

# General Terms of Contracting for the Swedish Cable Harness Assemblers Association

These conditions are intended to apply when ordering services and purchasing cable harness products from members of the Swedish Cable Harness Assemblers Association (Svensk Kablageförening). These provisions regulate circumstances where the Client provides the material or where the member provides both materials and service.

## 1. Introduction and applicability

1.1 The Cable Harness Assemblers Association is a trade organization for cable harness manufacturers based in Sweden, which primarily operates in the business of development, design and manufacturing of cable harness products as well as related services.

1.2 These conditions are intended to apply when parties make a contractual agreement in writing, or otherwise. Deviations to the conditions must be agreed in writing in order to be valid. The expression *in writing* or *writing* refers to a document signed by both parties or a letter, fax, email or other form as agreed by the parties.

1.3 The cable harness manufacturer always completes written confirmation covering order and scope of delivery. If there is disparity between the original offer and acceptance from the Client, the confirmation remains valid since a binding agreement contract has been agreed.

## 2. Product information, drawings and descriptions

2.1 Technical details of any kind that can be found in price lists or other information is only binding in the event that written reference has been made to such information.

## 3. Documentation

3.1 All drawings and technical documents for the manufacture of cable harnesses, which parties submit before or after the contract has been drawn up, remain the intellectual property of the submitting party after delivery has been completed. These documents shall not, without the party's written consent, be used by the receiving party, copied or reproduced, forwarded or otherwise communicated to third parties. The Client has ultimate responsibility for product development and to ensure the final product does not infringe third party intellectual property rights.

3.2 When the Client provides material to be used by the cable harness manufacturer, they maintain responsibility that such material meets all of the Client's set specifications and quality. The material is to be delivered to the cable harness manufacturer by the Client or a transport company contracted by the Client. The Client is responsible for ensuring the material can be used immediately in the cable harness manufacturer's production process, without further inspection.

## 4. Delivery and delivery time

4.1 Delivery is made directly to the cable harness manufacturer, Ex Works (Incoterms 2000).

4.2 The ordered product or services are to be delivered on a date agreed by both parties.

4.3 In the case that parties agree on particular timeframe for delivery, instead of a fixed delivery date, this period runs from the time the contract has been signed. In the case where the cable

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harness manufacturer shall design the ordered product, however, delivery time does not begin until the cable harness manufacturer has received a technically complete order, including comprehensive and accurate working drawings and information on product features, weight, dimension, and any other necessary requirements from the Client.

4.4 Date of delivery shall be extended to a reasonable extent, taking into account all circumstances, if requests are made to make changes or additions to the ordered product after the delivery period has begun. The same shall apply if the Client does not accurately or punctually fulfil their obligations of the agreement or if the delay occurs due to any circumstances according to paragraph 10 below. Date of delivery shall be extended even if the reason for delay occurs after the delivery period expires.

4.5 In the event that the cable harness manufacturer recognizes that delivery is not possible within the agreed time and/or design of the ordered product is unworkable within said timeframe, the Client shall be notified as soon as possible, stating the reason for the delay and a revised date of delivery.

4.6 Late fees are only payable if a particular agreement has been reached.

4.7 Should a contract be terminated, the Client is not entitled to any compensation in the form of damages or similar in addition to any late fees agreement.

4.8 The Client shall forfeit right to damages if the cable harness manufacturer has not received a written claim for such damages six (6) months from the due date of delivery.

4.9 Where the order forecast deviates from actual outcome, the Client agrees to compensate the cable harness manufacturer for stock storage, work performed and other expenses that the cable harness manufacturer incurs as a result.

5. Client's receipt of ordered product

5.1 Should the Client be unable to receive the ordered goods on the agreed date, or if such a delay seems likely, the Client is obligated to promptly notify the cable harness manufacturer in writing, stating the reason for delay and, if possible, a date when the goods can be received. In such cases the Client shall, nevertheless, be obliged to meet every payment made conditional on delivery, as if the product ordered had been delivered. The cable harness manufacturer must consequently arrange for storage of the ordered product at the Client's risk and expense. At the request of the Client, the cable harness manufacturer shall ensure the ordered goods remain insured, also at the Client's expense.

