

AZELIO GENERAL PURCHASING CONDITIONS

A. GENERAL

These General Purchasing Conditions (the "GPC's") apply to all purchases of hardware by AZELIO.

1. DEFINITIONS

The following definitions shall have the meaning set out below.

"**Agreement**" shall mean the Purchase Agreement (PA) and any Purchase Orders (PO) entered into between the Parties, including the appendices thereto (among others these General Purchase Conditions (GPC's));

"**Affiliate**" means any company or other business entity directly or indirectly controlled by or under common control with a Party or its parent company (whereby "control" means the possession, directly or indirectly, of more than 50% of the votes or more than 50% of the share capital);

"**AZELIO's IPR**" shall have the meaning set out in Section 16.3;

"**Background IPR**" shall have the meaning set out in Section 16.1;

"**Defective Part**" shall mean a Part or specimens of a Part which shall be considered defective pursuant to Section 7.2;

"**Forecast**" shall have the meaning set out in Section 2.1;

"**PA**" shall mean the Purchase Agreement (PA) entered into between the Parties, including the appendices thereto;

"**Part**" shall mean the parts that the SUPPLIER shall supply to AZELIO;

"**Parties**" shall mean AZELIO and SUPPLIER jointly;

"**Party**" shall mean AZELIO and/or SUPPLIER separately;

"**PO**" or "**Purchase Order**" shall mean a purchase order entered into between the Parties;

"**Product**" shall mean the AZELIO product in which specimen(s) of a Part is or are incorporated by AZELIO;

"**Supplier Specification**" shall mean specifications of the Parts provided by the SUPPLIER and set out in the PA or any appendices thereto;

"**Technical Specification**" shall mean any documentation, such as drawings, agreed upon by the Parties, which describes the Part's shape, function, material content etc., as applicable. Unless otherwise agreed, the specification of requirements or design issued by AZELIO shall apply as the Technical Specification; and

"**Type bound Tooling**" shall mean all tools, jigs, fixtures, moulds, models and other equipment that is exclusively used in connection with the manufacture or quality control of the Parts, regardless which Party has paid and/or owns the Type bound Tooling as further set out in Section 15.

B. LOGISTICS AND CAPACITY

2. DELIVERIES

2.1. The Parties shall agree on a non-binding forecast of volumes to be purchased during a specific period of time including SUPPLIER's normal delivery times for the Parts (the "**Forecast**"). AZELIO shall thereafter provide revised Forecasts as set out in the PA. The Forecast may not from one 12 month period to the other increase with more than 20 % unless the Parties agree in writing.

2.2. Separate Purchase Orders for Parts will be made by AZELIO in writing and sent to SUPPLIER in accordance with the PA and these GPC's.

2.3. The SUPPLIER shall immediately inform AZELIO if there is a risk of divergence from the Forecast or a Purchase Order and shall also take all available measures to avoid any such divergence. Liability for delays follows Section 18 below.

3. ORDERED QUANTITY AND CAPACITY

3.1. AZELIO and the SUPPLIER are aware that the actual need for the Parts is continuously determined by AZELIO's customers and that both Parties must adjust themselves accordingly. Attentiveness, a rapid exchange of information and high flexibility is fundamental prerequisites for the collaboration of the Parties.

3.2. Provided that a Purchase Order does not deviate from the Forecast with more than 20 % and that the requested delivery dates fall within the normal delivery dates set out in the Forecast, a Purchase Order states the quantity that AZELIO shall be obliged to purchase and that the SUPPLIER shall be obliged to deliver at the specified dates.

3.3. The SUPPLIER undertakes to maintain the production capacity required to deliver Parts in accordance with the Forecast within the normal delivery times.

3.4. In the event that the SUPPLIER delivers a quantity either in excess of AZELIO's Purchase Order or prematurely, AZELIO shall not be responsible for taking delivery of, storing or maintaining such Parts and shall further be entitled to return any such excess or prematurely delivered quantity to the SUPPLIER at the SUPPLIER's risk and expense, alternatively receive compensation from the SUPPLIER for storage costs.

