

# Basic Purchase Agreement

dated as of [day] [month] 2016

by and between

**XXXX**

On its own behalf

- hereinafter referred to as "Supplier" -

and

**Yaskawa Europe GmbH  
Hauptstraße 185  
D-65760 Eschborn, Germany**

On its own behalf

- hereinafter referred to as "YEU" –

(the Supplier and YEU each a "Party" and together the "Parties")

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## PREAMBLE

The Supplier globally develops, manufactures and distributes cables, connectors, and electronic equipment etc. for all kinds of industries.

YEU develops, manufactures and distributes high-tensile frequency converters, mechatronic components and robots worldwide.

YEU requires from the Supplier cables, connectors and electronic equipment (Contractual Products see **Annex 3**) mainly for the European Market.

YEU wishes to purchase the Contractual Products from the Supplier and the Supplier wishes to supply the Contractual Products to YEU.

The Sales Contracts to be concluded in respect of the Contractual Products will be subject to the terms of this Agreement.

Both Parties seek a business relationship and partnership, which is of benefit to both in respect of total costs and competitiveness, and which pursues the goal of reducing purchase prices while maintaining faultless quality.

## 1. DEFINITIONS

### 1.1 Annual Forecast Quantities

“**Annual Forecast Quantities**” means the amount of Contractual Products the Parties agreed on pursuant to Clause 3.1 which the Purchaser intends to purchase during the contractual year as set forth in **Error! Reference source not found. Annex 2.**

### 1.2 Basic Purchase Agreement

This agreement should be understood as a “**Basic Purchase Agreement**”, also referred to as “**Agreement**”. It contains the general provisions of the Sales Contracts, which are concluded between YEU and the Supplier regarding the respective supply of Contractual Products.

### 1.3 Business Day

“**Business Day(s)**” means any day on which the commercial banks in Frankfurt, Germany, are open for business transactions.

### 1.4 Confidential Information

“**Confidential Information**” has the meaning given in Section **Error! Reference source not**

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1.5 Contractual Products

“**Contractual Products**” means the products to be supplied under the terms of this Basic Sales Agreement and the respective Sales Contract as set forth in **Annex 3**.

1.6 Defect

“**Defect**” means any material defects of the Contractual Product when operated under normal use by qualified persons.

1.7 Defective Contractual Product

“**Defective Contractual Product**” means any Contractual Product with a Defect as set forth in Clause 1.6.

1.8 Documentary Material

“**Documentary Material**” has the meaning given in Section ~~Error! Reference source not found.10.1.~~

1.9 Follow-Up Models

“**Follow-Up Models**” means the products the Supplier supplies that exploit or build on an earlier Contractual Product, have substantially similar technical specifications and characteristics and supersede the earlier Contractual Product.

1.10 Incoterms of the ICC, 2020 Edition

“**Incoterms 2020**” means the International Commercial Terms having been published in their eighth version by the International Chamber of Commerce on January 1, 2011.

1.11 Order

“**Order**” is YEU’s request to the Supplier to conclude a Sales Contract for a Contractual Product.

1.12 Party/ Parties

“**Party / Parties**” shall have the meaning given on the cover page of this Basic Sales Agreement.

1.13 Sales Contract

“**Sales Contract**” means the contract concluded upon the acceptance of an Order from YEU by the Supplier pertaining to the supply of a Contractual Product.

#### 1.14 Specifications

Product Specifications are clearly indicated in the performance specification as well as drawings, material requests etc. This will be necessary to exactly define the technical requirements of YEU (“**Specifications**”). The Specifications have to be discussed separately.

#### 1.15 Subsequent Performance

“**Subsequent Performance**” shall have the meaning given in Section **Error! Reference source not found.11.3(a)**.

**2. SUBJECT MATTER OF THE AGREEMENT**

- 2.1 The subject matter of this Basic Purchase Agreement is the supply of Contractual Products in accordance with the relevant Specifications. Any service of the Contractual Products is subject to this agreement.
- 2.2 The Parties are aware that the Contractual Products, shown in **Annex 3**, are supplied by the Supplier to YEU.
- 2.3 The Supplier undertakes to manufacture the Contractual Products or Follow-Up Models of the Contractual Products and supply them to YEU for a period of at least ten (10) years from the first delivery to YEU under this Agreement except in case of a discontinuation of the Contractual Product pursuant to Clause 14 of this contract. This obligation does not automatically end with the termination of this contract by either Party.

