

General Purchasing Conditions (GPC) of Autoliv

Article 1 General Provisions

1. The legal relationship between Supplier and Autoliv shall be subject to these General Purchase Conditions (GPC) unless otherwise agreed upon in writing between Autoliv and Supplier. Autoliv herewith explicitly rejects any special or general terms and conditions of Supplier. Further the Supplier shall undertake to adhere to all provisions in the Autoliv Supplier Manual (ASM), which can be found on www.autoliv.biz. Supplier shall be obligated to point out in his offer any deviation from the requirements of the ASM or any inquiries of Autoliv, from production samples, substitute samples, from specifications or invitations to tender transmitted to Supplier or made available in connection therewith by referring explicitly to each individual deviation. Otherwise, the ASM, specifications and invitations to tender by Autoliv shall be considered as part of Supplier's offer.

2. Modifications of and additions to the contract as well as agreements, oral subsequent agreements and undertakings of any kind, including statements made by employees, shall be subject to written confirmation in order to become effective and binding. Further any respite and any deadline shall be in writing. The written form may be replaced by an encoded internet based system or a remote data transmission system.

3. If a main contract or framework contract is concluded, which incorporates these GPC any business transaction performed under or in connection with the main contract or framework contract shall also be governed by the GPC.

4. The incorporation and interpretation of the GPC as well as the conclusion and implementation of any transaction with Supplier shall be exclusively governed by the laws of the country in which the relevant purchasing Autoliv Company is incorporated. The provisions of the UN Convention on Contracts for the International Sale of Goods shall in no event be applicable.

5. Any delay or failure of either party to perform its obligations shall be excused if Supplier is unable to produce, sell or deliver, or Autoliv is unable to accept delivery, buy or use, the goods covered by these GPC, as the result of an event or occurrence beyond the reasonable control of the party and without its fault or negligence, including but not limited to, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labour problems (including lockouts, strikes and slowdowns), inability to obtain power, material, labour equipment or transportation, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party as soon as possible after the event or occurrence (but in no event more than ten (10) days thereafter and always also when a shipment is missed). During the period of such delay or failure to perform by Supplier, Autoliv, at its option, may purchase goods from other sources and reduce its schedules/Purchase Orders to Supplier by such quantities, without liability to Supplier, or have Supplier provide the goods from other sources in quantities and at times requested by Autoliv, and the price set forth in the relevant Purchase Orders. In addition, Supplier at its expense shall take such actions as are necessary to ensure the supply of goods to Autoliv for a period of at least 30 days during any anticipated labour disruption or resulting from the expiration of Supplier's labour contracts. If requested by Autoliv, Supplier shall within ten (10) days, provide adequate assurances that the delay shall not exceed 30 days. If the delay lasts more than 30 days or Supplier does not provide adequate assurances that the delay will cease within 30 days, Autoliv may immediately terminate any relevant purchase order without liability.

6. Any dispute, controversy or claim arising out of or in connection with a supply made under these GPC, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Rules of Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce. The place of arbitration shall, if the parties do not agree otherwise, be where the relevant Autoliv Company is incorporated. Autoliv shall however always be entitled to seek and apply for a court order for an injunction or any similar instrument in any relevant jurisdiction should the circumstances so require.

7. Should any provision of these GPC or of any other additional agreement be or become ineffective or invalid, the rest of the contract shall remain valid. The parties shall undertake to replace such provision governing the same area of concern by another provision, commercially similar and equal with the original provision.

Article 2 Purchase Orders

1. Delivery agreements (purchase order and acceptance of the purchase order) and delivery calls as well as their modifications and additions shall be in writing. Delivery calls and dispositions may be transmitted by an encoded internet based system or a remote data transmission system.

2. Autoliv shall be bound to its Purchase Orders for a period of [14] days beginning with the respective date of issue.

3. Any deviation from the purchase order and any modification shall become valid only if Autoliv has confirmed and agreed on such deviation or modification in writing.

4. Supplier may not delegate any purchase order or contract to third parties (sub suppliers) unless Autoliv has given its prior written consent thereto. Any use of a third party as sub supplier shall not release Supplier from its warranties and liability to Autoliv. Due to the extremely high quality and safety requirements of the automobile industry Supplier shall ensure and shall warrant to Autoliv that any subcontractor fulfils the quality requirements set forth by Autoliv and/or any customer of Autoliv as further described in ASM.

