent, and must state the reason and the assumed duration thereof.
- 6.4 Performance for delivery of the Products shall be of the essence and Supplier shall compensate all costs made and/or incurred by PP related to any delivery delay (including, but not limited to, costs for airfreight or any other means of transportation arranged for by PP).

7. Ownership and Transfer of risk

- 7.1 The ownership and risks in the Products shall pass to PP on the earlier of (i) the moment of delivery to PP (without prejudice to any right of objection or rejection of PP) and (ii) upon full payment of the purchase price by PP.
- 7.2 Any extended or expanded retention of title of Supplier shall be excluded.

8. Price and terms of payment

- 8.1. The price applicable to a Product shall be set out in the Business Agreement.
- 8.2. Each invoice must be accurate and quote the relevant purchase order number and other information as agreed between the Parties.
- 8.3. PP shall pay the price of the Products delivered in accordance with the terms of this Agreement in full within ninety (90) days from the date of the invoice. The date of the invoice will be the Delivery Date. For intercontinental shipment of Products the date of the invoice will be the date of receipt of the Products at PP's location.
- 8.4. PP has the right to withhold payment if Supplier submits an invoice to PP for an amount calculated otherwise than in accordance with the Business Agreement. The Parties shall negotiate in good faith to attempt to resolve the dispute promptly. Supplier's obligations to supply the Products shall not be affected by any payments dispute.
- 8.5. Payment by PP shall not release Supplier from its liability with regard to the Products delivered or the amount invoiced. Under no circumstances shall such payment waive PP's right to pursue claims at a later date.
- 8.6. The Parties agree to work jointly to improve cost levels. Supplier commits to a yearly a cost improvement of 3% for the first three years of production.
- 8.7. The Parties agree to investigate the implementation of a self-billing process and Supplier will at the request of PP sign a self-billing agreement and fully cooperate with PP to implement such self-billing process.
- 8.8. Supplier agrees to, at the request of PP, organise a cost break down workshop together with PP and/or third party contractors selected by PP, whereby the Parties will investigate means to optimize pricing. Supplier agrees to organise such workshop together with PP in the factory of Supplier and shall cooperate with PP to optimize price reductions.

9. Product Warranty

- 9.1. Supplier represents and warrants that all Products manufactured hereunder:
- (i) conform in all respects to the manufacturing specifications, Product Specifications and quality requirements set forth in the Business Agreement and to all other specifications therefore (including, without limitation, instructions as to labelling, packaging and transportation) furnished to Supplier by PP or the PP Affiliate placing the order;
 - (ii) be of satisfactory quality and fit for their intended uses and free from all defects, apparent or hidden, including, but not limited to, defects in materials and workmanship and defects resulting in poor performance of the Products and have been manufactured in accordance with the highest industry standards and in compliance with all applicable legislation (including, but not limited to, health & safety and environmental regulations);
 - (iii) conform to the quality of Product samples initially provided and approved by PP;
 - (iv) be in conformity with whatever regulatory compliance and be accompanied by whatever certificate is required provided the Product Specifications contain full details of any such regulatory compliance and required certificates or PP has otherwise notified Supplier thereof;
 - (v) not infringe in any respect any third party intellectual property rights.
- 9.2. Supplier shall comply with all applicable regulations or other legal requirements concerning the manufacture, packaging, packing and delivery of the Products including, but not limited to, all the applicable safety and environmental regulations.

- 9.3. Supplier shall obtain and maintain in force for the duration of the Framework Agreement all licences, permissions, authorisations, consents and permits needed to manufacture and supply the Products in accordance with the terms of this Framework Agreement or any Business Agreement.
- 9.4. Products that are not fully compliant with the Product Warranty of this clause 9 are non-conforming Products ("**Non-Conforming Products**"). Supplier shall guarantee the replacement of such Non-Conforming Products and shall indemnify PP for any additional related costs and expenses in accordance with the provisions of Clause 10.