**3. FORECAST QUANTITIES**

- 3.1 Annual Forecast Quantities for annual budgeted requirements are set out in **Annex 2**. The Annual Forecast Quantities shall be mutually defined by the Parties in January or February of each year [*Note to YEU: to be adjusted with Yaskawa business year?*]. These figures do not limit any of the Supplier’s obligation under the Sales Contracts during the term of this Agreement, nor do they oblige YEU to purchase specific quantities (except for the Binding Amount as defined below) of the Contractual Products during the term of the Agreement, unless provided otherwise in this Agreement as agreed among the Parties. The Annual Forecast Quantities shall be reviewed until the 10th of each month by YEU in a rolling forecast for a six (6) months’ period, see **Annex 2**. The quantities of a six (6) month forecast are none-binding to YEU.
- 3.2 YEU’s Orders must be submitted in writing with regard to any obligation to purchase, and also for material scheduling.
- 3.3 The Supplier undertakes to monitor the procurement risk for critical components. Any issues regarding the procurement of critical components must be reported to the Purchaser without undue delay, no later than one (1) week after getting knowledge of such issues. The assessment of the situation and any resulting action will be agreed between the Parties.

**4. PRICE**

- 4.1 The price to be paid by YEU to the Supplier for the relevant Contractual Product is set out in **Annex 3** (the “Purchase Price”). Prices are regarded as fixed for one (1) year and include the

costs of packaging. No taxes, in particular value added tax (VAT), are included in the Purchase Prices and are to the extent applicable to be paid in addition of the Purchase Price together with it. The Purchase Prices will be agreed annually for the calendar period from March to February and will be added to this Agreement as new **Annex 3**. Until the Parties reach an agreement on new purchase prices, the Purchase Prices in force at the time of the start of negotiations shall remain applicable. Material adjustments like copper etc. will be discussed separately and the procedure of adjustment will be specified and fixed in **Annex 3** in accordance to Clause 4.2. This shall give no ground for any price negotiations during the year.

- 4.2 The Parties will jointly endeavor to reduce production costs in order to achieve competitive prices while at the same time maintaining faultless quality.
- 4.3 Changes of raw material prices and/or wages shall lead to an automatic price adjustment, in case the changes exceed +/- 5 % of the original price. Copper prices will be monitored on LME.
- 4.4 YEU will pay the Purchase Price within 90 calendar days net after invoice date or 30 calendar days after invoice date with 3% discount.

## **5. ORDER AND LEAD TIMES**

- 5.1 Orders by YEU must be submitted to the Supplier in writing in order to be valid. The Sales Contract shall not be regarded as concluded until YEU receives a written declaration of acceptance from the Supplier stating to accept the Order without any amendment. Amendments of the declaration of acceptance by the Supplier will be recognized only insofar as YEU subsequently consents to these in writing. For the purpose of this Section 5.1 communication by telefax or e-mail also complies with the formal requirement of written documentation.
- 5.2 YEU may cancel an Order at any time before the receipt of the written declaration of acceptance pursuant to Clause 5.1 without any further consequences.
- 5.3 The standard lead time is **two (2)** weeks.
- 5.4 The lead times of the first Order for new material will be **ten (10)** weeks.

## **6. TERMS OF DELIVERY**

- 6.1 Place of performance for the delivery of the Contractual Products by the Supplier is FCA **XXX**. In general, deliveries of Contractual Products shall be performed FCA XXX/Factory (Incoterms 2020). The Supplier must comply with the agreed means of transport.
- 6.2 The Supplier undertakes to package the Contractual Products prior to shipping and is liable

towards YEU for all damages resulting from inadequate or unsuitable packaging.