5. Any modification of the type or composition, or the like, of the ordered goods or of the material to be used as agreed for the execution of the order as well as any modification in the construction, manufacturing process or measurement deviating from the technical standards provided, drawings or explanations of Autoliv requires the prior written consent of Autoliv.

6. Autoliv may at any time request Supplier to make reasonable modifications in the construction and design of the goods as well as adjustments of the volumes/quantities of the goods. Autoliv and Supplier shall, through mutual consent, solve any effects caused by such request, especially with respect to any possible increase or reduction of costs or with respect to delivery dates.

7. After having obtained the prior written consent of Autoliv, any Autoliv Company affiliated with Autoliv may, instead of the original issuing Autoliv Company, order goods directly from Supplier according to the provisions of the contract concluded with Autoliv until delivery capacity has been reached. The invoice for the goods so ordered shall be submitted to the Autoliv Company having ordered the goods. Should such change have any effect to costs or timing, the Supplier and the ordering or lead buyer Autoliv Company shall through negotiations conclude on a mutually accepted solution.

Article 3 Delivery

1. Time is of significant essence in the Automotive Industry. Therefore deadlines and delivery schedules are absolutely binding. Any production stoppage with the customers of Autoliv could result in unforeseeable damages being claimed by the customers. All deliveries shall therefore be performed in accordance with the ASM standards in the ASM.

2. The INCOTERMS 2010 shall apply. To the extent, the purchase order or order does not include any details about delivery and dispatch, delivery shall be made FCA or DAP (due to agreement). Supplier shall make the goods available in due time by taking into account the usual periods for loading, dispatch and unloading.

3. As soon as Supplier assumes or should be able to assume that a delivery date cannot be kept as agreed upon, Supplier shall - irrespective of the reasons of the delay - immediately give Autoliv notice thereof and shall indicate the reasons and the supposed duration of the delay. If such notice is made in due time an adequate period of grace may be granted by taking into account the operational requirements of Autoliv and the statutory obligations. If Supplier

however fails to comply herewith Supplier shall not be allowed to refer to any Force Majeure event, as listed in section 1.5 below or any other impediment event as an excuse for a non-compliance of the delivery schedule.

4. If delivery is not made in due time, failure to do so will constitute a material breach of the contract, Autoliv may terminate the contract with immediate effect. Autoliv shall also be entitled to claim for damages including, but not limited to any cost associated with procuring the products from another source from Supplier. Alternatively, Autoliv may choose to insist on delivery provided that Supplier is given immediate notice thereof and to assert the statutory claims due to the delay.

5. Supplier shall be under the obligation to compensate Autoliv for all damages sustained due to the delay, attributable to the Supplier as above.

6. Prior to delivery or pick-up respectively, Supplier shall mark the goods in accordance with the rules in the ASM.

7. Initial deliveries shall be marked as such on the delivery note and on the packaging.

8. In case of incorrect labels or packing of the goods, including incorrect identification in the dispatch documents, Supplier shall compensate Autoliv for the costs incurred thereby.

9. Autoliv may request Supplier, at its cost, to adjust delivery modalities and the data included in the delivery note according to the operational requirements.

10. Supplier undertakes, when requested by Autoliv, to provide spare parts or service parts of components and products to Autoliv for a period of fifteen (15) years after termination of the production of a specific Autoliv product.

Article 4 Payment

1. Autoliv will not, which is in line with trade practice in the Automotive Industry, compensate Supplier for any quotations or estimates made.

2. Supplier shall issue to Autoliv an invoice for each delivery according to the delivery note unless the credit note procedure has been agreed upon. Invoices shall be submitted without undue delay. If not submitted within one year after delivery Supplier is not entitled to collect the payment.

3. Payment shall be made by bank transfer on the following terms provided always that the terms below are legally enforceable: Free delivery month plus ninety three (93) days, unless otherwise agreed in writing. In case of an acceptance of a delivery made earlier than scheduled, maturity shall be determined by the delivery date originally agreed upon. Supplier shall be informed of the account balance in the payment note. Autoliv shall be informed without delay of any discrepancies.

4. Prices shall be excluding VAT or any other applicable tax or governmental fees or custom duties. The invoice shall explicitly state packaging and prices shall include proper packaging as well as shipment in case of pick-ups. (Supplier shall undertake to collect the packaging material or to bear the costs for its disposal, at Autoliv's sole discretion.)