10. Remedies for breach of warranty and breach of contract

- 10.1. Without prejudice to any right or other remedy that PP may have in accordance with the Applicable Law or pursuant to this Framework Agreement, if any Products are not supplied in accordance with, or Supplier fails to comply with, any of the terms of any purchase order, Business Agreement and/or this Framework Agreement, PP shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Products has been accepted by PP:
- (i) to cancel the purchase order in whole or in part;
 - (ii) Supplier shall, for a period of 36 months or 150.000 km as of the first registration of the vehicle in which the parts are embedded (whichever comes first), replace at its own cost (including any costs associated with such replacement) any defective or Non-Conforming Product;
 - (iii) to give Supplier the opportunity at its expense either to remedy the non-conformity of the Products or to supply replacement Products and carry out any other necessary work to ensure that the terms of this Framework Agreement and the Business Agreement are fulfilled within 14 days;
 - (iv) to refuse to accept any further deliveries of the Products which are outside of agreed specification without any cancellation cost.
 - (v) upon mutual agreement, to carry out itself or through another supplier any work necessary to make the Products comply with the Business Agreement, this Framework Agreement and any specification supplied or agreed to by the PP Group at Supplier's cost;
 - (vi) to recover from Supplier any expenditure reasonably (directly or indirectly) incurred by PP in obtaining the Products in substitution from another supplier;
 - (vii) to claim, without any prior formal notification, such damages, loss, costs or expenses incurred (directly or indirectly) as the result of or in the context of the supply of Non-Conforming Products.
- 10.2. If the Products are designed by PP, this warranty will be without effect if the defect or non-conformity is solely attributable to a fault in that design, such fault and solely attributable nature are to be evidenced by Supplier.
- 10.3. The acceptance of delivery of the Non-Conforming Products and/or the payment of the corresponding invoices and/or any possible quality inspection performed by PP shall not impair the Product Warranty of this Framework Agreement in any way. Any argument on these or similar grounds invoked by Supplier to limit, disclaim, or restrict any of the warranties above or any of the remedies of PP shall be null, void, and ineffective.

11. Indemnification

- 11.1. Supplier shall indemnify, defend, keep indemnified and hold PP, its officers, directors, employees, agents, subsidiaries, successors and assigns harmless from any and all direct and indirect liabilities, loss, damage, costs and expenses awarded against or suffered or incurred or paid by the PP Group arising out of or in connection with:
- (i) Supplier's failure to perform the warranty obligations as defined in this Framework Agreement.
 - (ii) any third party claims, liabilities, damages, costs and expenses asserted against, suffered or incurred by any of them to the extent based on a (alleged) defect or non-conformity in the Products.
 - (iii) any infringement or alleged infringement of any intellectual property rights caused by any kind of uses, including, but not limited to, the offer, manufacture or supply of the Products;

- 11.2. If any member of the PP Group shall become the subject of a claim, Supplier shall render all reasonable assistance as required by such member of the PP Group to settle and defend such claim.

12. Product Specifications and Product Intellectual Property

- 12.1. Each Party shall retain ownership of its own background Intellectual Property. All title, rights and interest in any Intellectual Property rights created by the Supplier in relation to this Framework Agreement or any Business Agreement shall automatically be (or become) the sole property of PP.
- 12.2. PP hereby grants to Supplier a non-exclusive, non-transferable, non-sublicensable, royalty-free license to use the Product Intellectual Property and a non-exclusive, non-transferable, non-sublicensable, royalty-free right to use the Product Specifications solely during the term of this Framework Agreement and solely in connection with and to the extent necessary to fulfil Supplier's obligations hereunder (and under any Business Agreement) to manufacture, label and deliver the Products to PP.
- 12.3. Supplier shall take all such steps as PP may reasonably require to assist PP in maintaining the validity and enforceability of any Product Specifications and Product Intellectual Property owned by PP. Supplier shall not represent that it has any title in or right of ownership to such Product Intellectual Property or Product Specifications or do or suffer to be done any act or thing which may in any way impair the rights of the PP Group in the same. Supplier shall promptly and fully notify PP of any actual or threatened infringement, misuse or conflict of any of the Product Specifications or Product Intellectual Property which comes to its notice, or which it suspects has taken or may take place.
- 12.4. The Product Specifications and Product Intellectual Property shall be:
- (i) kept safely and clearly identified as the property of PP; and
 - (ii) be treated as strictly confidential and shall not be used or disclosed by Supplier except as permitted herein and as required in the course of performance of a Business Agreement.