- 6.3 The Supplier shall be obliged to deliver on the agreed calendar date. If this time limit or deadline is exceeded, the Supplier shall be in default (*Verzug*) of delivery **two (2) weeks after the acknowledged delivery date**, without any reminder by YEU being required (the “**Delay**”). In the case of Delay through the Suppliers fault, YEU is entitled to deduct 0.2% of the value of the Sales Contract from the Purchase Price for the Contractual Products which have not been delivered on time for each calendar day [*Note to YEU: or instead: 0.3% per Business Day*] until delivery is completed in terms of the contract, but not more than 5 % of the value of the Sales Contract (the “**Contractual Penalty**”). YEU expressly reserves the right to the already accrued Contractual Penalty when the Supplier fulfils his obligations under this Agreement, after being in Delay.
- 6.4 YEU is committed to just in time delivery towards its customers. Therefore, the Supplier commits 98% on time delivery performance within each month, which will be a **KPI** for further measurements. If the 98%-target is not met over a 8 weeks period, the Supplier has to pay additional 5% of the value of the late supplies (the “**Additional Contractual Penalty**”). YEU expressly reserves the right to the already accrued Contractual Penalty when the Supplier fulfils its obligations under this Agreement after being in Delay.
- 6.5 YEU is entitled to terminate the respective Sales Contract at any time and with immediate effect, if the Supplier is in Delay pursuant to Clause 6.3 for at least 6 calendar weeks. Such termination does not affect any other rights of YEU under this Agreement.
- 6.6 A detailed delivery note shall be attached to each delivery. This note shall include the order number, order item, YEU-article description and YEU-material number, and the quantity delivered. Part, remainder and replacement consignments shall be denoted as such. YEU is responsible to provide the Supplier with the YEU-article description and YEU-material number upon the placement of an Order.
- 6.7 YEU is not obliged to accept nor to pay any unit of Contractual Products delivered by the Supplier exceeding the quantity agreed in the relevant Sales Contract. YEU is obliged to return such volumes to the Supplier at the Supplier’s expense and risk except agreed otherwise individually.
- 6.8 Title to the Contractual Products passes to YEU after full payment by YEU in accordance with the relevant Incoterms 2020 which apply to the delivery pursuant to Clause 6.1.
- 6.9 The Parties are not liable to each other for losses resulting from delay or non-performance



attributable to force majeure, including, without limitations, natural disasters, governmental decisions or decisions of any competent authority or agency and war.

6.10 The Supplier will keep a buffer stock of Contractual Products of one (1) month order quantity. Therefore the delivery time should be at latest five (5) Business Days. If the order quantities exceed the forecast quantities the Supplier shall try to deliver as soon as possible, latest within four (4) weeks after placing the Order.

## **7. INCOMING GOODS INSPECTION AND QUALITY ASSURANCE**

7.1 YEU shall duly inspect the Contractual Products upon delivery for any Defects, discrepancy of the delivered quantity to the ordered quantity and damages to the packaging. The Supplier undertakes to inspect the Contractual Products prior to shipment. YEU is not obliged to conduct a functionality test of the Contractual Products upon delivery.

7.2 Claims for shortage, errors in delivery or Defects apparent on visual inspections must be made in writing by YEU within five (5) Business Days after discovery. Hidden transport damages shall be notified within ten (10) Business Days after Discovery of the damage. All required documents (e.g. shipping documents, pictures of damaged Contractual Products) shall be sent to the Supplier without undue delay upon request.

7.3 The Supplier undertakes to ensure that the production facility for the Contractual Products complies with the requirements of the quality standard ISO 9000 ff. in the most recent version and other standards, which are customary for the Contractual Products in the market segment automotion/mechatronic equipment used by YEU. YEU shall inform the Supplier of all standards which are applicable in a country into which YEU wishes to supply its products that incorporate the Contractual Products, insofar as these standards go beyond the standards which are applicable within the European Union.

7.4 The Parties shall use commercially reasonable best efforts to ensure that YEU achieves continuous quality improvements in respect of the Contractual Products. Therefore the Parties shall closely cooperate in order to remedy any defect of the Contractual Products and to avoid warranty or product liability cases.

7.5 The Supplier is obliged to maintain test records and inspections and test schedules, and to make these available to YEU at YEU's request. The Supplier will retain these records for at least ten (10) years from the delivery of the respective Contractual Products.