5. In case of faulty and non-fulfilling performance, Autoliv is entitled to retain payment owed proportionally to the fault or defect until proper fulfilment has occurred and/or deduct or take a set off from any account balances owed to Supplier.

6. Supplier may not assign its claims against Autoliv to third parties or have them collected by third parties without prior written consent of Autoliv, which may not be unreasonably withheld or delayed. If Supplier nevertheless assigns its claim against Autoliv to a third party without having obtained the above-mentioned consent such assignment shall be effective provided, however, that Autoliv may render payment with releasing effect to either the Supplier or the third party, as Autoliv may choose.

7. Autoliv may set off Supplier's claims with counterclaims and/or may assert any right to retention which Autoliv is entitled to against Supplier even in case the due dates of the reciprocal claims do not correspond with each other.

8. Payments by Autoliv shall never be considered as a waiver of warranty claims.

Article 5 Notice of Defect

Autoliv shall give Supplier notice in writing of any defect of a delivery as soon as such defect has been discovered in due course of business. Supplier acknowledges that Autoliv will not inspect incoming goods for compliance with specifications. Supplier, to this extent, waives his objection of a delayed notice of defect.

Article 6 Quality and Documentation

1. Supplier shall observe the acknowledged rules of technology, the safety regulations, the quality guidelines in the ASM and the agreed upon technical data for his deliveries.

2. To the extent public authorities which are responsible for vehicle safety, exhaust regulations or the like, request, for control purposes, access to the production procedure and the inspection documents of Autoliv Supplier shall, upon request of Autoliv, grant such authorities the same rights and to provide every reasonable support hereby.

Article 7 Warranty

1. Supplier warrants that the delivered goods are free of defects, that the delivered goods are produced correctly and properly, that the production method, the construction and the processing correspond to the latest best available knowledge and technology, that assembly is immaculate, that the safety regulations are observed, that the performance agreed upon is achieved and that the delivered goods correspond with the specifications as agreed upon. Supplier's warranty shall also cover the goods procured by Supplier from subcontractors or sub suppliers.

Irrespective of any further statutory or contractual rights, Supplier shall inform Autoliv, in writing and without delay, if Supplier obtains knowledge of a possible default or defect of the delivered goods even if such default or defect has not yet been verified.

2. In case of delivery of defective goods Autoliv is entitled to, in addition to any other remedy that might be available under the relevant jurisdiction, the following:

a) Prior to the start of production, Autoliv shall first give Supplier the opportunity to sort out the defective goods and to sort the defects or to make a subsequent (substitute) delivery unless this is unreasonable for Autoliv. Should Supplier not be able to do this or should Supplier fail to comply without delay Autoliv shall, to this extent, be entitled to immediately terminate the contract (purchase order) without any further period of notice and to return the goods to Supplier at the risk and cost of Supplier. In urgent cases, Autoliv may eliminate or make good the defects itself or may have a third party eliminate or make good the defects after having consulted with Supplier. Supplier shall bear any costs incurred thereby. Should the same goods be delivered with repeated defects, Autoliv shall be entitled - after submitting a properly written notice to the Supplier - to terminate the contract (purchase order) in its entirety, also with respect to the non-delivered volume, if and when there has been a further defective delivery.

b) Should the defect be discovered after start of production, Autoliv shall be entitled, to compensation for the expenses incurred in the course of replacement of defective parts, including but not limited to the transportation costs as well as removal and installation costs (labour costs; costs for material), the Supplier being responsible for providing the replacement parts, or shall be entitled to reduce the purchase price. Autoliv shall also have the right to resource goods (according to ASM).

c) Autoliv shall also, unless otherwise agreed, be entitled to statutory damages and reimbursement claims for the replacement or repair of defective goods, including consequential damages. Consequential damages shall include any damage sustained by Autoliv, due to the delivery, besides the delivery of defective goods. Such damages shall always be limited to the annual delivery value for the preceding year, per occurrence.

d) Supplier shall indemnify and hold Autoliv harmless for any material and labour costs which have been either incurred by Autoliv in vain prior to the discovery of the defect or which have to be reimbursed by Autoliv to third parties.

e) Should there be any other breach of the contract, not related to delivery of defective goods (inter alia of the duty of information, of consultation or of inspection) Autoliv shall, unless otherwise agreed, be entitled to claim compensation for the damages sustained by such breach, including consequential damages as well as the reimbursements made by Autoliv according to law to its customers for their consequential damages. Such damages shall always be limited to the annual delivery value per occurrence.