C. TERMS OF DELIVERY, PRICE AND PAYMENT

4. DELIVERY CLAUSE

The agreed delivery clause shall be construed in accordance with "INCOTERMS" 2010. Unless otherwise agreed, the delivery clause shall be "DDP". The SUPPLIER shall pack the Parts in accordance with instructions by AZELIO.

5. PRICE

The applicable prices for Parts are set out in the PA or a PO, as applicable. No additional compensation is payable under the Agreement, e.g. for disbursements, costs or otherwise.

6. PAYMENT

6.1. SUPPLIER shall provide AZELIO with a correct invoice, including all necessary information as may be required by AZELIO and without any invoice fees or charges, after delivery of any ordered Parts and payment shall be made sixty (60) days net of invoice date. Invoices shall be sent by e-mail to invoice@azelio.com unless otherwise stated in the relevant PA or PO.

6.2. Remittance of payment does not imply any acceptance of the delivery or of the invoiced amount.

D. WARRANTY AND QUALITY

7. WARRANTY

7.1. The SUPPLIER warrants that the Parts will be delivered in a timely manner in accordance with the Purchase Order or as otherwise agreed in writing between the Parties.

7.2. The SUPPLIER warrants that the Parts will be free from defects in material, function or workmanship. To this end, a Part or a specimen of a Part shall always be considered a "**Defective Part**" if it:

(i) in any respect deviates from the Supplier Specification and/or the Technical Specification, as applicable, or from any other requirements set out in the Agreement;

(ii) does not possess the characteristics that the SUPPLIER has referred to through samples, prototypes or deviates from what could be reasonably expected by AZELIO in light of the SUPPLIER's marketing of the Parts;

(iii) does not comply with all governmental requirements (including safety requirements) in the countries in which the Parts, or the Products into which the Parts are to be incorporated, can be reasonably expected to be sold; or

- (iv) is not fit for the particular purpose for which the Parties intended it to be used,

The warranty in this Section does not apply to the extent the defect arises out of materials provided by, or a design stipulated or specified by AZELIO.

7.3. AZELIO shall, as soon as reasonably possible, notify the SUPPLIER if a Defective Part is discovered. AZELIO may not claim a defect that is discovered more than twentyfour (24) months from the later of:

- (i) the date on which a Defective Part has been delivered to a final customer in it self or as incorporated into a Product; or
(ii) the date on which a Defective Part has been brought into use on AZELIO's behalf (in a manner other than by incorporation in a Product).

7.4. AZELIO shall not be entitled bring forward claims in respect of a Defective Part that has been discovered more than three (3) years from the date of delivery.

7.5. The time limits stated above in this Section 7 shall not apply if there can be a risk of personal injury or damage to property other than the Defective Part, or in case of a repetitive defect.

7.6. The Parties may agree on the handling of warranty claims and a more far-reaching warranty liability.

8. SUPPLIER'S PRODUCTION

8.1. The SUPPLIER shall at all times comply with AZELIO's Supplier Quality Assurance Manual (SQAM) as amended from time to time.

8.2. AZELIO and the SUPPLIER shall always strive to improve the production process. AZELIO shall be entitled to, after notification, inspect the SUPPLIER's production of a Part, perform tests and make other necessary examinations at the SUPPLIER's premises. The SUPPLIER shall strive to agree with any sub-supplier that AZELIO shall be granted the same right at their premises.

8.3. The SUPPLIER is obliged to immediately inform the relevant goods receiver and the responsible purchasing department at AZELIO of any Defective Parts, discovered or anticipated, which have been dispatched to AZELIO.

9. TESTING

9.1. In order for AZELIO to be given the opportunity to evaluate whether a Part is free from defects, the SUPPLIER shall, prior to delivery of a new, changed or modified Part, manufacture and perform quality control of samples in accordance with AZELIO's requirements as applicable from time to time. The SUPPLIER shall reimburse AZELIO for AZELIO's costs resulting from the SUPPLIER'S non-compliance with this provision.

9.2. Once a sample of a Part has been approved by AZELIO, alteration of the function, appearance, characteristics, material, production method, place of manufacture, Type bound Tooling or other equipment which may affect the Part, may be done only with AZELIO's written approval. Delivery may thereafter be made only after renewed approval of a sample.