7.6 YEU is entitled to inspect all Contractual Products currently being produced for YEU and the

production facilities and production plants of the Supplier in which Contractual Products for YEU are produced during normal business hours after prior notification and to the extent such inspection does not have any negative effect on the respective production facility's or plant's operation, in order to review the actions and activities of the Supplier in respect of the agreed quality warranty of the Contractual Products. YEU shall be liable for any damage caused by YEU's employees during such inspections.

## **8. PRODUCT SURVEILLANCE, TECHNICAL SUPPORT AND CONSULTING**

- 8.1 The Supplier will take the economic actions to have standard up-to-date technology at its sole discretion during the term of this Agreement and with regard to the manufacturing of the Contractual Products, and undertakes to incorporate this know-how in the Contractual Products, as far as it deems appropriate.
- 8.2 The Supplier undertakes to continuously monitor, review and further develop the Contractual Products.
- 8.3 The Supplier undertakes in particular to inform YEU immediately if it becomes aware of a series of Defects in any Contractual Products already delivered to YEU or a sub-supplier and about the necessary measures to remedy the Defects, free of charge, during the warranty period.
- 8.4 The Supplier undertakes to support and advise YEU at its request in a suitable form in solving problems with the Contractual Products, and to provide YEU with any other reasonable form of support. Extra costs due to YEU's request for support or for solving any problem with regard to the Contractual Products, which does not give rise to any warranty claim, shall be subject to the Parties' mutual written agreement prior to the provision of such support by the Supplier to YEU. The Supplier is not obliged to provide YEU with such support, unless the Parties agreed on the bearing of any costs.

## **9. ALTERATIONS TO THE CONTRACTUAL PRODUCT OR PRODUCTION MODIFICATIONS**

- 9.1 The Supplier shall advise YEU of new technical developments and improvements in connection with Contractual Products. YEU may, in its sole discretion, request the delivery of improved Contractual Products instead of the Contractual Products already ordered, provided that YEU shall reimburse the Supplier for all costs incurred with regard to the Contractual Products already ordered and all costs and expenses due to the manufacturing and delivery of the improved Contractual Products. If YEU elects to purchase improved Contractual Products, the Delivery Dates agreed for the supply of the originally ordered Contractual Products shall

become invalid and the Parties may negotiate new delivery dates for the supply of the improved Contractual Products. Prices and delivery dates of the improved Contractual Products are separately negotiated between the Parties.

- 9.2 The Supplier requires YEU's prior written consent for all technical modifications which have a negative effect on the quality of the Contractual Products or any effect on the specifications. The Supplier shall inform YEU before any such change in writing. The Supplier undertakes to produce the Contractual Products or Follow-Up Models of the Contractual Products, which have substantially similar technical specifications and characteristics for a period of six (6) years after the first delivery to YEU under this Agreement except discontinuation of the Contractual Product pursuant to clause 14 of this Agreement.
- 9.3 The Supplier undertakes to comply with all applicable UL or EU standards for the use of the Contractual Products (e.g. CE, REACH, UL, cUL and RoHS).
- 9.4 In case of any technical alterations to the Contractual Products in accordance with clause 9.1, 9.2 and 9.3 of this Agreement before commencing the deliveries the Supplier shall deliver a sample of the altered Contractual Product to YEU. YEU shall test sample in all respects which deem to be appropriate for YEU. The Parties shall then agree on all technical aspects of the delivered and tested sample as being the basis for the respective Contractual Products to be delivered in the future.

## 10. DOCUMENTARY MATERIAL

- 10.1 The Supplier will draw up and deliver the following documents in English to YEU:
- (a) sales documentation (delivery note, invoice, EUR1, long term suppliers declaration, country of origin, etc.);
  - (b) elementary drawings necessary for machine design (datasheet etc.); and
  - (c) operating instructions manufacturer's declaration RoHS and UL-conform etc.)
- (10.1 (a), 10.1 (b) and 10.1 (c) together the "**Documentary Material**").
- 10.2 The Documentary Material must be supplied to YEU in two (2) copies prior to the first delivery. The test reports/certificates on quality assurance must be forwarded to YEU on request.
- 10.3 In the event of modifications in design and finish, the Supplier will deliver amended Documentary Material, if any in two (2) copies of modified Contractual Products.

