



RE: SUPPLY CHAIN PARTNERSHIP AGREEMENT

The Supplier accepting the purchase order on behalf of itself and its affiliates in (collectively, "SUPPLIER") is accepting this Supply Chain partnership agreement ("SCP Agreement") with LEAR Corporation (respective legal entity within the Lear Corporation Group issuing the purchase order) and its wiring plants affiliates in Europe and Africa (collectively, "LEAR ELECTRICAL EU&A") in case the sourcing with the SUPPLIER is confirmed by LEAR ELECTRICAL EU&A.

The Terms of this agreement are as follows:

1. Purpose

The purpose of this SCP Agreement is to reflect LEAR ELECTRICAL EU&A Supply Chain's main requirements and way of working, and to define the responsibilities between the SUPPLIER and LEAR ELECTRICAL EU&A plants for relevant supply chain matters. This SCP Agreement shall allow for the smooth and efficient flow of products from the SUPPLIER to LEAR ELECTRICAL EU&A, as well as minimize costs and sustain the competitiveness of the supply chain.

This SCP Agreement is a supplement to Lear Purchase Order Terms and Conditions which are located at www.lear.com. This document reflects Lear ELECTRICAL EU&A logistics way of working and applies to all EU&A wiring plants. Unless explicitly provided for in this LEAR ELECTRICAL EU&A SCP Agreement the Lear Purchase Order Terms & Conditions shall remain unchanged and apply to the exclusion of any other terms and conditions on which any quotation has been or will be given to LEAR ELECTRICAL EU&A or subject to which any purchase order may be accepted or purported to be accepted by the SUPPLIER.

Supplier shall meet all requirements of a World Class Supplier under the Terms and shall provide world-class competitive products in terms of cost, quality, delivery, technology and customer support

This SCP Agreement is not a sourcing agreement and only outlines the terms of our partnership in the event the SUPPLIER is ultimately sourced.

2. Ordering System- Frozen and liability period

LEAR ELECTRICAL EU&A will provide an accurate forecast via EDI (Electronic Data Interchange) based on cumulative quantities each Monday in a weekly basis for at least 21 weeks for all products supplied for the current business and new program launches with a defined start-up time.

If the weekly forecast is not transmitted, the SUPPLIER will inform Lear. If no resolution is available, SUPPLIER will automatically use the information from the previous week as the new firm order and forecast.

SUPPLIER commits to notify LEAR ELECTRICAL EU&A of any inability to meet a requested delivery no later than 48 hours after the receipt of the schedules. LEAR ELECTRICAL EU&A and SUPPLIER will work to find suitable alternative/ contingency actions where and when possible. If LEAR ELECTRICAL EU&A is affected due to the mentioned delivery inability, SUPPLIER will be held liable, and the problem will be treated as non-quality issue through SQTS.

Dates shown in the schedule are to be understood as reception date at LEAR ELECTRICAL EU&A Plants unless otherwise agreed at the launch of any new project. If standard reception date is shown in the schedule LEAR ELECTRICAL EU&A plant must advise the SUPPLIER on the applicable transportation lead time in days

LEAR ELECTRICAL EU&A will provide a 2-weeks frozen period in which no fluctuations are made in the requested quantities. This period corresponds to shipment preparation and transportation lead time.

Frozen and Liability Period					
Week 1	Week 2	Week 3	Week 4	Week 5	Week 6-21
Frozen Order (cum. Qty.) EDI reception	Frozen Order (cum. Qty.)	Forecast	Forecast	Forecast	Forecast
Auth Fab	Auth Fab	Auth Fab	Auth Fab	Auth Raw	Auth Raw

In the event of the end of life of a SUPPLIER's product ordered by LEAR ELECTRICAL EU&A or the cancellation of demand by LEAR ELECTRICAL EU&A, the following standard clauses will apply.

Authorized production days as of calculation date (Auth. Fab) – Four weeks of coverage based on cumulative quantities, where week one is the week of the receipt of the schedule.

Authorized days for the supply of raw materials and specific components supply as of calculation date (Auth.Raw) – An additional two weeks based on cumulative quantities.

If the schedule is cancelled, the SUPPLIER must provide documents within 30 calendar days from the issuance of the obsolescence program, proving that the obsolete material was produced during the authorized production days. In this case the LEAR ELECTRICAL EU&A Plant is responsible for the emission and will take charge of the material (delivery conditions are as per agreed conditions for regular deliveries), provided that the product (either finished product or raw material), is exclusively ordered and used by LEAR ELECTRICAL EU&A or used by SUPPLIER exclusively in the manufacture of product ordered by LEAR ELECTRICAL EU&A, and cannot be sold to any other customer or cannot be used in the production of any other products by the SUPPLIER.

