

Master Supply Agreement

This Master Supply Agreement is agreed between

Knorr-Bremse SfS GmbH

Moosacherstrasse 80

80809 Munich

Germany

hereinafter referred to as “**Knorr-Bremse**”

and

[Supplier's name + corporate form]

[Address Supplier]

hereinafter referred to as “**Supplier**”

and each hereinafter referred to individually as “**Party**” and jointly as “**Parties**” to this Master Supply Agreement.

The Master Supply Agreement comprises the following contractual terms and the following selected Knorr-Bremse contract modules including annexes:

- Module Quality Assurance Agreement (QAA)
- Module Branding/ Neutralisation
- Module Replacement Parts Supply
- Module Logistics Directive
- Module Tools and Manufacturing Equipment for Serial and Replacement Parts Supply
- Module Material Price Surcharge (MPS)
- Module Development
- Module Performance
- Module Electronic Data Interchange (EDI)

Annex Technical Delivery Conditions (TDC) and Quality Management Directive for Purchasing (QM DP)

Annex General Terms and Conditions of Purchasing and Ordering (GTCPO)

Annex Affiliated Companies of Knorr-Bremse

Annex Supplier Code of Conduct (SCoC)

poss. Annex Delivery Items

poss. Annex Price List

Table of Contents

PREAMBLE	3
1 Definitions	3
2 Object of the Agreement and Integral Parts	3
3 Prices, Payment, Assignment of Claim	4
4 Manufacture and Delivery	5
5 Quality and Documentation	5
6 Tools and Manufacturing Supplies for Serial and Replacement Parts Supply	5
7 Insolvency / Right to Assume the Agreement	5
8 Quality Assurance Agreement	6
9 Supplier Code of Conduct	6
10 Liability	6
11 Prohibition of Use / Non-Competition.....	6
12 Confidentiality	6
13 Term of the Agreement.....	7
14 Rights of Termination of the Parties	7
15 Emergency Manufacturing Right	7
16 Final Provisions.....	8

PREAMBLE

- A) WHEREAS, Knorr-Bremse is the world's leading manufacturer of brake systems for rail vehicles. Other lines of business are entrance -, control - and energy supply systems, HVAC, windscreen wiper systems, platform screen doors, friction material, derailment detection systems, assistance systems and control technology.
- B) WHEREAS, Supplier develops, manufactures and markets [Supplier's field of work] and has particular capabilities and knowledge in these areas. Supplier is aware that Knorr-Bremse products are used worldwide and must satisfy the highest quality standards.
- C) WHEREAS, in order to reduce the overall costs for mutual benefit, both Parties shall pursue the joint goal of eliminating activities along the entire supply chain which do not create added value.
- D) WHEREAS, Supplier undertakes to resolutely apply all reasonable means and undertake all reasonable endeavours in order to offer the most competitive and optimal solutions in terms of costs for the Object of the Agreement as defined in section 2.
- E) WHEREAS, with regard to development and/or manufacture and delivery of the Contract Items, the Parties intend to enter into a long-term business partnership and to set out the framework conditions of this relationship.
- F) NOW, THEREFORE, in accordance with the provisions set out as follows, the Parties agree:

1 Definitions

1.1 "Purchase Order"

A "Purchase Order" is the request by Knorr-Bremse to Supplier to deliver a defined quantity of contract items at a specified point in time to Knorr-Bremse. Such Purchase Order can be issued in writing, but also in text form such as by fax, email, EDI, Web EDI.

1.2 "Affiliated Companies"

"Affiliated Companies" are legally independent companies, which are in bilateral majority-owned relationships, and companies with majority participation, dependent and controlling companies, group companies, mutually participating companies or contract parties of an affiliation agreement. Affiliated companies of Knorr-Bremse relevant within the context of this Master Supply Agreement are specified in Annex "Affiliated Companies of Knorr-Bremse".

2 Object of the Agreement and Integral Parts

2.1 Object of the Agreement

Object of this Agreement is the development and/or the manufacture and delivery of [Products] (hereinafter referred to as "**Delivery Items**") by Supplier (hereinafter referred to as "**Object of the Agreement**"). The Delivery Items are listed in the annex to this Agreement; the annex can be supplemented by item numbers contained in single purchase orders provided that in the purchase orders will be referred to this Master Supply Agreement.

Unless the Parties explicitly agree otherwise in writing, the provisions of this Master Supply Agreement shall apply for all Delivery Items (serial and replacement parts supply) purchased by Knorr-Bremse from Supplier. The responsibility for the development and/or the manufacture and delivery of the Delivery Items remains fully vested with Supplier at all times. Any commissioned subcontractors are vicarious agents and do not release Supplier from its obligations to perform the Object of the Agreement.