## 11. WARRANTY

- 11.1 The Supplier grants YEU full legal and material warranty. Even in the case of 24 hours/day operation on 365 days a year, the warranty period is three (3) years and commences with the delivery date of the Contractual Products.
- 11.2 The Supplier is liable for the faultless condition and fitness of the Contractual Products both for their customary use and for warranted properties of the Contractual Products. The Supplier warrants in particular that all deliveries correspond to the products approved by YEU and to general technical rules. The Parties shall agree on the technical specifications prior to any Order. The properties listed in the Specifications are deemed to be warranted according to the relevant technical specifications (Data Sheet). Furthermore, the Supplier warrants that the Contractual Products fulfil the requirements in respect of material and loading and comply with the standards and the safety, environmental and other regulations in the EU which have to be observed. The Contractual Products to be supplied must be faultless in quality and free of Defects.
- 11.3 In case of any Defect of a Contractual Product:
- (a) The Supplier may deliver replacements of the Defective Contractual Products or repair the Contractual Product in order to remedy any Defect (“**Subsequent Performance**”) as long as the Supplier is responsible for the Defects; and
  - (b) YEU may, after the Subsequent Performance pursuant to Clause 11.3(a) failed for at least two (2) times or the Supplier finally refuses any Subsequent Performance, either terminate the relevant Sales Contract, reduce (*mindern*) the Purchase Price for the relevant Contractual Product or purchase a replacement of the Defective Contractual Product from a third party at the Supplier’s expenses.
- 11.4 The Supplier shall only be obliged to Subsequent Performance if the Supplier receives a notification of the Defect in reasonable detail. The Supplier may, in its sole discretion, request YEU to return at the Supplier’s costs any Defective Contractual Product or, if a return would result in unreasonable costs, allow the Supplier to inspect the Defective Contractual Product.
- 11.5 In case of Subsequent Performance, the warranty period for such Subsequent Performance, including any spare parts or replacements delivered in connection with the Subsequent Performance is 36 months.
- 11.6 YEU shall return Defective Contractual Products to the Supplier at the Supplier’s costs, if the Defect is the Supplier’s fault.

11.7 YEU shall be compensated for any direct damages, including time spent, travel expenses, daily allowances, transportation costs, excluding consequential and other indirect damages, arising in connection with the Defect. Any compensation costs have to be agreed between both Parties in prior written agreement. All costs must be documented and a set of copies has to be handed over to the Supplier. Each Party shall take reasonable measures to mitigate any damages and the incurrance of any costs; section 254 of the German Civil Code is applicable.

## **12. PRODUCT LIABILITY**

12.1 The Supplier shall indemnify YEU for all claims of damages made by third parties - especially for claims arising from product liability legislation - which are asserted against YEU due to a Defect in a Contractual Product, which is solely attributable to the Supplier or an affiliated company of the Supplier.

12.2 For the duration of its contractual obligations, the Supplier shall maintain an employee and product liability insurance which covers the risks arising from liability at least to the following extent:

- (a) minimum limit of EUR 5 million per year;
- (b) local validity worldwide incl. USA/Canada;
- (c) including installation and dismantling costs.

The Supplier shall provide YEU with evidence of such insurance coverage upon request.

## **13. LIMITATION OF LIABILITY**

13.1 The Supplier shall only be liable for wilful misconduct, gross negligence and the negligent breach of any material obligation.

13.2 All claims of YEU in connection with this Agreement against the Supplier shall become time-barred within two (2) years.

## **14. DISCONTINUATION OF PRODUCTS.**

The Supplier undertakes to inform YEU of any discontinuation of production of any Contractual Products with twelve (12) months' written notice. The discontinuation of a Contractual Product shall not affect the Supplier's obligation to supply YEU with the respective Contractual Product in the amount the Parties have agreed on in a Sales Contract.

