

OJ ELECTRONICS A/S  
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As Buyer:  
OJ ELECTRONICS A/S (hereinafter "OJ")  
Stenager 13 B  
6400 Sønderborg

## Supplier agreement

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1 September 2019

and

As Supplier:  
Xx  
Xx  
Xx

(Jointly the "Parties")

The following agreement (the Agreement), taking effect as from «new\_startdate», has been concluded between OJ and the Supplier:

### 1 Purpose

The purpose of the Agreement is to lay down the framework for optimal co-operation, ensuring the competitiveness of both OJ and the Supplier at any time.

As a supplement to the Agreement, specific targets will be set in order to currently assess whether or not the purpose of the Agreement has been fulfilled. The targets set are to be jointly assessed by the Parties once or twice annually.

The Agreement shall not, except as explicitly indicated in the Agreement, constitute an obligation for OJ to purchase a given quantity or amount of products.

Proper communication is vital for the success of the co-operation. Both Parties commit to invest every effort to achieve this. All agreements concluded by telephone, video conferences and visits are only valid, when confirmed in writing by both Parties.

The Parties are jointly responsible for keeping agreements on prices, MOQ, lead time, annual requirements etc. updated in an appendix to this Supplier Agreement.

### 2 Terms of payment

The payment terms agreed are current month + 60 days from the date of invoice.

**3 Prices**

The price includes packaging and all taxes, excl. of VAT, as set forth in Appendix A.

All prices are exclusive of VAT. The trading currency is DKK / EUR / USD.

**4 Terms of delivery / Place of delivery**

Delivery is based on DDP, according to INCOTERMS (latest issue)

OJ ELECTRONICS A/S

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or at the address of a EMS partner specified by OJ.

**5 Packaging and labelling**

Unless otherwise agreed, the packing of all products is to be environmentally sound so as to comply with the specifications stipulated by OJ.

The packaging of all products is to be labelled with OJ's product code in the form of both text and bar code.

The product prices are inclusive of packaging.

Change of packaging requires OJ's prior written approval.

**6 Forecast**

OJ will forward a forecast each fortnight or according to mutual agreement.

The Supplier undertakes at any time to supply the quantities requested, cf. the forecasts submitted by OJ (the Forecasts).

The Supplier is obliged to check the Forecast and to secure that the demand shown in the Forecast is implemented into their MRP System. The Supplier must immediately inform OJ, in case the Supplier is unable to deliver in accordance with the Forecast.

The Forecast shall cover an ongoing period of 12 months.

- The Supplier is entitled to place orders for components and materials with their sub suppliers according to the Forecasts and the current lead-time.
- On request from OJ, the Supplier must inform OJ of the components and materials ordered by the Supplier specifically for the fulfilment of this Agreement.

- In case of termination of the Agreement or discontinuation of a product, OJ is obligated to purchase NCNR and non-standard components and materials ordered by the Supplier with their sub suppliers according to the Forecasts and the current lead time to the extent that the Supplier is unable to use up these components and materials before termination/ discontinuation. The purchase must take place at the Supplier's cost price for such components and materials.
- The Supplier will use their best and reasonable efforts to reduce the above obligation to purchase (i.e. return components to the sub supplier, initiate short-term cancellation, use such materials for other customers/products etc.).

## **7 Order Confirmation**

The Supplier shall confirm orders and any amendments in writing within 2 business days after receipt of the order (the "Order Confirmation").

In the event that the Supplier is unable to accept an order issued by OJ or OJ's EMS partner, the Supplier must give notice to OJ or the EMS partner after receipt of the order within 2 business days.

## **8 Specification and Change Management**

The Supplier shall be responsible for the compliance of the products delivered with the agreed technical specifications and quality requirements, including requirements for product approvals (e.g. VDE and UL).

Moreover, the Supplier shall be responsible for the compliance of the products delivered with the rules and regulations, statutory provisions, norms, standards etc. applicable in Denmark and in the EU.

In case of products destined for customers outside the EU, OJ is entitled to request that the products comply with additional specifications, requirements, approvals, regulations, statutory provisions, norms, standards etc. applicable in the country in question.

OJ must be notified of changes in the work process and/or products without delay and not later than 3 months prior to the agreed time of delivery. However, changes to confirmed orders are subject to prior written consent from OJ.

## **9 ROHS, WEEE and REACH**

The Supplier must guarantee,

- (i) that all products delivered are RoHS compliant in accordance with the, at any time applicable, RoHS directive,
- (ii) that they comply with the, at any time applicable, WEEE Directive,

(iii) that all products delivered comply with the, at any time applicable, REACH regulation.

**10 Last Time Buy / End of Life**

The Supplier must inform OJ immediately after having been informed by a sub supplier that a component will be discontinued and give at least 6 months' notice hereof.

The Parties must agree on the actions to be executed, once such discontinuation occurs.