2.2 Affiliated Companies

Supplier grants to all Affiliated Companies of Knorr-Bremse the option of procuring the Delivery Items from Supplier at the conditions regulated in this Agreement.

To this effect, the Affiliated Companies of Knorr-Bremse shall refer to this Master Supply Agreement in their single Purchase Order.

2.3 Integral Parts of the Agreement

If provisions in the following integral parts of the Agreement conflict with each other, the following order of priority shall apply:

2.3.1. Purchase Order (in particular individual Purchase Order/delivery plan call-off)

2.3.2. Knorr-Bremse contract modules and further supplementary agreements, as well as annexes that have become integral parts of this Master Supply Agreement.

2.3.3. Technical Delivery Conditions (TDC) and Quality Management Directive for Purchasing (QMDP).

2.3.4. Provisions of this Master Supply Agreement

2.3.5. General Terms and Conditions of Purchasing and Ordering (GTCPO)

The integral parts of the Agreement listed under Clause 2.3 represent the entire agreement of the Parties regarding the Object of the Agreement.

3 Prices, Payment, Assignment of Claim

3.1 Prices

The agreed prices (if applicable according to the price list in the annex) are valid for the term of the Master Supply Agreement. Unless otherwise agreed, the prices are "FCA" (Supplier's plant according to INCOTERMS 2020), including recyclable and returnable packaging suitable for transportation, plus the applicable statutory value added tax.

3.2 Payment mode

Unless agreed otherwise, Knorr-Bremse shall pay within 90 days as of the validity of the claim for payment and upon receipt of an orderly invoice and subsequent to the performance of the Object of the Agreement. Each and every payment is subject to invoice verification. If early deliveries are accepted, the due date for payments shall be in accordance with the agreed payment date, in case of doubt, at the earliest in accordance with the agreed delivery date. In the event of a defective delivery, Knorr-Bremse shall be entitled to withhold payment proportionally until satisfactory fulfilment of the Purchase Order.

3.3 Assignment of Claim to Third Parties

Without the prior written consent of Knorr-Bremse, Supplier shall not be entitled to assign claims against Knorr-Bremse that are due to Supplier or to authorise third parties to collect such claims.

3.4 Potential for Cost Reduction

Knorr-Bremse and Supplier agree to prepare and implement potential for cost reduction during the term of the Agreement. Resulting costs savings are to be passed on to Knorr-Bremse.

3.5 Credit Note Procedure

Knorr-Bremse reserves the right to change the handling of payments to the credit memo procedure at any time. To this effect, Knorr-Bremse shall prepare a credit note based on the incoming deliveries and agreed prices and which substitutes invoicing by Supplier. This shall not affect the agreed conditions of payment.

4 Manufacture and Delivery

4.1 Availability of capacity

Supplier undertakes to provide production facilities and production capacity for the manufacture and delivery of the Delivery Items in accordance with the specifications.

4.2 Documents

Supplier must thoroughly read the documents provided by Knorr-Bremse, in particular drawings and standards for the manufacture and delivery of the Delivery Items in conformance with the specifications. All open questions and unclear issues in this respect on the part of Supplier must be clarified immediately with Knorr-Bremse.

4.3 Quality

With regard to series manufacturing, Supplier will, in consultation with Knorr-Bremse, apply the state-of-the-art technology and implement quality assurance measures pursuant to section 5 of this Master Supply Agreement. Next to manufacturing process documentation this shall also include complete quality documentation and, on demand, continuous lot traceability.

4.4 Support

If Knorr-Bremse provides specialist support through its own professional experts, e.g. process engineers (SQA, SQD, SQE), Supplier shall grant such persons access to Supplier's manufacturing facilities and operating departments. Supplier shall not unduly disregard recommendations by Knorr-Bremse's professional experts concerning the manufacture and delivery of the Delivery Items.

4.5 Responsibility

However, Supplier shall remain exclusively responsible for the defect-free performance of the Object of the Agreement in the event that suggestions, recommendations or wishes of Knorr-Bremse are implemented.

5 Quality and Documentation

Supplier confirms receipt of, agreement with, and complete implementation of the requirements of the Technical Delivery Conditions (TDC) or the Quality Management Directive for Purchasing (QMDP) of Knorr-Bremse. The TDC was signed by Supplier on [Date].

6 Tools and Manufacturing Supplies for Serial and Replacement Parts Supply

Knorr-Bremse retains the title and the right to use all manufacturing equipment of the Delivery Items provided to Supplier by Knorr-Bremse. Insofar as tools and manufacturing equipment are produced or procured by Supplier, Knorr-Bremse shall pay for such items and the title shall pass to Knorr-Bremse pursuant to the Knorr-Bremse contract module "Tools and Manufacturing Equipment for Serial and Replacement Parts Supply".