3. Autoliv shall, upon request, make available to Supplier at Supplier's expense the parts which are to be replaced by Supplier without delay.

4. The warranty period during which the above warranty will apply shall be the greater of:

a) 30 months commencing on the date upon which Autoliv received the goods, or

b) the duration of the warranty period extended by Autoliv to its Customer with respect to the product into which the goods have been incorporated or,

c) the period commencing on the date upon which Autoliv received the goods and ending on the date on which the vehicle into which Autoliv's products has been installed has been driven 100,000 km. The warranty period shall in no event be greater than (36, 42, 48) months

With respect to goods for utility vehicles the statute of limitation shall apply unless otherwise agreed upon.

5. The claims of Autoliv against Supplier shall be reduced proportionally to the extent the defect has been caused by Autoliv or a third party, for whom Autoliv is responsible, not observing an operation, maintenance or installation instruction, by inadequate or improper use, by incorrect or negligent treatment and by usual wear and tear as well as by intrusion of Autoliv or of a third party into the delivered item.

6. In case of a defective delivery, any claims of Autoliv against Supplier based on any relevant product liability legislation or any relevant law of torts or on agency of necessity or on statutory recourse shall remain unaffected by this Article 7.

Article 8 Liability

1. Should any third party claim damages against Autoliv based on statutory liability which is independent of a fault and which is not subject to disposition by the parties, Supplier shall indemnify Autoliv from the claims to the extent Supplier has caused the defect or alleged defect or Supplier is directly liable towards the third party.

2. Claims of Autoliv shall be reduced or limited proportionally to the extent the damage has been caused by Autoliv's fault in not observing operation, maintenance and installation instructions, incorrect or improper use, incorrect or negligent treatment, by usual wear and tear or incorrect repairs.

3. Supplier shall undertake to procure product liability insurance and recall costs insurance sufficient and adequate for the total business of the Supplier and to verify such coverage by submitting a copy of the insurance policies respectively which state the amount of coverage.

4. Autoliv shall inform and consult with Supplier without delay and comprehensively if Autoliv asserts damages against supplier according to the before mentioned provisions. Autoliv shall, to the extent possible, give Supplier the opportunity to examine the damage event. The parties will co-ordinate the measures to be taken, in particular in case of settlement negotiations.

Article 9 Industrial and Intellectual Property Rights

1. Delivered goods shall be free of any rights of third parties. The goods to be delivered by Supplier are products supplied to the automobile industry and distributed and used on an international level, especially in the countries of the EU and the European Economic Area, the U.S.A., Canada, Mexico, Japan, China, Taiwan, India and the countries in South America. For this reason, Supplier warrants that, by the use, the installation and the sale of the delivered goods, an existing industrial property right or industrial property right application (hereinafter called together "Industrial Property Rights") in the above-mentioned countries and worldwide will not be infringed.

2. Supplier shall be liable towards Autoliv for any damage that results from the use, the installation or the sale of the delivered goods due to an infringement of any right of third parties. Should a third party assert any such claims against Autoliv or its customers, Supplier shall undertake to indemnify and hold harmless Autoliv and its customers from such claims upon first request of Autoliv. Supplier's obligation to indemnify shall also cover any expenses necessarily incurred by Autoliv due to or in connection with such assertion by a third party.

Supplier shall undertake to assist Autoliv and its customers in any legal proceedings which are instituted against them due to the infringement of Industrial Property Rights; in particular, Supplier shall join such legal proceedings at his own expense.

3. The parties undertake to inform each other without delay of infringement risks and alleged infringements which come to their knowledge and to give each other the opportunity to counteract such claims by mutual consent.

4. Upon request of Autoliv, Supplier shall give notice of the use of published or non-published Industrial Property Rights, being owned by Supplier or licensed by Supplier, and of Industrial Property Right applications with respect to the item to be delivered.

5. Should Autoliv receive notice that ordered or delivered goods infringe Intellectual Property Rights, Autoliv shall be entitled to claim damages for non-fulfilment and to withdraw from the contract unless Supplier obtains for Autoliv the right by way of license, at Supplier's cost and expense or verifies such right to use and to sell the goods without any hindrance within an adequate period of grace.

6. In the event of a termination, caused by Supplier's incapability to deliver or due to its unwillingness to deliver, of any supply agreement Autoliv shall be granted a world-wide, irrevocable, perpetual, non-exclusive and royalty-free right and license to make or have made the goods or Products made under any Purchase order by Supplier, should Autoliv so require. The same shall apply to any tool used by Supplier.