13. Tooling

- 13.1. The title to and all Intellectual Property rights in Tooling that are made, developed or acquired by Supplier at the request and the expense of PP (whether existing prior to or created after signing of this Framework Agreement or any Business Agreement) and that are used for the manufacture of the Products shall belong to PP, and Supplier hereby irrevocably assigns and transfers to PP any and all rights it may have in the same. Supplier agrees that, at the request and expense of PP, it shall do all acts and execute all documents which may be necessary to confirm the title in accordance with this Framework Agreement. Supplier shall fix an ID plate on all Tooling owned by PP indicating that PP is the owner of such Tooling.
- 13.2. The title to and all Intellectual Property rights in Tooling that are made or developed solely by Supplier for its own account and that are used for the manufacture of the Products shall belong to the Supplier.
- 13.3. Supplier shall, at its own expense, use its best endeavours to maintain all Tooling, and to repair and/or replace worn, damaged, defective or non-functioning Tooling, in such a way as to make such Tooling function in any PP equipment and be capable of producing Products that meet all Product Specifications.
- 13.4. Supplier shall use the Tooling exclusively for PP Group production and shall not be entitled to use any such Tooling directly or indirectly for any third party or move it outside the production plants of Supplier without first obtaining prior written consent from PP. To that effect, Supplier shall permit a member of the PP Group to verify, during normal working hours, the keeping and proper usage of the Tooling and compliance with the other provisions of this Framework Agreement.
- 13.5. Supplier ensures that the Tooling will only be controlled, operated and used by properly trained and competent employees and that sufficient safeguards will be in place to ensure safe use of the Tooling. PP will not be liable for any damage resulting from or in connection with any actions or omissions relating to the Tooling.
- 13.6. Supplier shall not allow any Tooling at any time to become subject to any lien, security interest or other encumbrance of any creditor or lender of Supplier or to be used for any purpose not covered by this Framework Agreement. Supplier will use its best efforts to keep the Tooling segregated and maintained in good working condition, and shall bear the risk of loss or damage to such property while in Supplier's possession and control.

- 13.7. In the event of expiry or termination of this Framework Agreement or any Business Agreement, at PP's request and Supplier's cost and expense, Supplier shall promptly return any and all Tooling to the PP Group or its designee.
- 13.8. For a period of twelve (12) months after Supplier has last used any specific Tooling to produce a specific Product, Supplier shall safely store and maintain the Tooling at its cost and expense after which time Supplier shall return all Tooling to the PP Group or its designee on request at their expense.
- 13.9. All rights, title and interest in and to all improvements shall belong to the PP Group, and Supplier hereby irrevocably assigns and transfers to PP any and all rights it may have in the same. Supplier agrees that, at the request and expenses of PP, it shall do all acts and execute all documents which may be necessary to confirm the title in accordance with this clause 13. If such improvement requires any portion of the Tooling to be replaced:
- (i) Supplier shall be responsible for procuring, taking delivery of, installing, testing and operating the replacement Tooling at PP expense, unless otherwise agreed between Parties; and
 - (ii) PP shall be required to pay Supplier, at PP's election, either (a) an agreed increase of the Prices for the relevant improved Products, or (b) the actual, reasonable and documented out-of-pocket costs incurred by Supplier to replace such Tooling; provided that Supplier has received from PP prior written approval of the costs to replace such Tooling.
- 13.10. Breach by Supplier of any provision of this Clause 13 shall constitute a material breach of this Framework Agreement allowing PP to immediately terminate this Framework Agreement or any Business Agreement without notice and without any prior intervention of a court or tribunal.