7 Insolvency / Right to Assume the Agreement

Supplier must take precautionary measures to an economically appropriate extent within its own purchasing contracts regarding the Delivery Items Supplier delivers to Knorr-Bremse (either as finished products or as components) so that, in the event of Supplier becoming insolvent or in an equivalent case, Knorr-Bremse can procure such products or components itself directly from sub-suppliers at equivalent conditions.

8 Quality Assurance Agreement

To the extent agreed, the provisions of the contract module “Quality Assurance Agreement” and the General Terms and Conditions of Purchasing and Ordering of Knorr-Bremse shall apply.

9 Supplier Code of Conduct

The Knorr-Bremse Group has issued a globally applicable Supplier Code of Conduct (SCoC). The current version of the Supplier Code of Conduct is available via the Knorr-Bremse website. The Supplier is aware that the provisions of the SCoC refer to sustainability and energy efficiency, and contain minimum standards for social, ethical and ecological issues. The Supplier hereby declares that it and its Affiliated Companies will observe and comply with the SCoC.

10 Liability

10.1 Statutory Regulations

Supplier is liable for injury to persons, damage to property and economic loss according to the statutory regulations in case Supplier is at fault.

10.2 Indemnity

If third parties make claims against Knorr-Bremse due to product liability or defects, Supplier undertakes to indemnify and hold harmless Knorr-Bremse if and insofar as the damage was caused by an error or defect in the Delivery Items delivered by Supplier.

10.3 Product Liability Insurance

In order to cover liability risks, Supplier shall take out business and product liability insurance including product economic loss and recall costs with sufficient coverage at a renown insurance company registered in the EU. The amount of coverage respectively for injury to persons and damage to property as well as for product economic loss and recall costs must be at least EUR 5 Million per insured event and insurance year. Supplier undertakes to present a corresponding certificate of insurance to Knorr-Bremse no later than at the time of first delivery.

11 Prohibition of Use / Non-Competition

11.1 Prohibition of Use

Supplier may not use himself or offer or deliver to third parties any Delivery Items manufactured according to documents designed by Knorr-Bremse such as drawings, models and the like, or according to confidential details, or with Knorr-Bremse tools or replications of said tools.

11.2 Non-Competition

If the Delivery Items originate from a joint development or commissioned development, Supplier undertakes to neither develop, manufacture nor market for any third-party own products comparable to said Delivery Items in terms of their function, composition or purpose of use. Any agreement deviating thereof must be made in advance between the Parties explicitly and in writing. This obligation shall also survive the termination of this Master Supply Agreement for seven (7) years subsequent to the date of first delivery.

12 Confidentiality

12.1 Business secrets

The Parties undertake to treat all non-public commercial and technical details that become known to them by virtue of the business relationship as business secrets.

12.2 Term

This confidentiality obligation shall also survive the termination of this Master Supply Agreement for five (5) years.

13 Term of the Agreement

13.1 Term

This Master Supply Agreement shall enter into force upon signature by the Parties and shall expire on [Date].

13.2 Renewal

Irrespective of section 13.1 of this Master Supply Agreement, the Master Supply Agreement shall be prolonged automatically by one (1) year respectively unless it is terminated by one of the Parties with six (6) months written notice.

14 Rights of Termination of the Parties

14.1 Termination for Cause

Irrespective of the provisions in section 13, either Party is entitled to terminate this Master Supply Agreement or individual Purchase Orders in writing for cause without observing any period of notice. Cause shall be deemed to exist if:

14.1.1 the financial circumstances of the other Party deteriorate significantly.

14.1.2 the legal status or shareholding and controlling stakes of the other Party change significantly so that the terminating Party can no longer be reasonably expected to adhere to this Master Supply Agreement (in particular in the case of participation by a competitor).

Furthermore, Knorr-Bremse is entitled to terminate this Master Supply Agreement or individual Purchase Orders for cause if Supplier repeatedly does not perform the Object of the Agreement in the required quantity, quality, on time or at competitive prices.

14.2 Competitiveness

If more favourable competitive prices are proposed to Knorr-Bremse for important, high value Delivery Items, Supplier shall have the opportunity to review its prices. If the competitive prices are not matched within 3 months following the request by Knorr-Bremse, then Knorr-Bremse reserves the right to order the respective Delivery Items elsewhere.