5.2 Under no circumstances is the cable harness manufacturer obliged to store the ordered product for longer than a maximum of two (2) months, after which the cable harness manufacturer is entitled to resell, reuse, or recycle the product in an appropriate manner and at the Client's expense. The Client is liable to pay full price regardless of the costs the cable harness manufacturer is therefore required to cover. In addition, the Client shall pay full price for products or services, such as storage and insurance costs, or any other costs associated with the delay.

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### 6 Fault in the ordered product and/or service

6.1 Fault in the delivered product shall be deemed to exist if the product does not meet the requirements and specifications which were presented by the Client in writing at the time of the order, the result being that the product cannot be used for the Client's intended purpose.

6.2 The cable harness manufacturer is required at no extra cost to remedy defects in the delivered product, which are a result of material, design or manufacturing. Instead of rectifying the defect, the cable harness manufacturer may deliver a new and faultless product or refund the purchase price. Where the cable harness manufacturer chooses to refund the purchase price, the Client shall return the product delivered in an essentially unaltered condition. Where this is not possible, the cable harness manufacturer shall receive credit for the product's value, deducted from the repaid purchase price.

6.3 The cable harness manufacturer is only obliged to remedy defects in the product, make a new delivery or refund the purchase price if the Client notifies the cable harness manufacturer in writing about the defect immediately after discovering the fault or when the fault should have been detected. The notification shall contain a concise description of how the defect manifests itself. The cable harness manufacturer is only responsible for defects that appear within one (1) year of delivery according to provisions in clause 4 above.

6.4 For a complaint not made within the time and manner stated above, the Client loses the right to make the fault applicable.

6.5 After receiving a valid complaint, as above, the cable harness manufacturer shall rectify the defect, make a new delivery or refund the purchase price in line with the urgency of the circumstances.

6.6 Reparation of the defect shall be undertaken at the Client's premises unless the cable harness manufacturer considers it appropriate that the defective part, an ordered part or, where applicable, the assembled product is sent to the cable harness manufacturer for repair.

6.7 The cable harness manufacturer shall be deemed to have rectified the defect when the repaired or exchanged parts or, where applicable, the assembled product has reached the Client. Delivery shall be considered to have taken place when the new product has reached the Client.

6.8 All transportation for the purpose of rectifying the error shall be in accordance with the cable harness manufacturer's instructions. Costs of transportation to the cable harness manufacturer's premises shall be borne by the Client.

6.9 The cable harness manufacturer is not liable for any damages resulting from materials provided by the Client, design stipulation or manufacturing specification. Moreover, the cable harness manufacturer only maintains responsibility for defects that arise from the proper use of the ordered product or, where applicable, assembled product.

6:10 Liability does not cover defects caused by circumstances mentioned below, and those that occur after order placement or, where applicable, the assembled product is delivered to the

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Client. Thus, the cable harness manufacturer does not maintain responsibility for defects caused by faulty maintenance or incorrect installation by the Client, changes without the cable harness manufacturer's written consent, faulty repairs conducted by the Client or normal wear and tear of the ordered goods.

6:11 Aside from provisions 6.1-6.10 the cable harness manufacturer shall have no liability for defects in the goods. The cable harness manufacturer is therefore in no case liable to pay damages to the Client for injury caused due to a fault in the delivered product resulting in property damage, loss of profits, loss of goods, loss of production or other direct or indirect damage of any kind. These liability restrictions do not apply if the cable harness manufacturer is guilty of gross negligence.

6:12 Should the Client bring attention to a defect under provisions 6.1-6.11 and it subsequently transpires that there is no fault the cable harness manufacturer is liable for, the cable harness manufacturer is entitled to compensation for work and expenses caused by the Client's false claim.

### 7. Liability for damage caused by the ordered product

7.1 The Client shall maintain the cable harness manufacturer free of liability in the event the cable harness manufacturer is liable to a third party for such damage or loss, for which the cable harness manufacturer is not responsible under provisions 7.2-7.4 below.