14. Product Liability – Recall Insurance

- 14.1. Supplier is responsible to ensure product liability insurance policy for a sufficient amount (but in any case not lower than 10 million euro) covering it for the financial consequences of liability which may arise in the event of product liability of Products. This insurance policy shall cover any corrective actions conducted by the PP Group (including any recall). This insurance shall not constitute a limitation of Supplier's liability. Supplier furthermore undertakes to provide PP within 2 weeks after the signing of this Framework Agreement and once per calendar year upon request, with a current cover note of the insurer.
- 14.2. Supplier shall be obliged to bear all costs and expenses resulting from or in connection with a corrective action or recall performed by the PP Group (including, but not limited to, all costs for correspondence, announcements in newspapers, magazines, television and other media; costs for tracing the relevant Products; costs for transportation, isolation, destruction of the relevant Products; costs of hiring additional persons devoted exclusively to the correction operation; overtime paid to regular employees for work devoted exclusively to the correction operation, and all legal fees incurred in the context of a correction campaign) to the extent this correction action campaign has become necessary due to Supplier's liability under this Framework Agreement, a Business Agreement or under Applicable Law. PP shall inform Supplier, to the extent possible and reasonable, about the contents and scope of the correction measures to be carried out and shall give it the opportunity to comment thereon. Parties agree, however, that the decision to proceed to a correction or recall campaign shall be taken solely by PP in its sole discretion.

15. Regulatory and compliance

- 15.1. Supplier shall comply with all local, national and required international health, safety and environmental laws and regulations.
- 15.2. Supplier shall also comply with any and all EU Directives and Regulations required to distribute and commercialise the Products, such as but not limited to:
- (i) The REACH Regulation 1907/2006 on Registration, Evaluation, Authorisation and Restriction of Chemicals;
 - (ii) The General Product Safety Directive 2001/95/EC;
 - (iii) IMDS;
 - (iv) IATF16949
 - (v) ISO14001
 - (vi) OHSAS18001 or equivalent in Supplier's jurisdiction.

- 15.3. Supplier offers explicitly to cooperate with PP and to communicate appropriate health and environmental information to fulfil the requirements laid down in the relevant EU Directives and Regulations.
- 15.4. Supplier shall at times comply with PP's Supplier Code of Conduct and confirms that PP can impose additional obligations on Supplier related to Corporate Social Responsibility and Cyber Security.
- 15.5. The Supplier warrants and undertakes that:
- (i) it will not during the Term, engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the UK Bribery Act 2010 or under any other applicable act;
 - (ii) it has and will maintain in place adequate procedures (as referred to in section 7(2) of the UK Bribery Act 2010) designed to prevent any associated person from undertaking any conduct that would give rise to an offence under section 7 of the UK Bribery Act 2010; and
 - (iii) from time to time, at the reasonable request of PP, it will confirm in writing that it has complied with its undertakings under this article and will provide any information reasonably requested by PP in support of such compliance.

16. Audit & Access Rights

- 16.1. PP shall have the right to have demonstrated through either a visit to Supplier site or by an acknowledged third party audit, with reasonable notice, compliance by Supplier with: (i) PP's manufacturing specifications, (ii) Product & Packaging Specifications, (iii) use of Product Intellectual Property, (iv) quality specifications, (v) Tooling and (vi) any other terms of this Framework Agreement or a Business Agreement.
- 16.2. For as long as PP has a material exposure in relation to the same, all relevant records witnessing of the relationship between Supplier and PP shall be retained. On simple request, Supplier shall provide PP full access to such records.
- 16.3. PP has the right to use external consultants to perform audits at PP's cost.