14.3 Residual deliveries

In the event of any termination of this Master Supply Agreement, as well as in the event of a withdrawal from the Master Supply Agreement by Knorr-Bremse, Knorr-Bremse shall retain the right over a period of one (1) year after the termination of this Master Supply Agreement to demand the delivery of Delivery Items from Supplier according to the conditions of this Master Supply Agreement.

15 Emergency Manufacturing Right

15.1 Emergency Manufacturing Event

Any situation in which Supplier files for bankruptcy over his assets or if insolvency proceedings are opened over the Supplier's assets in a court of law or if such proceedings are refused due to a lack of assets will hereinafter be referred to as occurrence of the "Emergency Manufacturing Case".

15.2 Emergency Manufacturing Right

In an Emergency Manufacturing Case, Supplier grants Knorr-Bremse the right to copy the Delivery Items or to have them copied by third parties (hereinafter referred to as “Emergency Manufacturing Right”). The Emergency Manufacturing Right shall remain in place for the entire duration of the Emergency Manufacturing Case. Any exercise of the Emergency Manufacturing Right shall not affect the other contractual or statutory rights and obligations.

15.3 Duty of Notification

Supplier will inform Knorr-Bremse immediately upon gaining knowledge of the occurrence of an Emergency Manufacturing Case.

15.4 Emergency Manufacturing Documents

In order to enable and facilitate the emergency manufacturing for Knorr-Bremse, on occurrence of the Emergency Manufacturing Case, Supplier shall at the request of Knorr-Bremse hand over to Knorr-Bremse a complete set of all necessary manufacturing documents e.g. construction- and manufacturing drawings, circuit diagrams and testing requirements, as well as any other technical documents (hereinafter referred to as “Emergency Manufacturing Documents”). Knorr-Bremse undertakes to hold the Emergency Manufacturing Documents in trust and shall have the right to use the documents and all know-how pertaining thereto – irrespective of whether subject to industrial property rights or not – for the emergency manufacturing. The Emergency Manufacturing Documents must be of such nature that a specialist is able to undertake the emergency manufacturing according to these documents at short notice.

15.5 Obligation to Support

Supplier shall provide Knorr-Bremse with all tools, machines, materials etc. of Supplier and of his sub-suppliers needed to manufacture the Delivery Items immediately for purposes of emergency manufacturing. On request, Supplier shall support Knorr-Bremse to the best of its abilities in the emergency manufacturing by providing skilled employees. Knorr-Bremse has the irrevocable right to access the company premises and the corresponding offices of Supplier in order to exercise the Emergency Manufacturing Right.

16 Final Provisions

16.1 Applicable Law

This Master Supply Agreement is governed exclusively by the laws of the Federal Republic of Germany under exclusion of the conflict of law provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

16.2 Jurisdiction

Sole venue of jurisdiction for all disputes arising from this Master Supply Agreement is Munich (Federal Republic of Germany).

16.3 Severability

Should one or several provisions of this Master Supply Agreement be or become wholly or partially invalid, the validity of the other provisions of this Master Supply Agreement shall remain unaffected. In such a case, the invalid provisions shall be replaced with valid provisions that come as close as possible to the economic and legal sense of the invalid provisions. The same shall apply for any possible gaps in the provisions of this Master Supply Agreement, but irrespective of any individual Purchase Orders concluded within the context of this Master Supply Agreement.

16.4 Electronic form

Both Parties expressly declare their consent to use the electronic form for all contractual documents. Both Parties hereby agree to authorize the Master Supply Agreement and all Modules and Annexes with either an electronic or hand-written signature.

16.5 Amendments

Amendments and supplements to this Master Supply Agreement, as well as the waiver of the written form requirement itself, shall require the written form.

16.6 No supplementary agreements

There are no supplementary agreements whether written or oral to this Master Supply Agreement. Any previous master supply agreements, and/or contract modules thereof, between the Parties shall cease to exist by virtue of this Agreement.

16.7 No Waiver of Rights

A respite granted by a Party does not mean that this Party waives any right whatsoever within the context of this Master Supply Agreement or relinquishes such right. Accordingly, the granting of this respite shall not result in this Party being hindered in exercising existing or future rights against the other Party.

16.8 Headings

All heading in this Agreement are solely for the sake of clarity. In case of doubt, they have no influence on the contents of the clause or its regulatory content.

This Master Supply Agreement was signed with legally binding effect by the respective authorised agents or lawful representatives of the Parties and becomes effective as of [Date].

Signed:

Knorr-Bremse SfS GmbH

Moosacherstrasse 80

80809 Munich

Germany

Signature Date

Signature Date

Name in block letters

Name in block letters

Position

Position

[Supplier's name + corporate form]

Signature Date

Signature Date

Name in block letters

Name in block letters

Position

Position