To meet after-market demands, deliveries must be ensured for at least 15 years after EOP (End of serial production, LEAR ELECTRICAL EU&A project). The after-market price remains the same as last serial price.

In regular basis LEAR ELECTRICAL EU&A and SUPPLIER will check stock levels at LEAR ELECTRICAL EU&A and review if products can be returned to the SUPPLIER. The SUPPLIER will do its best to absorb excess stock. If products can be sold to another party, the SUPPLIER will absorb them, and LEAR ELECTRICAL EU&A will pay for transportation costs to the destination, subject to a prior agreement between the SUPPLIER and LEAR ELECTRICAL EU&A.

3. Shipments

LEAR ELECTRICAL EU&A cannot be held responsible for the performance, cost and service of SUPPLIER's nominated carriers should the SUPPLIER be responsible for any reasons for the transportation.

All FCA suppliers shall comply with LEAR ELECTRICAL EU&A transportation management model as described below:

SUPPLIER will use the free of charge LEAR ELECTRICAL EU&A web-based transport management system (TMS) "i-net" by fulfilling the following tasks:

- Ask for training and account by contacting inet@lear.com

- Checking/Adjusting the transport details daily (pick up date; quantity; dimension and weight of goods and packaging) and release the Transport Order (TO), latest the day before pick up (before 09:00AM)
- In case of customs done by the SUPPLIER, the customs documentation must be uploaded in i-net
- All ordered parts need to be prepared at 06:00 AM on the day of the collection
- Any time window needs to be agreed between SUPPLIER, LEAR ELECTRICAL EU&A and transport company
- In the event of unprepared goods, the truck will leave the SUPPLIER to meet the established time schedule. In this case the SUPPLIER is responsible to supply the goods on time at his own cost to the LEAR ELECTRICAL EU &A receiving plant
- The SUPPLIER must contact the LEAR ELECTRICAL EU &A plant if volume changes occur
- Waiting cost occurring at SUPPLIER premises will be charged back to the SUPPLIER
- Implement frequent and mixed deliveries as much as possible. LEAR ELECTRICAL EU &A will set the requirements
- FTL trucks need to be utilized 100%. Details of such load need to be agreed with LEAR ELECTRICAL EU &A plant
- Collection frequency at least one-time per week, more frequent collections need to be agreed with the receiving LEAR ELECTRICAL EU & A plant

SUPPLIER must send one ASN (Advance Shipping Notice) per shipment by EDI (EDIFACT DESADV v1.1) to the LEAR ELECTRICAL EU&A receiving plant within 20 minutes after departure from SUPPLIER facility.

SUPPLIER may never include past due orders on a regularly scheduled pick-up. Transportation for past due orders must be arranged and covered at the SUPPLIER's expense.

Extra orders must be approved by SUPPLIER with a specific lead time. SUPPLIER will provide detailed breakdown of extra financial cost to LEAR ELECTRICAL EU&A to get approval before proceeding. Material pickup will be arranged by LEAR ELECTRICAL EU&A.

3.1 Documentation

SUPPLIER must send the following documents to each final LEAR destination: Packing List, Commercial Invoice.

SUPPLIER must provide all required documentation, including Certificate of Origin, to export material according to the agreed upon Incoterms.

3.2 Labeling

The content of the label must comply with Odette- Standard.

If the LEAR ELECTRICAL EU&A destination plant might have different label content requirements SUPPLIER will have to be informed separately in due course.

Packaging and handling units are to be delivered unmixed respecting LEAR ELECTRICAL EU&A ordering plant and site code.

Each packaging to be marked by single label, homogeneous handling unit to be marked by master label.

3.3 Discrepancies

Upon arrival of the Goods, LEAR ELECTRICAL EU&A will inspect and examine incoming Goods for visible damages on the products, which can be caused by improper process, transport or packaging of the product, as well as completeness (number of pallets / number of nps-din) and identify on the basis of the delivery notes. Detected discrepancies shall be noted on the transport documentation. LEAR ELECTRICAL EU&A shall give written notice of detected discrepancies to the SUPPLIER.

The same shall apply for any discrepancies detected (on the part number level) during the regular course of business.

Administrative charges may apply for missing ASNs or Quality Notice (QN) filed to cover the collection of data and documentation of the quality incident.

4. Packaging management

Delivered material must be palletized, safely stackable, and securely wrapped.

SUPPLIER will review its packaging and make any adjustments necessary relating to dimensions, weight, composition and stackability in accordance with the AIAG standards. Pallets and containers should be in accordance AIAG and Lear standards.

Any wooden packaging material provided by SUPPLIER must comply with the International standards for phytosanitary measures as per the current ISPM 15 legislation and future related releases.