17. Term and Termination

- 17.1. This Framework Agreement shall become effective on the Commencement Date and shall continue to be in effect for an indefinite period of time until terminated in accordance with this clause 17.
- 17.2. A Business Agreement shall become effective on the date the last party to such Business Agreement has signed that Business Agreement and shall continue to be in effect for an indefinite period of time until terminated in accordance with this clause 17.
- 17.3. PP shall have the right to terminate this Framework Agreement or any Business Agreement at any time with or without cause upon six (6) months' prior written notice without prejudice to the PP's rights under open or completed purchase orders placed by PP and accepted by the Supplier at or before the date of termination.
- 17.4. The Supplier shall have the right to terminate this Framework Agreement or any Business Agreement at any time with or without cause upon twenty-four (24) months prior written notice
- 17.5. If either Party shall commit or allow to be committed any breach of its obligations and shall fail to remedy such breach within 15 (fifteen) days of notice served by the other Party requiring the same to be remedied, then the other Party shall be at liberty in every such case by fifteen (15) days' notice in writing to terminate this Framework Agreement and the rights herein granted, immediately without any intervention of a court or arbitral tribunal, without prejudice to the rights of either party in respect of any breach of any of the terms herein contained. If either Party commits a series of persistent minor breaches these will, when taken together, amount to a material breach.
- 17.6. If this Framework Agreement is terminated in whole or in part due to a breach of Supplier, PP may (i) require the Supplier to complete any or all open orders (in accordance with the terms of this Framework Agreement and the Business Agreement) or (ii) cancel some or all open orders.
- 17.7. PP shall have the right to terminate this Framework Agreement, effective immediately in the event of a change of control whereby a competitor of PP acquires (directly or indirectly) 40% or more of the shares or voting rights of the Supplier.
- 17.8. Any waiver by PP or Supplier of a breach of any provision of this Framework Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision.
- 17.9. Termination of this Framework Agreement shall not affect any accrued rights or liabilities of the PP Group, nor shall it affect any provision of a Business Agreement and this Framework

Agreement, which is expressly or by implication intended to come into or continue in force on or after such termination, such as (but not limited to) intellectual property provisions, warranties and confidentiality obligations.

- 17.10. PP may terminate any Business Agreement in whole or in part, without any liability and with immediate effect, if (i) Supplier does not remain competitive in quality, cost or delivery compared to other suppliers identified by PP; (ii) if Supplier does not comply with its obligations under the Framework Agreement or the Business Agreement; or (iii) fails to take appropriate actions to ensure the long term competitiveness of the Products.
- 17.11. PP is also entitled to terminate any Business Agreement without any liability and with immediate effect because of lack of customers for the end-products the Products are used for.
- 17.12. The termination of a Business Agreement shall not affect the term or validity of the Framework Agreement.
- 17.13. The termination of this Framework Agreement shall not lead to the termination of all Business Agreements governed by this Framework Agreement.

18. Effects of Termination

- 18.1. In the event of termination of this Framework Agreement or of a Business Agreement, the provisions of the Framework Agreement and Business Agreement shall continue to apply to (i) all purchase orders accepted by Supplier prior to the end of the Term or prior to the effective date of termination; and (ii) Products ordered on such purchase orders.
- 18.2. In the event of termination of a Business Agreement for any reason, PP will have the right (but not the obligation) to purchase Work in Progress and Safety Stock from Supplier. PP shall in no event have any liability to pay any sums in respect of raw materials.
- 18.3. On termination of this Framework Agreement for any reason, or upon termination of a Business Agreement with respect to a certain Product (at PP's option), Supplier shall:
 - (i) immediately cease all use, either directly or indirectly, of any of the relevant Product Specifications, Product Intellectual Property and Confidential Information of the PP Group;
 - (ii) promptly return to PP (or destroy, as directed by PP in writing) all tangible documents in its possession or control which contain or record any part of the Confidential Information, relevant Product Specifications or Product Intellectual Property;
 - (iii) return all Tooling to PP or its designee, and
 - (iv) immediately return all other records, papers, materials, media and property of the PP Group which are in its possession.
- 18.4. Supplier grants PP an irrevocable option to, upon termination of any Business Agreement or this Framework Agreement, purchase all of Supplier's assets that are used exclusively for the production of the Products at the net book value of these assets less any amounts that PP has previously paid upfront to Supplier for the costs of such items and less any amounts otherwise owing to PP by Supplier.
- 18.5. Each Party's rights and obligations under this Framework Agreement or a Business Agreement which by their nature would continue beyond termination (like, but not limited to, clause 3.4) shall survive the termination of this Framework Agreement or a Business Agreement.