## 15. CONFIDENTIALITY

- 15.1 The Parties undertake for themselves and their employees to maintain confidentiality in respect of all technical, commercial and other information of each Party which comes to their attention directly or indirectly in connection with the conclusion of this Agreement or any Sales Contracts. This includes without limitation any document, data, sample, tool, die, drawing, plan, calculation, product specification, data sheet, price list, intellectual property right and any other information regarding a Party which is either marked confidential or deemed confidential from the circumstances of disclosure (the “**Confidential Information**”).
- 15.2 The Supplier undertakes to use Confidential Information provided by YEU only in YEU’s interests or for the purposes of this Agreement, not to utilize them for other purposes than the production and delivery of Contractual Products to YEU, nor hand them over, nor make them available either wholly or in part to third parties, nor to use them in the interests of third parties.
- 15.3 The Supplier is obliged to keep specifications supplied by YEU confidential; in particular they may not be incorporated into products which will be supplied to third parties.
- 15.4 If the Supplier engages an external sub-contractor, the Supplier shall impose an obligation of confidentiality similar to the obligation pursuant to Clauses 15.1, 15.2 and 15.3 on the sub-contractor. The Supplier shall disclose the name of the sub-contractor at YEU’s request and any information reasonably requested by YEU. The Supplier is legally liable towards YEU for the sub-contractors.
- 15.5 The contents of this Agreement shall not be disclosed to third parties by either Party without the other Party's prior written consent.
- 15.6 During the term of this Agreement each Party shall not disclose the content of this Agreement either wholly or in part to a third party unless (i) required to do so by applicable law, governmental or other regulation, a court decision or a governmental order to make a disclosure, (ii) the Parties shall have agreed in writing to make such disclosure, (iii) the Party’s employees and affiliates need the Confidential Information, as far as necessary for their performance under this Agreement or the Sales Contract or (iv) this third party is subject to a professional secrecy obligation, in their professional capacity.
- 15.7 Upon written request by the disclosing Party, the receiving Party shall as soon as reasonable practicable at its election either return the Confidential Information to the disclosing Party or destroy all originals and copies of Confidential Information in its or its representatives’ possession and confirm to the disclosing Party in writing (including by email) that it has

complied with this clause 15.8.

- 15.8 Provided that the receiving Party may retain copies of Confidential Information that it is required to retain by law, regulation or for internal bona fide compliance purposes and any computer records or files containing Confidential Information that have been created pursuant to the receiving Party's automatic archiving and back-up procedures and the removal of which is not technically reasonable, provided that in such cases any Confidential Information shall remain subject to the confidentiality provisions of this Agreement and no attempt is made to access such Confidential Information.
- 15.9 The obligation to maintain confidentiality does not apply to information which
- (a) is or becomes publicly known through no fault of the receiving Party;
  - (b) is disclosed to the receiving Party by a third party without any obligation of confidentiality towards the disclosing Party; or
  - (c) was already demonstrably known to the receiving Party at the time of receipt.
- 15.10 This Clause **Error! Reference source not found.**15.10 shall continue to apply for a period of three (3) years after the termination or expiration of this Agreement and all Sales Contracts.

## **16. OWNERSHIP AND TREATMENT OF DOCUMENTS, TOOLS, ETC.**

- 16.1 All documents, data, samples, tools, dies, drawings, etc., handed over to the Supplier from YEU and created by YEU remain property of YEU. They must be treated, cared for and kept carefully by the Supplier at its expense, insured appropriately and returned to YEU after termination of this Basic Purchase Agreement or on request during the term of this Basic Purchase Agreement. They must not be used for the production of products for third parties.
- 16.2 The Supplier shall not sell or dispose any tools, dies, moulding models, test equipment etc., which are property of the Supplier and required for production of the Contractual Products without prior written consent by YEU.

## **17. EFFECTIVE DATE AND TERMINATION**

- 17.1 This Basic Purchase Agreement comes immediately into effect on the date of signing by both Parties and has an unlimited term.
- 17.2 It may be terminated by either Party with six (6) months' written notice to the end of a calendar quarter. The right of both Parties of an extraordinary notice of cancellation remains unaffected.
- 17.3 This Agreement may be terminated for good cause with three (3) months' written notice by

either Party at any time. A Party is entitled to terminate the Agreement for good cause if the other Party breaches a material contractual obligation under this Agreement or a Sales Contract and did not remedy the breach of contract or compensate the other Party from all losses resulting from such breach within 30 days after receiving written notice of the breach.

17.4 The provisions of this Agreement which shall survive termination of this Agreement by their nature are not affected by its termination and remain effective.