SUPPLIER commits to the fulfilment of any Local or International regulation requirements without passing the cost of compliance to LEAR ELECTRICAL EU&A. Special packaging and palletizing guidelines applicable for shipments going to the country of a particular LEAR ELECTRICAL EU&A facility shall be specified in a separate annex or agreement.

SUPPLIER will abandon the use of any metallic fixtures and fittings on its packaging and containers.

LEAR ELECTRICAL EU&A reserves the right to request changes in packaging (labelling, pallet homologation) in line with Lear's Industry 4.0 warehouse automatization efforts

5. Leadtime

The SUPPLIER will inform LEAR ELECTRICAL EU&A regarding the lead time of each part ordered, including a detailed breakdown of the applicable lead time upon request. This breakdown should cover manufacturing lead time, SUPPLIER internal transportation lead time, if manufacturing location is different than distribution location, and other relevant factors. In the event of any change to the declared lead time, the SUPPLIER shall inform LEAR ELECTRICAL EU&A prior to the change, particularly if the change involves a further extension of the lead time. Any impacts on delivery delays resulting from the SUPPLIER's failure to advise or late advice of lead time increases will be the full responsibility of SUPPLIER.

Lead time is applicable for first orders only.

6. Packing Units and Minimum Order Quantities

During serial phase of production, LEAR ELECTRICAL EU&A will only accept delivery quantities rounded up to SUPPLIER's nearest packaging unit (PU) quantity. Any other rounding up to the Minimum Order quantities (multiplication of pack unit quantities) will be rejected by LEAR ELECTRICAL EU&A and will be considered over shipment. The PU will be at all times subject to adjustments as per LEAR ELECTRICAL EU&A requirements.

7. Overshipment

LEAR ELECTRICAL EU&A shall not be required to accept or make payment for goods delivered to LEAR ELECTRICAL EU&A Plants that are not covered by any LEAR ELECTRICAL EU&A request, (Spot PO or official schedule). Such deliveries are considered to be in excess or in advance of LEAR ELECTRICAL EU&A Plant's requirements, and LEAR ELECTRICAL EU&A plant accepts no liability.

LEAR ELECTRICAL EU&A shall inform SUPPLIER in written form about the non-acceptance of the Goods. If LEAR ELECTRICAL EU&A decides to return the over shipment quantity to SUPPLIER, the SUPPLIER will be obliged to issue a Return Material Authorization (RMA) document within 48 hours of LEAR ELECTRICAL EU&A's written request.

If the over-shipment is not returned, LEAR ELECTRICAL EU&A will not acknowledge ownership nor record the Goods in LEAR's ELECTRICAL EU&A system. However, LEAR ELECTRICAL EU&A may offer the Supplier the option to store the Goods in Lear's warehouse in a segregated area, subject to specific conditions (conditions to be negotiated upon occurrence).

8. Logistics self-assessment

Supplier is expected to complete upon request on an annual bases an MMOG self-assessment latest until 30 June, using the latest MMOG edition (currently V6). The completed self-assessment will have to be submitted via the Odette portal MMOG (mmogle.com) to Lear MMOG mailbox address: odette-6029@mail2.mmogle.com

9. Declaration of country of Origin

In the beginning of each year SUPPLIER must submit a Long-Term Supplier Declaration individually to all LEAR ELECTRICAL EU&A plants located within the European Union for the parts shipped to each respective plants proving preferential status of parts.

For each shipment and when applicable, to LEAR ELECTRICAL EU&A plants located outside the European Union for the same purpose and EUR1 document or Invoice declaration needs to be provided by SUPPLIER to accompany every shipment

10. Entirety

This SCP Agreement embodies the entire agreement and supersedes all prior logistics agreements and understandings, if any, related to the subject matter of this SCP Agreement.

11. Validity

In the event of the termination of this SCP Agreement, LEAR ELECTRICAL EU&A undertakes to accept goods covered by the production release period, as defined in Article 3, during the frozen periods, and the liability period outlined in Article 6. These goods will be invoiced accordingly.

This SCP Agreement shall enter and comes into force for the SUPPLIER upon the date of signature by the SUPPLIER, and shall remain valid indefinitely. This SCP Agreement shall enter and comes into force for LEAR ELECTRICAL EU&A upon and in case of final decision of the sourcing from the SUPPLIER.

Either Party may terminate this SCP Agreement at any time by providing a written notice with a minimum of 6 months prior notice to the other Party.

12. Miscellaneous

There are no additional agreements in respect of the subject of this SCP Agreement. All amendments and additions to this Agreement are required in writing. This shall also apply to the repeal of the written form agreement.

The SCP Agreement comes into force as of the moment of accepting the purchase order,