7. In the event the Supplier intends to apply for protection of any innovation as regards (such as but not limited to) materials, designs, processes, technologies, methods that are attributable to an Autoliv system, product or component and any methodology for their manufacturing the Supplier shall without undue delay seek the approval of Autoliv for such application.

Article 10 Use of Production Means and Confidential Information of Autoliv

1. Autoliv and the Supplier have previously signed and entered into a mutual non disclosure agreement. In the event such agreement has not been concluded, the parties hereby undertake to treat any commercial and technological details, which come to their knowledge due to the business relationship and which are not publicly known, as a trade secret with strict confidence. The confidentiality obligation shall survive the termination of any purchase order plus three (3) years. Autoliv shall be entitled to claim damages from Supplier for any breach of such obligation.

2. Models, any matrix, patterns, test devices, samples, drafts, plans, drawings, cost accounting and any other production means or documents (hereinafter together called „Documents“) made available to Supplier by Autoliv or manufactured according to data provided by Autoliv shall remain the property of Autoliv; Supplier and Autoliv mutually agree that the title of ownership of Documents, which originally are not owned by Autoliv shall be transferred to Autoliv upon acceptance and that Supplier shall keep the Documents for Autoliv free of charge. Such Documents may not be given and may not be made accessible to unauthorized third parties. They may only be used for the execution of the orders placed by Autoliv and may only be released for the use by third parties if and when Autoliv has given its prior written consent. The reproduction and any other use of such Documents shall only be permissible within the operational demands and by observing the copyright provisions. The same shall apply *mutatis mutandis* to Documents which are the property of Autoliv's customers. Such Documents shall remain the property of Autoliv's customers respectively and shall be treated like Documents of Autoliv. Subcontractors shall be obligated accordingly. Any document provided by Autoliv to the Supplier must be returned at any time upon demand or at the latest when production of the relevant component has ceased.

3. Supplier shall be responsible for the inspection of the usability of the Documents. Supplier shall be liable for any damage, deterioration and any loss; Supplier's liability shall be irrespective of his fault if the usage exceeds the usual degree.

4. Any advertisement with respect to their business relationship by a party shall be subject to the other party's prior written consent.

Article 11 Tooling

1. Except as otherwise expressly agreed by Autoliv, Supplier shall its own expense, furnish, maintain and replace (when necessary) all tools, jigs, dies, gauges, fixtures, molds, patterns and equipment (hereinafter Tooling) necessary for the production of goods or the performance of services to be supplied to Autoliv hereunder, Supplier shall insure such Tooling with full fire and extended coverage for the replacement value thereof.

2. Supplier grants Autoliv an irrevocable option to take possession of and title to any Tooling that are special for the production of the goods or the performance of services hereunder upon payment to Supplier of the book value thereof less any amounts that Autoliv has previously paid to Supplier for the cost of such Tooling, provided however, that this option shall not apply to the extent such Tooling are used to produce goods that are general inventory of Supplier held for sale to additional parties, other than Autoliv.

3. All Tooling furnished or paid by Autoliv, directly or indirectly, to enable Supplier to perform the obligations under any Purchase Order shall be and remain the property of Autoliv or its designee. Nevertheless, Supplier shall bear the risk of loss and/or damage to such Tooling in Supplier's possession or under Supplier's control that are Autoliv's property and shall execute and deliver to Autoliv such documentation as Autoliv may require evidencing Autoliv's ownership of such Tooling. Autoliv shall have the right to enter onto Supplier's premises at all reasonable times to inspect Tooling covered by this sub article and Supplier's records with respect thereto.

4. The Tooling under sub article 3. above shall always be properly housed and maintained by Supplier, shall not be used by Supplier for any purpose other than the performance of any relevant Purchase Order submitted by Autoliv, shall be properly marked as Autoliv's property, shall not be commingled with property of Supplier or with that of third parties and shall not be moved from Supplier's premises without the prior written approval of Autoliv.

Article 12 Special Notice by Supplier

1. The parties expressly acknowledge that the items purchased or ordered by Autoliv from Supplier represent a component that will be incorporated in a motor vehicle. The automotive industry has distinct market conditions such as competitive pricing, qualification requirements, high quality standards, recalls PPAP's just-in-time inventory, supply continuity, national and international regulations, etc.