## **18. CONSEQUENCES OF TERMINATION**

If a Party gives notice of termination, all existing orders must be fulfilled by YEU and supplied by the Supplier in accordance with the respective Sales Contract.

## **19. APPLICABLE LAW AND JURISDICTION / COURT OF ARBITRATION**

19.1 This Agreement and the Sales Contracts to be concluded pursuant to this Agreement are subject to the laws of the Federal Republic of Germany.

19.2 The Parties agree that they will first endeavour to reach an out-of-court settlement of any disputes arising from or in connection with this Agreement or the Sales Contracts to be concluded pursuant to it. If the Parties could not reach any settlement agreement, the courts at Frankfurt/Main shall have exclusive jurisdiction.

## **20. OTHER PROVISIONS**

20.1 This Agreement is written in the English language (except that Exhibits may be in the German language). Terms to which a German translation has been added shall be interpreted within the meaning assigned to them by the German translation alone and not the English term.

20.2 Amendments and additions to this Agreement and its Annexes are only valid if made in writing and signed by both Parties. This also applies to an agreement to waive this stipulation of the written form.

20.3 The assignment of rights and the assumption of obligations deriving from this Agreement and the contracts of sale under this Agreement require the written consent of the counter Party.

20.4 The following Annexes form an integral part of this Basic Purchase Agreement:

- (a) **Annex 1:** Contracting Parties;
- (b) **Annex 2:** Annual forecast quantities and 6 Month Rolling Forecast; and
- (c) **Annex 3:** Contractual Products and Pricing.



20.5 Both Parties will refrain from asserting and applying any general conditions of business or other general terms and conditions, even if such conditions appear on forms used for purchase transactions under this Agreement, or reference is made to such conditions. The Supplier keeps YEU free of any rights of third parties. YEU will not be responsible for any patent and/or intellectual property rights of any third party. Any costs occur due to such claim shall be borne by the Supplier.

20.520.6 Supplier further acknowledges having read and understood Yaskawa's Code Of Conduct Business Partners that is published on the Website of YEU (<https://.....>). Supplier warrants that it will fully comply with the rules and standards set out in this Code of Conduct and recognizes that the principles of the Code of Conduct shall be part of YEU's Supplier Audits. In addition YEU shall have the right to request a report of Supplier with regards to Supplier's duties based on UK Modern Slavery Act, the German Sorgfaltspflichtengesetz or other similar laws dealing with compliance duties in the supply chain.

20.620.7 If it is alleged at any time that the Products infringe the rights of any third party or if such an allegation is likely to be made, the Supplier may at its option and at its own expense:

- (a) modify or replace the Products to avoid the infringement without adversely affecting the business operations of YEU; or
- (b) procure the right to continue the use of the Products by YEU.

20.720.8 Should any provision of this Agreement be or become, or be deemed to be or become, invalid or unenforceable as a whole or in part, the validity and enforceability of the remaining provisions shall not be affected thereby. Any such invalid or unenforceable provision shall, to the extent permitted by law, be deemed replaced by such valid and enforceable provision as comes closest to the economic intent and purpose of such invalid or unenforceable provision. The same shall apply in the event that this Agreement contains any gaps (*Vertragslücken*). It is the express intent of the Parties that this Section ~~20.819.1~~ shall not be construed as a mere reversal of the burden of proof (*Beweislastumkehr*) but rather as a contractual exclusion of Section 139 of the German Civil Code (*BGB*) in its entirety.

[Signature page follows]

XXX, XX.XX.XXXX

SUPPLIER.

Eschborn, 16.05.2014

Yaskawa Europe GmbH

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XXXXXXXXXX

Managing Director

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Manfred Stern

President Yaskawa Europe

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XXXXXXXXXX

Head of Sales

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i. V. Frank Elschker

Head of Purchasing and Logistic Europe

## Annex 1 – Contracting Parties

**Supplier:**

XXXXXXXXXX

XXXXXXXXXX

XXXXXXXXXX

and

**YEU:**

YASKAWA Europe GmbH

Hauptstrasse 185

D-65760 Eschborn

**Annex 2 :**

**None-binding forecasts: Annual forecast quantities and 6 Month Rolling Forecast**

**Annex 3: Contractual Products and Pricing (Cables)**