7.2 The cable harness manufacturer is not liable for damage that the ordered product causes to fixed or personal

property or person where the injury occurs after the ordered product is in the Client's possession, or to products manufactured by the Client or to goods incorporating the Client's products or to damage to fixed or personal property of such products.

7.3 Should a third party make a claim for compensation against the cable harness manufacturer or against the Client for damage referred to in this clause 7, the other party shall be advised accordingly. Such a claim shall be dealt with independently. In the event a third party, however, chooses to pursue the claim against the cable harness manufacturer, they do so according to the Client's instructions and at the Client's risk and expense.

7.4 The cable harness manufacturer and Client are required to assist the court or arbitration tribunal, which shall deal with claims against either of them, provided that such claim is based on injury or loss allegedly caused by the ordered product. The relationship between cable harness manufacturer and Client shall always be determined in accordance with provisions in clause 11.

### 8. Payment

8.1 Payment shall be made by the Client in the manner and time as agreed between the parties.

8.2 Should the date of delivery be altered in the manner stated above on grounds of adjustment or addition requested by the Client, the date of payment shall be postponed accordingly. The cable harness manufacturer reserves the right to adjust the price as a result of requested additions or adjustments to the assignment.

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8.3 Should the Client not pay on time the cable harness manufacturer is entitled to penalty interest from the due date of payment under the Swedish Law, Interest Act (1975:635).

8.4 The cable harness manufacturer is entitled to cancel the agreement by giving notice in writing to the Client if payment has not been made within two (2) months from the due date or, where applicable, the respective due date. In such cases, the cable harness manufacturer is entitled to compensation for any loss sustained, always subject to a maximum of the agreed price, including interest.

8.5 The cable harness manufacturer shall be entitled to demand satisfactory security for payment from the Client if there is reason to assume that the Client has or will have difficulty in paying. In cases where such security is not immediately provided, the cable manufacturer shall be entitled immediately to suspend work or to stop further deliveries to the Client without sanctions being enforced.

### 9. Ownership

The ordered product remains entirely the property of the cable harness manufacturer until payment has been received in full, provided that such ownership is valid under law.

### 10. Grounds for non-liability/Force Majeure

10.1 Circumstances which arise after the agreement has been signed and which mean that the performance of the assignment is prevented or rendered unreasonably burdensome, and which could not reasonably have been anticipated by the party when entering

into the agreement, shall constitute grounds for non-liability, for example labor disputes, lightning, fire, war, conscription or similar military call-up of a substantial extent, riot and insurrection, government confiscation, requisition, currency restrictions, scarcity of transport, general scarcity of supplies, restriction of fuel supplies, and faults or delays in deliveries from sub-contractors which have not been caused by the party and which could not with normal caution have been avoided. Grounds for non-liability exist for as long as a circumstance under this Clause continues to prevent performance, subject, however, to a maximum of six (6) months. Thereafter, each party is entitled to renounce the agreement without sanctions being enforceable by the other party. However, the cable harness manufacturer shall always be entitled to payment for products already delivered.

10.2 Grounds for non-liability may not be alleged unless a party can show that all reasonable measures have been taken to limit the effect of the obstacle and after the obstacle has ceased to exist attempted to recuperate lost time. Nor may grounds for non-liability be alleged unless a party has, without delay, informed the other party in writing that such a circumstance has arisen and its anticipated effect.

### 11. Disputes

11.1 Disputes concerning the making, interpretation or application of this agreement and agreements and legal matters arising thereafter shall be settled by arbitration in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce on simplified arbitration procedure. However, in cases where the amount claimed in the action exceeds five million

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SEK, the dispute shall be settled by arbitration in accordance with the rules on arbitration procedure of the Arbitration Institute of the Stockholm Chamber of Commerce.

11.2 Irrespective of what has been stipulated above, a party may bring action at a Swedish public court, which at the time of bringing the action, clearly does not involve a sum higher than ten times the base amount under the National Insurance Act (1962:381).

11.3 For the recovery of overdue payment, the cable harness manufacturer claims the right to use a civil court.

11.4 Swedish law shall apply to this agreement.

### 12. Prescription

Claims against the cable harness manufacturer are not valid if the arbitration, according to clause 11, has not commenced within two years of the due delivery date.