2. Accordingly, the parties agree that Supplier shall provide at least twelve (12) months written notice in advance of any contract expiration, or of any extension, to Autoliv if Supplier unilaterally decides to cease or discontinue production of parts under any order, including at the end of such order. After notifying Autoliv of a decision to discontinue production, Supplier shall build an inventory adequate to allow a proper transition of tooling, raw materials, equipment, etc. to another Supplier. The parties will act in good faith to adopt an orderly written transition plan addressing work-in-process, raw materials, tooling, customer approvals, ramp up schedules, long-lead time items, arrangements for an alternate Supplier, etc.

3. Supplier accepts complete liability for all damages and costs, incurred or suffered by Autoliv because of Supplier's failure to provide such timely notice, breach of the contract, failure to perform or incomplete performance under the transition plan, or the parties' failure to agree on a transition plan. Supplier agrees Autoliv shall have the right to withhold any payment for any Supplier failure.

(a) Regardless of any timely notice Supplier shall not be relieved of producing parts unless and until Autoliv agrees that the transition to another Supplier has been completed and Autoliv has obtained any customer approval. Further, regardless of any timely notice, Autoliv reserves the right, and Supplier agrees without objection, to extend the term of this Contract by up to 12 months with pricing, terms, and conditions in effect at the end of this existing Contract.

(b) In addition, regardless of any special notice, transition, or exit from the business, Supplier shall retain its obligation to provide service parts unless Autoliv agrees that the obligation has been properly accepted by the successor Supplier.

Article 13 For Orders where Tooling is purchased or funded by Autoliv or Special Tooling is required

In the event Supplier exits the business, unilaterally decides to cease or discontinue production of the goods purchase hereunder, or otherwise breaches the agreement, Supplier agrees to the following:

1. Subject to Article 11 Supplier shall provide written notice to Autoliv of its intent to exit the business, or its intent to cease or discontinue production of the goods, at least twelve (12) months in advance in the event the Supplier has Tooling purchased or funded by Autoliv or special tooling is required.

2. Prior to exiting the business or ceasing or discontinuing production, Supplier will build an adequate bank of the goods so as to allow transitioning of the Autoliv tools, or construction of new tooling (if required) by new Supplier, as determined by Autoliv to meet its customer demands during the tooling transition period. Only upon Autoliv's written approval will Supplier be relieved of its obligations under this clause.

3. Supplier, at its cost and expense, agrees to retrofit all Autoliv-owned tooling to the extent necessary to prepare the tool for operation at new Supplier location.

4. In the event the Autoliv-owned tooling is unable to be retrofitted, Supplier shall, at Autoliv's option, refund all tooling charges to Autoliv, pay all costs associated with producing new tooling at new Supplier's location, and assume all costs related to its breach or to its decision to cease its performance.

5. Supplier shall reimburse Autoliv for all transportation costs incurred by Autoliv associated with transferring the tooling to the new Supplier.

6. Supplier shall provide Autoliv with all valid warranties, machining, fixtures, and tool drawings upon notice of its intent to exit the business or otherwise cease of discontinue production.

Article 14 Term and Termination

1. These GPCs shall come effective on the date when they are signed, approved and acknowledged as below, and shall continue in force until they are replaced by a new set of GPCs, unless earlier terminated as provided below.

2. Notwithstanding the provisions regarding Term under Section 1 either Party may terminate these GPCs and any Purchase Order/Contract under these GPCs and these GPCs effective immediately by notice in writing without liability to the other if the other is in material breach of the Purchase Order and/or these GPCs and, if such breach is remediable, such breach has not been remedied within thirty (30) days of written notice.

3. Notwithstanding the provisions of section 2 above Autoliv may terminate any Purchase Order based on these GPCs without liability with immediate effect by serving a written notice on Supplier in the event that Supplier: (a) becomes insolvent or bankrupt, is placed into administration, receivership or liquidation, commences proceedings to be wound up, enters into any voluntary agreement with its creditors or on the happening of any similar event according to the laws of its domicile; or (b) becomes owned by or transfers to a competitor of Autoliv all or a substantial part of its business or assets (other than for purposes of a legitimate reorganization) without Autoliv's prior written consent, which consent shall not be unreasonably withheld or delayed.

4. Autoliv has always the right to terminate any Purchase Order based on these GPCs and these GPCs for convenience giving the Supplier six (6) months notice. In such an event Autoliv and Supplier shall jointly co-operate on a smooth phasing down.