19. Confidentiality

- 19.1. Each Party agrees to maintain secret and confidential the contents of this Framework Agreement, as well as all other confidential information that it may acquire from the other Party in the course of this Framework Agreement. For the purposes of this Framework Agreement, "**Confidential Information**" shall include all sensitive information regarding the other Party and/or any of its Affiliates and its activities, including, but not limited to, any customer list, pricing, methods, technical/financial/trade information, know-how, patents, trademarks, processes, programs, practices, or other material or data conceived, designed, created, developed, used, assembled or manufactured by such other Party. Neither Party may disclose any Confidential Information belonging to the other Party without that other Party's prior written consent.
- 19.2. Supplier shall protect PP's Intellectual Property rights and know-how by adopting all necessary measures to safeguard the secrecy thereof and by limiting access thereto to its employees on a need-to-know basis in order to perform Supplier's obligations under this Framework Agreement. This includes protection from hacking or other cyber-crime by state-of-the-art IT safety measures or firewalls.

- 19.3. Supplier shall refrain from any type of advertising which directly or indirectly refers to the supply to PP, unless with the prior written consent by PP.
- 19.4. Upon termination of this Framework Agreement for any reason, Supplier shall, at PP's request, either destroy or return to PP all Confidential Information.

20. Force Majeure

- 20.1. For the purposes of this Framework Agreement a "**Force Majeure Event**" shall mean any event beyond the reasonable control of the affected party, which could not be anticipated upon formation of the contract, and the effects of which are compelling, unavoidable and unforeseeable.
- 20.2. Neither party (nor any person acting on its behalf) shall be held liable for any breach of a Business Agreement or this Framework Agreement if and to the extent such breach results from a Force Majeure Event.
- 20.3. A Force Majeure Event makes it temporarily or permanently impossible to perform all or any part of a party's obligations. A Force Majeure Event does not cover those events which would render performance of the obligations more difficult, onerous or expensive.
- 20.4. For clarity, strikes, lockouts or any other labour-related, financial, technical or industrial incapacity, or any impediment causing a prejudice to the parties, their suppliers and subcontractors in relation with the deliveries shall not be deemed Force Majeure Events.
- 20.5. The party affected by a Force Majeure Event shall advise the other party within three (3) days from it becoming aware of such event. The party shall describe such event in detail and inform the other party of any relevant element capable of allowing its precise identification, and to determine its effects as to performance of its contractual obligations. The party invoking a Force Majeure Event shall then inform the other party of its termination within the same period as provided for above.
- 20.6. A Party failing in its obligation to inform the other party in compliance with the procedure described in the above paragraph may not invoke a force majeure exemption prior to informing the other party thereof.
- 20.7. The obligations of the party invoking force majeure shall be suspended as long as they cannot be performed due to a Force Majeure Event. Nevertheless such party shall, as far as it is possible, remedy the situation with due diligence.
- 20.8. In the event that performance under a Business Agreement is rendered impossible for more than three (3) months, either Party may terminate or cancel such Business Agreement by written notification to the other Party, unless the Parties decide to amend the Business Agreement to take into account the new circumstances arising from such Force Majeure Event.
- 20.9. The occurrence of a Force Majeure Event may however not relieve the relevant party from its liability for any negligent conduct or lack of diligence to remedy the situation or to remove its cause in a reasonable and adequate manner.
- 20.10. A Force Majeure Event may not give rise to a claim for damages. PP will only be liable to Supplier for such part of a purchase order which was performed before the Force Majeure Event arose. Any pre-paid amount shall be refunded to the relevant PP entity.