**11 Quality co-operation**

**Supplier audit**

The Supplier must allow OJ to have their quality assurance and quality control systems and procedures audited by OJ or any assigned third party upon request.

**Non-conforming Material**

If OJ identifies non-conforming material, OJ will notify the Supplier. The Supplier is required to immediately inspect, segregate and replace similar parts within their own facilities to ensure that OJ will not receive additional deliveries of non-conforming products (containment). The Supplier must generate an 8D report no later than 7 working days after OJ has reported the non-conformity.

In case of the Supplier's delivery of non-conforming products, the Supplier shall make a replacement delivery in accordance with clause 12 below. Alternatively, OJ may request that the Supplier credits defective products. Returned products shall immediately be credited upon receipt by the Supplier after the Supplier has obtained RMA (Return Material Authorization).

OJ shall not be obliged to place an extra order equivalent to the volume returned.

**12 Warranty**

The warranty period is 24 months, calculated from the delivery of the OJ product to OJ's customer.

However, the warranty period expires not later than 36 months after delivery to OJ.

Additionally, clause 8 of the terms and conditions of purchase apply, cf. Appendix B.

The Supplier warrants that the products are free from Epidemic Defects (the Epidemic Defects). Epidemic Defects are defined as defects (excluding defects which are caused by design failures of OJ or of OJ's contract parties other than the

Supplier) occurring during the warranty period. Products having the same origin, and which affect more than 3 % of the products delivered to OJ within any 1 month period, are classified as Epidemic Defect Products. The Supplier shall at their own discretion arrange for replacement or repair. The Supplier shall pay all direct costs related to the replacement of the relevant products. In the event of a recall situation, OJ shall inform the Supplier immediately and the Parties shall negotiate in good faith the manner and scope of the recall.

In the event of an Epidemic Defect, OJ shall document that the affected Products constitute an Epidemic Defect as set out.

**13 Product liability**

The Supplier shall be liable for damage and injuries caused by the products delivered and is obliged to indemnify OJ for product liability and any loss related to defects of the products delivered.

In addition, clause 9 of the terms and conditions of purchase apply, cf. Appendix B.

OJ is obliged – without undue delay – to advise the Supplier of any claim made against OJ relating to one or more of the products delivered by the Supplier.

Without thereby limiting the liability of the Supplier, the Supplier shall insure - with a reputable insurance company – OJ against all direct loss of or damage to property and injury to persons (including death) arising out of or in consequence of any product liability. The insurance sum shall be no less than EUR / US\$ 1 million per incident. The Supplier shall once a year send a copy of the insurance policy to OJ, beginning at the time of signing of the Agreement.

**14 Force majeure**

Reference is made to clause 5 of OJ's Terms and conditions of purchase, cf. Appendix B.

**15 Confidentiality**

According to separate NDA agreement. Material breach of the NDA agreement entitles OJ to terminate this Agreement.

**16 Commencement and termination**

Unless otherwise agreed in writing by the Parties, the Agreement shall be effective as of the date of signing by both Parties, and shall remain in force until the expiry of the notice period with which termination is made by one of the Parties.

Each Party can terminate the Agreement by giving the other Party not less than 6 months' prior written notice.

Either Party can terminate the Agreement in case of repeated breach of the Agreement from the other Party, with a prior written notice of 30 calendar days.

In the event of a material breach by a Party, the other Party may terminate the Agreement with immediate effect, if such material breach is not remedied within 10 calendar days after written notice. Any breach of clause 15 will be deemed a material breach of the Agreement that cannot be cured.

Either Party can terminate the Agreement in the event of bankruptcy of the other Party. If a party ("Insolvent Party") is placed in receivership or commences bankruptcy or other proceedings for the settlement of such Insolvent Party's debts, or upon such Insolvent Party making an assignment for the benefit of creditors, or upon commencement of any act or action concerning such Insolvent Party's dissolution or liquidation, or if any petition under bankruptcy law is filed against the Insolvent Party, which petition is not dismissed within 60 calendar days of such filing, the other Party may terminate the Agreement immediately by giving the Insolvent Party written notice of termination.

**17 OJ's terms and conditions of purchase**

Unless otherwise agreed in writing, OJ's general terms and conditions of purchase (Appendix B) shall apply to the Agreement and thus also constitute part of the Agreement. In the event of any divergence between the terms and conditions of purchase and the Agreement, the Agreement shall prevail.

**18 Governing law, venue and disputes**

The provisions regarding disputes, applicable law and venue under clause 11 of OJ's terms and conditions of purchase apply to the Agreement, cf. Appendix B.

Sønderborg, on /

Place and Date:

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OJ ELECTRONICS A/S

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«new\_accountid\_name»

**Appendix A:**

Agreements on prices, MOQ, lead time, annual requirements etc.

**Appendix B:**

OJ's terms and conditions of purchase.