9.3. If AZELIO rejects a sample, the SUPPLIER shall make rectification at its cost so that the requirements referred to in Section 9.1 are fulfilled.

9.4. AZELIO's final approval of samples shall not affect the SUPPLIER's liability and obligations pursuant to the Agreement.

10. RELOCATION OF PRODUCTION

The SUPPLIER may not relocate production of a Part, wholly or partly, or engage a sub-supplier, without AZELIO's written consent. If AZELIO grants such consent, the SUPPLIER shall ensure that the provisions of the Agreement are complied with. In addition, the SUPPLIER shall remain solely liable vis-à-vis AZELIO for all activities carried out on the part of the SUPPLIER pursuant to the Agreement.

11. ENVIRONMENTAL CONCERN

The SUPPLIER shall have the ambition to keep environmental standards equivalent to ISO 14001 or EMAS, or another - in AZELIO's opinion - equivalent system. The quality system shall be certified by a third party.

12. AUDIT

AZELIO or his representative is entitled to audit the manufacture of the Parts in the SUPPLIER's workshops or any other place where manufacture is carried out. AZELIO is entitled to bring any advisor to, or to be represented by any representatives at, such audits. The SUPPLIER shall assist AZELIO at the audits and provide all reasonable information required by AZELIO. Upon request, the SUPPLIER shall present documentation from the SUPPLIER's own audits of its suppliers. Each Party shall bear its costs in connection with audits. AZELIO's audit shall not affect the SUPPLIER'S liability for defects.

E. OTHER PROVISIONS CONCERNING PARTS AND PRODUCTION

13. TECHNICAL MODIFICATIONS

AZELIO reserves the right to modify the Technical Specification of a Part. Changes in price and other conditions thus caused shall be agreed upon in writing prior to any change of production equipment and prior to the commencement of delivery by the SUPPLIER of any modified Part.

14. PROVISION OF SPARE PARTS

The SUPPLIER shall at commercially reasonable prices undertake to provide spare parts in respect of the Parts during a period of twentyfive (25) years after AZELIO's purchase of the Part for serial production from the SUPPLIER has ceased. In case the SUPPLIER becomes unable to adhere to this undertaking, AZELIO is hereby afforded a royalty free, non-exclusive, world-wide, irrevocable licence to produce the spare parts required, or engage a third party supplier to produce the spare parts.

15. TOOLING

15.1. Type bound Tooling may be either purchased and/or owned by AZELIO or owned by SUPPLIER, as set out in the PA or any appendices thereto.

15.2. Type bound Tooling shall be subject to the following:

- a) The SUPPLIER shall establish a register, accessible to AZELIO, of all Type bound Tooling.
- b) The SUPPLIER shall, at his own initiative and at his own expense, maintain Type bound Tooling in such a way that the Supplier Specifications and/or Technical Specifications, as applicable, are complied with. In the event that Type bound Tooling requires renewal, the SUPPLIER shall notify AZELIO thereof in due time and be able to provide sufficient evidence that the tools have been regularly maintained and to what extent.
- c) The SUPPLIER shall ensure that Type bound Tooling is stored in a safe and adequate manner and that it is insured for an amount equivalent to its replacement cost.
- d) Type bound Tooling may not be destroyed or scrapped without AZELIO's written consent. Type bound Tooling that is the subject of intellectual property right(s) may furthermore not be copied without the consent of the owner of such intellectual property right(s).

15.3. In addition, the following applies to Type bound Tooling owned by AZELIO.

- a) The SUPPLIER shall mark Type bound Tooling in such a way that AZELIO's ownership is clearly shown and shall inform insurers as to the fact of AZELIO's ownership.
- b) Without AZELIO's written consent the SUPPLIER may not use Type bound Tooling for production for its own account or that of any third party.

15.4. If AZELIO orders Type bound Tooling from/via SUPPLIER, an invoice related to purchase of Type bound Tooling shall not

be issued by SUPPLIER until the day when the Type bound Tooling has been approved by AZELIO, unless a specific payment schedule has been agreed in the PA.

15.5. AZELIO shall be entitled to acquire for a reasonable charge, and thereafter to freely utilise, any tools, jigs, fixtures, moulds, models and other equipment owned, adapted or manufactured by the SUPPLIER for AZELIO in connection with the manufacture or quality control of the Parts. These rights and obligations shall remain in force even if the deliveries of the relevant Part to AZELIO for serial production should cease.

16. INTELLECTUAL PROPERTY RIGHTS

16.1. All material and results, and all technical information, know-how and intellectual property rights, including but not limited to inventions, patents, models, designs, copyrights, trademarks and neighbouring rights, owned or controlled by either Party when entering into the Agreement, or developed or obtained independently by either Party after entering into the Agreement (hereinafter "**Background IPR**"), shall vest in that Party.

16.2. The SUPPLIER hereby grants to AZELIO a royalty free, non-exclusive, world-wide, irrevocable licence to use any Background IPR, to the extent necessary, to allow AZELIO to derive full use and benefit of the Part developed and/or purchased under the Agreement.

16.3. Unless otherwise agreed in writing by the Parties, all rights to any material and results, and all technical information, know-how and intellectual property rights, including but not limited to inventions, patents, models, designs, copyrights, trademarks and neighbouring rights, produced, developed and/or related to the production and/or assembly of the Part or Product which have been made, written, designed or produced by AZELIO or which have been developed and/or produced by the SUPPLIER after entering into the PA, or either Party's representatives, shall vest in AZELIO (hereinafter "**AZELIO's IPR**"). For the avoidance of doubt, AZELIO shall have a right to freely develop and alter AZELIO's IPR and to licence and assign it to third parties.

16.4. The SUPPLIER shall not be entitled to, directly or indirectly, in any way use or exploit AZELIO's IPR referred to in Section 16.3 above in any manner unless a separate written agreement regarding such use has been entered into with AZELIO.

16.5. The SUPPLIER agrees and undertakes to execute all such deeds and documents that, in AZELIO's sole discretion, is necessary or desirable in order for AZELIO to be able to protect, register, maintain and in any other way fully enjoy AZELIO's rights referred to under this Section 16 throughout the world. AZELIO undertakes to pay for the execution of such deeds and documents referred to in this Section 16.5.

16.6. The SUPPLIER is responsible for ensuring that the Part or the use of such Part does not infringe intellectual property rights of a third party, except if such infringement is related to components or instructions provided by AZELIO to the SUPPLIER for the purpose of producing and/or developing the Part under the PA. In the event that a Part infringes the intellectual property rights of a third party and the SUPPLIER is responsible for such infringement, the SUPPLIER undertakes to indemnify AZELIO and AZELIO's customers for all costs arising out of or relating to the infringement and to either replace the Part by another equivalent Part or to obtain all necessary consents in order for AZELIO and AZELIO's customers to use the Part.

16.7. The SUPPLIER is aware that production of the Part for SUPPLIER's own account or for that of a third party is not allowed when the Part contain Background IPR provided by AZELIO to the SUPPLIER or AZELIO's IPR. The SUPPLIER undertakes not to produce a Part for SUPPLIER's own account or for that of a third party in cases where AZELIO has provided the SUPPLIER with such Background IPR, AZELIO's IPR, know-how or equipment as was necessary for the SUPPLIER to be able to fulfil the development or production of the Part.

16.8. Upon entering into the PA, the SUPPLIER shall inform AZELIO of all SUPPLIER Background IPR and all third party intellectual

property rights of which the SUPPLIER is aware of affecting the Part. In the event the SUPPLIER, after the Parties have entered into the PA, has developed and/or produced any AZELIO IPR which the SUPPLIER is aware of affecting the Part, the SUPPLIER shall notify AZELIO hereof as soon as possible but no later than prior to delivery of such Part. The information obligation contained in the foregoing sentence shall also apply in the event that the SUPPLIER becomes aware that any third party intellectual property rights affecting the Part have been developed and/or produced after having entered into the PA.

16.9. Unless otherwise agreed by an instrument in writing duly executed by the Parties, the SUPPLIER does not have the right to use any corporate name or trademarks or marks belonging to AZELIO or any other company within the AZELIO Group of Companies.

F. LIABILITY FOR DEFECTS AND SHORTCOMINGS AS WELL AS SANCTIONS

17. COMPENSATION FOR CANCELLED PURCHASES

Should AZELIO cancel, wholly or partly a Purchase Order, AZELIO shall compensate the SUPPLIER for reasonable costs relating to a cancelled quantity. In calculating such costs the SUPPLIER shall not receive compensation to the extent that the Part- or components, semi-manufactured items or raw materials intended for it - can be used for other deliveries to AZELIO or another party, or for another purpose. AZELIO's obligation to compensate for cancellations is conditioned upon the SUPPLIER submitting specified claims for compensation in writing not later than six weeks after the SUPPLIER could have established a loss.

18. LIABILITY FOR DELAYS, DEFECTS AND PRODUCT LIABILITY

18.1. SUPPLIER is fully aware of the importance that AZELIO attaches to delivery of the Parts not being delayed, and that any delay of delivery will cause loss and/or damage to AZELIO. For each commenced week of late delivery, AZELIO shall be entitled to liquidated damages of three (3) per cent of the price of the delayed Parts. However, SUPPLIER is not liable for liquidated damages for more than five (5) weeks of late delivery. If the Parts are not delivered within five (5) weeks, AZELIO shall have the right to (i) completely or partly terminate the purchase of the Part(s) and of other Parts which AZELIO does not consider having any use of due to the late delivery, or (ii) make substitute purchases from third parties at the SUPPLIER's risk and cost.

18.2. In the event of a Defective Part, then AZELIO shall immediately notify the SUPPLIER and be entitled to (i) immediate rectification, or (ii) immediate delivery of substitute non-defective Parts.

18.3. If, following notification pursuant to Section 18.2, AZELIO determines in good faith that a Defective Part cannot be repaired or replaced without delay or if there is a risk for production or delivery disturbances, then AZELIO shall be entitled, without the SUPPLIER's consent and at the SUPPLIER's expense, to make in good faith the necessary repair work or undertake substitute purchases of comparable Parts from another supplier. Alternatively, AZELIO may completely or partly terminate the purchase of the Part and other such Parts that AZELIO does not consider having any use of due to the defect.

18.4. In addition to what is set forth in Sections 18.1-18.3 above, the SUPPLIER shall compensate AZELIO for any loss or damage arising out of or relating to a delay, and/or a Defective Part. Such loss or damage shall include but not be limited to loss of income, loss of production, loss of commission, loss of wages and loss of goodwill.

18.5. If AZELIO due to a delivery of a Defective Part considers it necessary to inspect all Parts of the same kind delivered by the SUPPLIER, AZELIO is entitled, after giving the SUPPLIER notice thereof, to make an audit as set out in Section 12, or to perform an extended quality control, at the SUPPLIER's expense and without awaiting the SUPPLIER's approval. The notice shall describe the nature of the defect as well as the time and place of the inspection. If possible, the SUPPLIER shall be present at the inspection. The extended quality control referred to above in this section 18.5 shall include,

without limitation, the right to measure all Parts of the same kind delivered by the SUPPLIER and to inspect the corrective actions, if any, undertaken by the SUPPLIER.

19. PRODUCT LIABILITY

19.1. The SUPPLIER agrees to indemnify and hold AZELIO harmless from and against all (i) damage or injury (including death) to property or person belonging to, or employed by, AZELIO, and (ii) liabilities to third parties and all losses incurred in connection with claims by third parties (including without limitation, all losses, claims, demands and damages), caused by a defective specimen of a Part or by a Product incorporated with such defective Part.

19.2. When a claim is presented on account of such a loss or damage, each Party shall immediately notify the other Party accordingly and the Parties shall undertake the investigations that are called for in order to defend such claims in the best possible way. At AZELIO's request the SUPPLIER shall also assist AZELIO in the event of any dispute.

19.3. If there is a risk of a Product causing personal injury or property damage due to a Part being defective, and AZELIO for this reason decides to recall a Product, the SUPPLIER shall compensate AZELIO for its costs in conjunction with such recall.

20. INSURANCE

The SUPPLIER agrees to procure and maintain in full force and effect during the term of the Agreement valid, global and collectible insurance policies in connection with its activities as contemplated hereby, which policies shall provide for appropriate insurance. Upon AZELIO's request during the term of the Agreement, the SUPPLIER shall provide to AZELIO a copy of the current insurance policy.

21. OTHER SANCTIONS

21.1. The SUPPLIER shall reimburse AZELIO all costs incurred in the event that the SUPPLIER does not fulfil its confidentiality obligations under Section 24 below.

21.2. In addition to the SUPPLIER's liability for any defects, delays and product liability under the Agreement, a Party shall compensate the other Party for any loss or damage suffered as a result of a breach of the Agreement.

21.3. If a Party in any essential respect disregards its obligations under the Agreement and does not undertake complete rectification within thirty (30) days after a written notice to that effect, the other Party shall be entitled to terminate the Agreement with immediate effect and receive compensation in accordance with the provisions of the Agreement.

22. FORCE MAJEURE

22.1. A Party shall be released from any sanctions for failure to perform under the Agreement where such failure is due to circumstances beyond the control of the Party and which prevent performance under the Agreement (force majeure events). As soon as such force majeure events are no longer applicable, performance under the Agreement shall be resumed. For the purposes of this Agreement, force majeure events mean war, acts of war, actions of public authorities, new or amended legislation, labour law disputes, and similar circumstances. The Party invoking force majeure shall use its best efforts to mitigate the adverse effects of the force majeure, to overcome the effects of the force majeure and to resume performance of its obligations under the Agreement.

22.2. In order to obtain a release pursuant to Section 22.1, a Party must notify the other Party thereof in writing without delay.

22.3. If the grounds for force majeure events last for more than thirty (30) days, the Parties are free to waive, in whole or in part, those Purchase Orders which relate to a delayed or non-performed delivery without incurring any liability towards the other Party.

G. OTHER TERMS

23. EXPORT CONTROLS AND ORIGIN

23.1. If any Part, or component therein, which the SUPPLIER delivers to AZELIO are subject to national export or control regulations in those countries where the SUPPLIER produces

the Part or those countries from which the components originate, the SUPPLIER shall be obliged to obtaining and maintaining any applicable export licenses required for delivery of the Parts under the Agreement. SUPPLIER shall continuously keep AZELIO informed of any export restrictions and the scope thereof.

23.2. If the SUPPLIER is unable to obtain or maintain the export licenses, AZELIO may terminate the Agreement in accordance with Section 28.2 a) and any related Purchase Order or part thereof which may be affected by the aforesaid license.

23.3. The SUPPLIER shall issue all documentation, which may be required by law, regulation or reasonably requested by AZELIO regarding the export or import of the Parts. The SUPPLIER shall also upon delivery supply AZELIO with an export certificate or its equivalent containing among other things details of the origin of a Part delivered and - in relevant instances - its EC- or EEA-value. The origin, EC or EEA-value of a Part may not be altered without the prior written consent of AZELIO.

24. CONFIDENTIALITY

24.1. All information, whether written or oral, equipment, know-how and technical documentation, including electronically stored data and computerised geometries, disclosed by a Party to the other Party in relation to this Agreement (including the terms hereof) shall for the duration of the Agreement and for ten (10) years thereafter be treated as confidential and may not be used for any purpose other than for the fulfilment of a Party's obligations under the Agreement. The confidential information may not be shown to or in any other way disclosed, communicated to or used by any other person other than (i) personnel of either of the Parties (or personnel of companies within the same group of companies as a Party) that are directly involved in the implementation of the deliveries to AZELIO; or (ii) external counsels or consultants; provided (in both (i) and (ii)) that the person to which confidential information is disclosed is subject to at least the same confidentiality obligations as set out in this Agreement. Copying or reproduction of confidential information is permitted only within the framework of the fulfilment of a Party's obligations and with regard to the copyright laws and regulations.

24.2. The SUPPLIER may only after written consent from a responsible purchasing manager at AZELIO, make public the business relationship of the Parties through advertising or in any other way.

24.3. The SUPPLIER shall at AZELIO's request either return or destroy everything referred to in Section 24.1 including copies thereof.

25. WAIVER

If a Party fails to undertake a measure on account of the other Party's inadequate performance of any part of the Agreement, then such failure shall not imply that the Party is not entitled to undertake a measure on account of similar or other inadequate performance of the Agreement. AZELIO's failure to answer a question or communication from the SUPPLIER about a delayed delivery shall not affect AZELIO's right to impose a sanction in accordance with the Agreement.

26. SEVERABILITY

In the event that any provision of the PA or these GPC's should become invalid due to e.g. legislation, only said provision shall be considered invalid while the remaining provisions shall remain in force. The Parties shall in such a case immediately conclude a new agreement that replaces the invalid provision and as far as is possible ensures through its content an equivalent result.

27. TRANSFER AND ASSIGNMENT OF AGREEMENT

A Party may neither transfer nor assign its rights or obligations under the PA without the written consent of the other Party. AZELIO may however without consent make such transfer or assignment to any other company within the AZELIO Group of Companies.

28. TERM AND PREMATURE TERMINATION

28.1. The term of the Agreement is set out in the PA, and in each PO as applicable.

28.2. Either Party is entitled to terminate the Agreement with immediate effect if the other Party:

- a) fails to fulfil any of its obligations under the Agreement, provided such failure is of material importance to the non-breaching Party and the other Party has failed to perform rectification not later than thirty (30) days following written notice thereof; or
- b) has suspended its payments, is the subject of a bankruptcy petition, commences negotiations for a composition with its creditors or applies for company reconstruction (Sw. företagsrekonstruktion), enters into liquidation or may otherwise be deemed to be insolvent.

28.3. Azelio shall also have the right to terminate the Agreement or any Purchase Order with six (6) months' notice at any time during the term if Azelio in its reasonable opinion determines that the Supplier will not be able to provide the Parts, if the agreed delivery dates repeatedly are not met or if the Part is not competitive in price or lacks in quality.

28.4. The failure of either Party to give notice pursuant to Section 28.2-28.3 or to terminate the Agreement due to non-performance or breach of the Agreement by the other Party shall not constitute a waiver of the non-defaulting Party's right to terminate on the basis of such breach or any other breach.

28.5. Azelio may terminate this Agreement effective immediately and without cost if:

- a) the Supplier transfers all or part of its rights and obligations under this Agreement without obtaining the prior written consent of Azelio; or
- b) the Supplier is subject to a Change of Control.

For the purpose of Section 28.5 b), "**Change of Control**" means:

- (i) a sale to a third person, reasonably determined in good faith by Azelio to be then competing with Azelio, of all or substantially all of the Supplier's assets;
- (ii) a merger, reorganization or consolidation involving the Supplier in which the stockholders or any affiliate of the Supplier cease to own, directly or indirectly, collectively a majority of the voting or equity rights or interests of a successor entity to the Supplier; or
- (iii) the acquisition, directly or indirectly, by a third person or group of third persons acting in concert of 50% or more of the voting or equity rights or interests of the Supplier.

29. RIGHTS AND OBLIGATIONS UPON TERMINATION

29.1. A termination shall not affect any Purchase Orders placed by Azelio under the Agreement. However, Azelio shall have the right to cancel all or some of the Purchase Orders with delivery date(s) after the date of termination.

29.2. Accrued rights shall not be affected by a termination of the Agreement.

29.3. Provisions which by their nature are intended to survive the termination of this Agreement, including, but not limited to, provisions regarding Intellectual Property Rights, Liability for Defects and Shortcoming as well as Sanctions and Confidentiality as stated in the GPC's shall survive the termination of this Agreement.

30. APPLICABLE LAW

The Agreement is to be governed and construed in accordance with Swedish substantive law.

31. DISPUTES

31.1. Any dispute concerning or arising out of the Agreement shall be finally resolved by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce (the "Institute"). Arbitral proceedings shall take place in Gothenburg, Sweden. The language to be used in the

proceedings shall be Swedish, unless a Party is established outside Sweden in which case English shall be used.

31.2. The Parties undertake and agree that 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.