21. Sub-contracting – Assignability

- 21.1. Supplier may not sub-contract its obligations under any Business Agreement without the express prior written consent of PP.
- 21.2. If Supplier is permitted by PP to sub-contract any of its obligations under a Business Agreement, Supplier will ensure that the sub-contractor complies with the obligations of Supplier under the Business Agreement as well as the Framework Agreement as if it were a party to such agreements. However, Supplier shall remain fully responsible towards PP under this Framework Agreement and the Business Agreement and no contractual relationship shall exist or be deemed to exist between PP and the subcontractor.
- 21.3. This Framework Agreement and any Business Agreement shall benefit and be binding on each Party's respective successors and assigns.
- 21.4. Supplier shall not assign or transfer any of its rights, benefits and obligations under this Framework Agreement or any Business Agreement, in whole or in part, to any third party, without the express prior written consent of PP.
- 21.5. PP can assign or transfer any of its rights, benefits and obligations under this Framework Agreement or any Business Agreement, in whole or in part, to any of its Affiliates without the consent of Supplier.

22. Amendment and modification

This Framework Agreement and any Business Agreement cannot be amended except by an instrument in writing signed on behalf of each of the Parties hereto.

23. Entire agreement - Conflicts

23.1. This Framework Agreement (including any Business Agreement concluded between the Parties) constitutes the entire agreement among the Parties hereto with respect to the matters covered by such agreements and supersedes all previous written, oral or implied understandings among them with respect to such matters.

23.2. Should any of the provisions of the Framework Agreement conflict with the provisions of a Business Agreement, the Business Agreement shall prevail.

24. Dispute Resolution

24.1. Both Parties shall put forward their best commercially reasonable efforts to resolve any claim or dispute arising out of their commercial relationship within fourteen (14) days of notice of such claim or dispute.

24.2. If a dispute cannot otherwise be resolved, the managers from both Supplier and PP with authority to settle the dispute will meet at a mutually acceptable place and time, within a reasonable period of time (not to exceed seven (7) days after the expiry of the initial fourteen (14) day period) after one of the parties has requested such a meeting, to attempt to resolve the dispute or to agree upon a method for resolving the dispute fairly and economically.

24.3. If the Parties are unable to resolve the claim or dispute within seven (7) days of such meeting or such other length of time that the parties agree, then the provisions of clause 26 shall apply.

24.4. During the resolution of a dispute, operations will continue in good faith.

25. Miscellaneous

25.1. The section headings in this Framework Agreement are only for convenience of reference and shall have no bearing on the meaning or construction of any provision of this Framework Agreement.

25.2. It is understood and agreed that each Party is and shall remain an independent contractor with respect to the other.

25.3. If at any time any provision of this Framework Agreement or a Business Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of such agreement nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction will in any way be affected or impaired. The Parties shall make all reasonable efforts and take all necessary actions to replace any illegal, invalid or unenforceable provision of such agreement with a valid, legal and enforceable provision having the same economic effect for the Parties and reflecting to the fullest extent admitted by law the provision so replaced.

25.4. No Party shall be deemed to have waived any rights or remedies arising out of this Framework Agreement or a Business Agreement, or out of any default or breach hereunder unless such Party executes the waiver in writing. If a Party waives a right or remedy arising out of such agreement or out of any default or breach hereunder, such waiver shall not be construed to constitute a waiver of any other rights or remedies.

25.5. The digital, scanned or digitized signature of this Agreement or any Business Agreement shall have the same force and effect as an original handwritten signature. Delivery of this Agreement or any Business Agreement via email or via an electronic signature system shall have the same force and effect as delivery of an original hard copy.

26. Governing law and jurisdiction

26.1. This Framework Agreement and any Business Agreement shall be governed by and construed in accordance with Belgian law. The application of the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.

26.2. All judicial proceedings brought against the Parties arising out of or relating to this Framework Agreement or any Business Agreement, or any obligations hereunder, shall be brought exclusively before the courts of Hasselt, Belgium.

26.3. This Framework Agreement (and any Business Agreement) may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

IN WITNESS HEREOF, the Parties hereto have executed this Framework Agreement.

For and on behalf of PUNCH POWERTRAIN NV:

Name:
Title:

Name:
Title:

For and on behalf of the Supplier

Name:
Title:

Name:
Title: