

Master Transaction Agreement

This Master Transaction Agreement (hereinafter called "this Agreement") is made and entered into by and between KYB-Conmat Pvt. Limited (hereinafter called "KCPL")

AND

(Hereinafter called "VENDOR") with respect to transactions between the two parties.

The parties hereto hereby agree as follows:

Chapter 1 General Provision

Article 1 (Scope of Application)

This Agreement shall apply to all transactions between KCPL and VENDOR by which VENDOR supplies products to KCPL, or VENDOR manufactures, processes, repairs products and conducts other work for the benefit of KCPL (including work conducted in KCPL's facilities).

Chapter 2 Specific Contract

Article 2 (Specific Contract)

When a specific contract is executed between KCPL and VENDOR for each transaction to which this Agreement applies (hereinafter called "Specific Contract"), the provisions of the Specific Contract shall apply to the transaction in addition to the provisions of this Agreement. In case of any conflicts between the terms of this Agreement and the terms of the Specific Contract in writing, the latter shall govern and prevail.

Article 3 (In-house Contract Work)

When work contracted by VENDOR from KCPL is conducted within KCPL's facilities, the "In-house Contractor Covenants" as per Appendix 2 shall apply in addition to this Agreement.

Article 4 (Contents of Specific Contract)

1. The parties hereto shall stipulate the date of order placement,

the name of the order items, specifications, quantities, delivery date, delivery place, unit price, payment amount, payment method and other terms and conditions in each Specific Contract. When KCPL supplies materials, the parties shall stipulate the name of the items, quantities, unit price, payment amount, payment method, etc. with respect to such materials in each Specific Contract.

2. Notwithstanding the provision of the preceding Paragraph, the parties hereto may, through mutual discussion, predetermine certain terms and conditions to be included in common to all Specific Contracts.

Article 5 (Conclusion of Specific Contract)

1. A Specific Contract shall be concluded upon acceptance by VENDOR of a purchase order issued by KCPL in which the terms and conditions specified in the preceding Article are included: provided however that if VENDOR does not notify KCPL of refusal of such a purchase order within seven days from the receipt thereof, the Specific Contract shall be deemed to be concluded.
2. When VENDOR has any objection to any terms of a purchase order, VENDOR shall submit reasons and other reference materials to KCPL and discuss such an objection with KCPL. When the objection is resolved, the purchase order shall be replaced by amended purchase order.
3. When, upon mutual agreement between the parties hereto, a "Kanban System" (just-in-time production system) is adopted to improve efficiency of the manufacturing method, KCPL may, whenever necessary, make a request to VENDOR for an adjustment of delivery time through "Kanban".

Article 6 (Modification and Cancellation of Specific Contract)

1. If either party has the need to modify or cancel a Specific Contract, such party shall make the modification or cancellation after consultation with the other party.
2. Any damage arising in connection with modification or cancellation made pursuant to the preceding Paragraph shall be determined through mutual consultation.

Chapter 3 Quality Assurance

Article 7 (Quality Assurance of Products)

1. VENDOR warrants that all the products delivered to KCPL and work conducted for KCPL comply with the provision of the next following Article, and are safe and free of defects.
2. VENDOR shall, with the aim of maintaining quality of products delivered to KCPL, establish a quality assurance system acceptable to KCPL.
3. In the event that any products delivered by VENDOR to KCPL are or are likely to be in conflict with the provision of Paragraph 1 of this Article and when KCPL seeks from VENDOR submission of documents and data concerning design, raw materials, manufacture, safety evaluation and quality assurance of the products, VENDOR shall promptly respond to such a request.

Article 8 (Compliance with Specifications)

1. Specifications of products delivered by VENDOR to KCPL shall satisfy each of the following items:
 - (1) Drawings, specifications, inspection documents, engineering standards, and other standards and documents similar thereto drawn up and loaned by KCPL to VENDOR;
 - (2) Drawings, specifications, and other documents similar thereto drawn up by VENDOR, and accepted or approved by KCPL;
 - (3) Standards stipulated by laws, regulations and ordinances (such as administrative standards, safety regulations and standards, standards of business circles concerned, etc.);
 - (4) Standards which are not included in any of the abovementioned items and which are publicly stipulated IS or International standards such as JIS standards; and
 - (5) Matters determined through consultation between KCPL and VENDOR.
2. Before VENDOR starts to manufacture products delivered to KCPL or repair products for KCPL, VENDOR shall draw up and submit to KCPL delivered-product drawings or request-for-approval drawings in accordance with Acceptable Quality Assurance System and obtain KCPL's acceptance or approval. The same procedure shall apply when VENDOR makes a modification or an addition to any delivered-product drawings or request-for-approval drawings which were accepted or approved by KCPL. KCPL's acceptance or approval of delivered-product drawings or request-for-approval drawings or any modification or addition thereof shall not relieve VENDOR

from its obligations under applicable laws and those provided for in the preceding Article.

Article 9 (Liability for Defective Products)

1. If KCPL finds a defect in the products delivered to it by VENDOR pursuant to Article 23, Paragraphs 2 and 4 hereof, KCPL may give VENDOR a written notice of such defect and upon such notice VENDOR shall replace or repair the defective products free of charge and/or pay to KCPL the compensation for the damages suffered by KCPL for such defect pursuant to the provisions of the Warranty Liability Rules set forth in Appendix 1 hereto.
2. If, under the preceding Paragraph, KCPL cannot achieve the purpose on account of the defect of such products, KCPL may cancel the Specific Contract pertaining to the purchase order concerned.

Chapter 4 Prices

Article 10 (Quotations and Unit Price)

1. Unit price of products shall be determined, in principle, through mutual consultation and based on quotations submitted by VENDOR.
2. When VENDOR receives a request for quotations from KCPL, VENDOR shall submit them by the date specified by KCPL.
3. Unit price of products shall, unless otherwise specifically agreed between the parties hereto, include all charges including packing and wrapping expenses and transportation costs to the delivery place specified by KCPL.
4. Unit price of products can be reviewed every 1 year except under special circumstances, and any revised unit price shall be effective on supplies against orders released on or after April 1 each year.

Chapter 5 Delivery Date

Article 11 (Delivery Date)

1. Delivery date shall mean the date by which VENDOR makes delivery of products mentioned in a Specific Contract to the delivery place specified by KCPL, accompanying necessary delivery documents specified by KCPL, and which is determined for each Specific Contract through mutual discussion.

2. VENDOR shall keep delivery dates defined in the preceding Paragraph.

Article 12 (Change of Delivery Date)

1. Upon occurrence of an event or cause which prevents VENDOR from making delivery of products by the delivery date or when it is anticipated that such an event or cause is likely to occur, VENDOR shall immediately notify KCPL of such an event or cause and the scheduled delivery date, and follow KCPL's instructions.
2. When KCPL suffers damages due to a delivery delay attributable to VENDOR, KCPL may seek from VENDOR compensation for such damages. KCPL shall discuss with VENDOR amount of damages to be compensated in advance.
3. If a delivery delay by VENDOR is partly due to a cause attributable to KCPL, VENDOR shall be released from its obligation of compensation for the delay to the extent such cause is attributable to KCPL. If a delivery delay by VENDOR is partly due to force majeure or a cause attributable to a third party, the parties hereto shall determine the proportion of damages to be borne by VENDOR through their mutual consultation.

Chapter 6 Supply and Loan

Article 13 (Supply of Materials)

1. In the case of falling under any of the following items and whenever KCPL deems it necessary, KCPL may supply VENDOR with free or onerous materials, products and semi-finished products used by VENDOR (hereinafter called "Supplies") subject to discussion with VENDOR over the supply method.
 - (1) When it is necessary to maintain quality, performance and standards of products supplied by VENDOR to KCPL;
 - (2) When there is a request from VENDOR to KCPL;
 - (3) When, in addition to the above items, there is a legitimate event or cause
2. When there are any Supplies directly supplied to VENDOR from any suppliers specified by KCPL, KCPL shall notify VENDOR of details of such Supplies in advance.

Article 14 (Acceptance of Supplies etc)

1. VENDOR shall inspect Supplies upon receipt thereof from KCPL

or KCPL's specified suppliers, and shall submit to KCPL a written acceptance without any delay. KCPL may decide on the items and the method of inspection made by VENDOR through mutual discussion.

2. If VENDOR finds excess or deficiency of or a defect in any Supplies or finds a defect in any Supplies while manufacturing products, VENDOR shall immediately notify KCPL thereof. Upon receipt of such notice, KCPL shall conduct a check and supply substitutes or items which fill up the deficiency.
3. If, under the preceding Paragraph, VENDOR fails to give notice to KCPL and causes damage to KCPL, KCPL may seek from VENDOR compensation for damages. KCPL shall discuss with VENDOR amount of damages to be compensated in advance.

Article 15 (Payment and Ownership of Supplies)

1. Unless otherwise agreed by the parties hereto, any price payable for Supplies may be set-off against the equal amount of the price payable by KCPL to VENDOR for the products for which such Supplies have been used effective at the time of payment of such price by KCPL.
2. Ownership of Supplies supplied by KCPL to VENDOR free of charge or sold by KCPL to VENDOR and not having been paid for, shall remain with KCPL, even after delivery of the Supplies to VENDOR

Article 16 (Handling of Remaining Supplies etc)

VENDOR shall handle any remaining free Supplies and the like through discussion with KCPL.

Article 17 (Loan of Machinery, Apparatus and Molds etc)

1. KCPL may loan machinery, apparatus, molds and any other articles (hereinafter called "Loan Items") to VENDOR whenever necessary.
2. The parties hereto shall determine, through mutual discussion, loan method, loan period, loan fee, procedure, insurance, maintenance control, and sharing of repairing and remodeling expenses, and execute lease contracts, mold deposit receipts, or the like.

Article 18 (Cancellation of Loan Items)

1. Notwithstanding the provision of the preceding Article, KCPL

may cancel lease contracts of Loan Items at any time whenever necessary.

2. Under the preceding Paragraph, VENDOR shall immediately return Loan Items to KCPL.

Article 19 (Handling of Supplies and Loan Items)

1. VENDOR shall maintain and keep Supplies and Loan Items with the duty of care of good custodianship and distinguish them from other items not to cause confusion for storage and bookkeeping.
2. VENDOR may, with the approval of KCPL and at VENDOR's own responsibility, supply Supplies to VENDOR's subcontractors provided for in Article 31.
3. VENDOR shall not use Supplies or Loan Items for any purpose other than the intended application nor shall it assign, lend, pledge or otherwise dispose of Supplies or Loan Items to any third party, without the written approval of KCPL.
4. VENDOR shall not alter, remodel or change the original state of Loan Items, without the approval of KCPL.
5. VENDOR shall, upon expiration of the lease term, immediately return Loan Items to KCPL.
6. KCPL may, through discussion with VENDOR, enter plants, workplaces, offices and other premises of VENDOR (Including subcontractors provided for in Article 31) to inspect the conditions of storage and operation of Supplies and Loan Items and so forth.
7. Under the preceding Paragraph, VENDOR (Including subcontractors provided for in Article 31) shall submit to KCPL all written documents and reports to KCPL concerning the conditions of storage and operation of Supplies and Loan Items and so forth.

Article 20 (Loss, Destruction, Damage of Supplies and Loan Items)

If Supplies, Loan Items, or products or semi-finished products in which such Supplies are incorporated are damaged, lost or otherwise deteriorated, VENDOR shall immediately notify KCPL thereof and compensate KCPL for any loss caused by such damage through discussion with KCPL.

Article 21 (Modification of Work, etc.)

If KCPL finds any fact which it deems as inappropriate in the inspection provided for in Article 19, Paragraph 6, and makes a request to VENDOR for improvement, VENDOR shall immediately

respond to such a request and follow KCPL's instructions.

Article 22 (Loan of Workplace, etc.)

1. VENDOR may, with the written approval of KCPL, make alteration, repair, sorting and so forth of products delivered to KCPL within KCPL's premises.
2. Under the preceding Paragraph, VENDOR shall comply with regulations specified by KCPL and make efforts to maintain safety and order of KCPL's workplaces.
3. Under Paragraph 1 of this Article, VENDOR shall appoint staff responsible for the work and shall assume responsibilities as an entrepreneur or employer stipulated by relevant Labor Law,
4. If, under Paragraph 1 of this Article, KCPL suffers any damages due to VENDOR's act, KCPL may seek from VENDOR compensation for such damages. KCPL shall discuss with VENDOR amount of damages to be compensated in advance.

Chapter 7 Delivery

Article 23 (Receipt, Inspection, and Acceptance of Delivery)

1. Each time VENDOR makes delivery of products, KCPL shall receive such products, acknowledge receipt thereof and promptly inspect such products by the predetermined inspection method. Upon completion of work which does not accompany delivery of products, VENDOR shall immediately notify KCPL thereof and KCPL shall promptly inspect the work; provided that KCPL may delegate in writing such an inspection to VENDOR through mutual discussion.
2. When products and work are accepted by the inspection provided in the preceding Paragraph, delivery of such products and work shall be deemed to be accepted.
3. If products or work is rejected by the inspection provided in Paragraph 1 of this Article, KCPL shall send VENDOR a document certifying the rejection as non conformity report. VENDOR shall, in this case, replace or repair based on KCPL's instructions or deliver substitutes by the date specified by KCPL by applying mutatis mutandis the delivery procedures provided in the preceding two Paragraphs.
4. In cases where it is stipulated that an inspection is not required in accepting the delivery of products, the delivery thereof shall be deemed to be accepted when KCPL receives such products.

Article 24 (Handling of Rejected Items and Excess/Deficiency in

Quantity)

1. If KCPL finds any products not acceptable or excess or deficiency in quantity as a result of the inspection provided for under the preceding Article, KCPL shall notify VENDOR thereof in writing. Then, VENDOR shall take any of the following steps at its own expense unless otherwise instructed by KCPL.
 - (1) In the case of excess in quantity: Take back the oversupplied products within three days after receipt of notice from KCPL.
 - (2) In the case of deficiency in quantity: Deliver the products to make up the deficiency by the date designated by KCPL.
 - (3) In the case of unacceptable products: Take back the unacceptable products within three days after receipt of the notice from KCPL.
2. When VENDOR does not take back such rejected or oversupplied items within the period specified in the preceding Paragraph, KCPL may at its discretion dispose of such rejected or oversupplied items.
3. When it is impossible for VENDOR to take back rejected or oversupplied items within the period specified in Paragraph 1, VENDOR may give a prior notice thereof to KCPL and have a consultation with KCPL.
4. If all or part of rejected or oversupplied items are lost, damaged or otherwise deteriorated during any storage period, any loss resulting therefrom shall be borne by VENDOR, except in cases when they are lost, damaged or deteriorated within the period specified in Paragraph 1 due to a cause attributable to KCPL.

Article 25 (Special Acceptance)

1. If products or work is rejected in the inspection provided in Article 23, but KCPL considers that such rejected products or work becomes usable by KCPL because the reason for the rejection was minor, KCPL may exceptionally accept such rejected products or work, upon request from VENDOR;
2. Any expenses incurred by the effectuating of special acceptance shall be borne by VENDOR.

Article 26 (Transfer of Ownership of Products)

Transfer of Ownership from VENDOR to KCPL will be governed by the terms & conditions specified in Purchase Order issued, which shall mainly fall under the following categories:

1. Ex-Works:
 - (a) When the transportation is arranged by KCPL, ownership

transfers when the material is loaded on the truck.

(b) When the transportation is arranged by the **VENDOR**, ownership transfers when the material is delivered to **KCPL** premises and the delivery challan is acknowledged by **KCPL Stores**.

2. **FOR**: Ownership transfers when the material is delivered at **KCPL** premises and the delivery challan is acknowledged by **KCPL Stores**.

Article 27 (Transit Insurance)

Transit Insurance shall be borne by **KCPL** or by **VENDOR** in the following manner:

1. In case of Ex-Works, by **KCPL**.
2. In case of **FOR**, by **VENDOR**.

Chapter 8 Payment

Article 28 (Payment)

1. Unless otherwise agreed by **KCPL** and **VENDOR**, **KCPL** shall pay to **VENDOR** the purchase price for the products delivered to it by **VENDOR** pursuant to the terms and the manner of payment specified by **KCPL**.

Article 29 (Settlement)

Either party hereto may set-off any sum of money payable by it to the other party, whether due or not, against the equal sum of money payable and due to it by the other party on account of the price for the Supplies or otherwise, effective as of the date stated in the notice of set-off.

Chapter 9 Non-disclosure of Confidential Information

Article 30 (Non-disclosure of Confidential Information)

Intellectual Property rights, confidential information, data etc. shall be governed by the Non-disclosure Agreement signed separately by and between the parties on or before this agreement.

Chapter 10 General Provisions

Article 31 (Subcontract)

1. When **VENDOR** subcontracts to its subcontractor all or part of the manufacture, process or repair of products under any Specific Contract or all or part of work under any Specific

Contract, VENDOR shall obtain the prior written approval of KCPL.

2. Even if VENDOR has obtained the approval of KCPL under the preceding Paragraph, VENDOR shall not be relieved from its obligations assumed under this Agreement and any Specific Contract.
3. Under Paragraph 1 of this Article, VENDOR shall manage its subcontractor(s) pursuant to "Suppliers' Quality Assurance Manual", and shall exercise its best care and attention so as to protect KCPL's rights when transmitting, providing or presenting drawings, specifications and any other documents to its subcontractor(s).

Article 32 (Transfer of Rights and Obligations)

KCPL and VENDOR shall not transfer or provide as collateral all or part of the rights and obligations (including credits and debts) under this Agreement and each Specific Contract without the prior written approval of the other party.

Article 33 (Product Liability)

1. If a defect in a product provided for in any of the items hereunder causes damage or harm to life, body or property of any third party (including employees of KCPL) and if KCPL should suffer damages as a result of having assumed liability for damages against such a third party, VENDOR shall compensate and indemnify KCPL from and against such damages.
 - (1) Defect in a product supplied by VENDOR to KCPL, or processed or repaired by VENDOR for KCPL; or
 - (2) Defect in a manufactured product of KCPL in which a product mentioned in the preceding item is incorporated and such a defect in the manufactured product of KCPL originates from the product mentioned in the preceding item.
2. The provision of the preceding Paragraph shall not apply to any of the following items:
 - (1) It was not possible to recognize at the time of the delivery of the product by VENDOR to KCPL that such a product had such a defect, with the then highest level of scientific and technical knowledge; or
 - (2) Such a defect was caused exclusively by VENDOR's following instructions given by KCPL, and such a defect was caused by no fault of VENDOR.

3. If the defect in the manufactured product of KCPL mentioned in Paragraph 1, item (2) is caused by both the defect in the product mentioned in Paragraph 1, item (1) and that in any other part of the manufactured product of KCPL, KCPL and VENDOR shall, through mutual consultation, share damages suffered by KCPL and set forth in Paragraph 1 at the percentage of damages caused by each defect.
4. If either party becomes aware of actual occurrence or threat of occurrence of damage or harm to life, body or property of any third party due to a defect in the product or the manufactured product provided for in each of the items of Paragraph 1, it shall immediately notify the other party thereof and work with the other party to investigate the cause of such a defect.
5. If a damage compensation claim and any other claims are brought by any third party or any other dispute occurs for the reason of a defect in the manufactured product of KCPL as provided for in Paragraph 1 item (2), KCPL and VENDOR shall cooperate with each other in resolving such claims or dispute, and share required costs and expenses pursuant to the provisions of Paragraphs 1 to 3.

Article 34 (Compliance with Regulations)

VENDOR and its subcontractors defined in Article 31 shall comply with regulations established by KCPL while they are within KCPL's premises, and shall not enter areas specifically designated by KCPL without the approval of KCPL.

Article 35 (Safety and Pollution Prevention)

1. The parties hereto shall comply with applicable laws, regulations and ordinances to secure safety and prevent occurrence of pollution.
2. The parties hereto shall make continuous efforts for safety and health, and pollution control, and perform respective corporate responsibilities by actively and voluntarily promoting necessary measures.

Article 36 (Improvement)

1. VENDOR shall in performing each Specific Contract actively make proposals to KCPL for improvement of quality, manufacturing method, shortening of delivery time and so forth in accordance with "Suppliers' Quality Assurance Manual".
2. KCPL may, whenever it deems necessary, cause VENDOR to submit administrative documents concerning quality,

manufacturing method, etc. or, with the consent of VENDOR, investigate actual conditions of the quality control or process control method adopted by VENDOR and give VENDOR necessary instructions and training for improvement.

3. When a request for an investigation is made by KCPL to VENDOR, VENDOR shall actively cooperate with KCPL in conducting such an investigation.

Chapter 11 (Notice)

Article 37 (Obligation of Notice)

1. If any of the following events has occurred with respect to either party, such party shall give a prompt notice thereof to the other party:
 - (1) When an event or cause mentioned in any of the items in Article 38, Paragraph 1 occurs;
 - (2) When the business related to the transaction hereunder is transferred to or from a third party;
 - (3) When there is any change in address, representative, corporate name or there is any other material change in the transaction hereunder.
2. If VENDOR has failed to comply with any obligation under NDA, VENDOR shall give a prompt notice thereof to KCPL. In such event VENDOR shall take measures to recover KCPL Confidential Information that has been divulged and take any other measures to reduce the damage.

Chapter 12 Termination

Article 38 (Termination)

1. Either party may terminate this Agreement and any Specific Contract without giving any notice or request to the other party if any of the following events occurs to the other party:
 - (1) When a decision of cancellation or suspension of business is given by a competent organization;
 - (2) When a petition for bankruptcy, civil rehabilitation proceedings, corporate rehabilitation proceedings or the start of special liquidation is filed;
 - (3) When a resolution for dissolution is adopted;
 - (4) When a bill is dishonored or VENDOR becomes insolvent;
or
 - (5) When it becomes difficult to perform this Agreement and any Specific Contract due to a disaster or any other

unavoidable event or cause.

2. If any of the following events has occurred with respect to either party, the other party may give a written notice to such party requesting correction of the event and, in failure of such party to correct the event within a reasonable period after such notice, may terminate the Specific Contract with respect to which such event has occurred or terminate both such Specific Contract and this Agreement. The party terminating this Agreement may terminate the other Specific Contracts as well. If all the Specific Contracts are not terminated, the provision of Article 44, Paragraph 2 shall apply *mutatis mutandis*.
 - (1) When VENDOR does not make delivery of products by the delivery date without due cause; or
 - (2) When VENDOR commits a breach of any provision of this Agreement, NDA or any Specific Contract.
3. In addition to the cases provided for in the preceding two Paragraphs, either party may terminate this Agreement and all or part of Specific Contracts with consent of the other party. Any termination of this Agreement or any Specific Contract shall not preclude the right to seek compensation for damages.

Article 39 (Steps Taken After Termination)

1. VENDOR shall, upon termination of this Agreement or any Specific Contract, return to KCPL Confidential Information, specifications, Loan Items, loaned workplaces, free Supplies and unpaid onerous Supplies; provided that, upon termination of any particular Specific Contract, such returned items shall be those pertaining to such Specific Contract only.
2. Upon termination of this Agreement or any Specific Contract, KCPL may buy out the items mentioned in any of the following items in preference to others:
 - (1) Products and products in progress which are kept by VENDOR (including subcontractors provided for in Article 31) pertaining to the Specific Contract;
 - (2) Paid-up onerous Supplies; and
 - (3) Jigs and tools, molds, gauges, etc. which are used exclusively for the manufacture of products and whose ownership belongs to VENDOR.

Article 40 (Acceleration of Payment Obligations)

1. If any of the events under Article 38, Paragraph 1 occurs to either party, all outstanding liabilities of such party to the other

party shall immediately become due and shall be paid in full to the other party.

2. If an order of attachment or provisional attachment is issued with respect to either party's claims against the other party, all the outstanding obligations of such other party to the claiming party shall automatically become due and payable.

Article 41 (Survival of Obligations)

Each party shall continue to assume the obligations set forth in each of the following items after expiration or termination of this Agreement:

- (1) The provision of Article 9 concerning Liability for Defective Products;
- (2) The provisions of Article 24 concerning Handling of Rejected Items and Excess/Deficiency in Quantity
- (3) The provisions of any clause under NDA signed separately
- (4) The Provision of Article 31 concerning Subcontract.
- (5) The provision of Article 32 concerning Transfer of Rights and Obligations under Specific Contract;
- (6) The provision of Article 33 concerning Product Liability; and
- (7) The provision of Article 39 concerning Steps Taken After Termination.

Chapter 13 Supplementary Provisions

Article 42 (Mutual Consultation)

Any question, doubt or objection concerning any provision of this Agreement or any Specific Contract shall be resolved by notifying the other party thereof and having consultation with the other party.

Article 43 (Jurisdiction)

This Agreement will be construed in accordance with and governed by the laws of India and shall be subject to exclusive jurisdiction of courts at Vadodara.

Chapter 14 Term of Agreement

Article 44 (Term of Agreement)

1. This Agreement shall be effective for one year from the date of execution hereof; provided however that it shall be automatically extended for another one year with the same

terms and conditions of this Agreement unless either party expresses its intent of termination thereof in writing at least one month prior to the expiration of such term; and the same shall apply to any extensions thereafter.

2. Notwithstanding the provision of the preceding Paragraph, if there is any effective Specific Contract at the time of expiration or termination of this Agreement, this Agreement shall remain effective during the life of such a Specific Contract.
3. Notwithstanding the provision of Paragraph 1 of this Article, the term of this Agreement in the initial year shall be till March 31 which arrives within one year from the date of execution hereof.

Article 45 (Transitional Measure)

Any previous "Master Transaction Agreement" executed between the parties hereto shall become null and void upon execution of this Master Transaction Agreement.

Any agreement newly executed by a person who represents a company shall replace a formerly executed agreement.

In witness whereof, the parties hereto, by their duly authorized officers, have executed this Agreement in duplicate.

For **KYB Conmat Pvt. Limited**

Signature:

By:

Title

Signature:

By:

Title

For _____

Signature:

By:

Title

Signature:

By:

Title

Appendix 1

Warranty Liability Rules

These Regulations shall set forth provisions concerning compensation for complaints in accordance with Article 9, Paragraph 1 of Master Transaction Agreement.

Article 1

1. When KCPL finds a defect in products after accepting the delivery thereof under the provisions of Article 23, Paragraph 2 (including special acceptance under the provision of Article 25) and Paragraph 4 of Master Transaction Agreement, be it found at KCPL, KCPL's customer or an end-user, KCPL shall notify VENDOR in writing thereof and seek from VENDOR delivery of substitutes, repair and compensation for damages pursuant to these Regulations.
2. KCPL shall make a claim for the delivery of substitutes, repair and damages compensation provided in the preceding Paragraph within 18 months from the date of delivery to KCPL or 12 months from the date of commissioning by KCPL to end user whichever is earlier
3. When KCPL seeks from VENDOR delivery of substitutes, repair and damages compensation, KCPL shall expressly state the following matters:
 - (1) Detailed description of defective products or the defect;
 - (2) Damages amount and the ground for calculation of the amount; and
 - (3) Out of the amount of damages under the preceding item, amount claimed by KCPL against VENDOR.
4. When VENDOR has an objection to a claim from KCPL, VENDOR may seek an explanation from or have discussion with KCPL.

Article 2

When a defect is found in products, VENDOR shall deliver substitutes free of charge.

Article 3

VENDOR may, with the approval of KCPL, repair defective products free of charge in lieu of delivery of substitutes.

Article 4

If VENDOR does not deliver substitutes or repair defective products under the provisions of Article 2 and 3 on a timely basis, KCPL may procure substitutes from another supplier or have defective products repaired by such a supplier, and charge required expenses to VENDOR.

Article 5

KCPL may charge expenses required for the sorting of defective products to VENDOR.

Article 6

The provisions of Article 2 through Article 5 shall not preclude KCPL from seeking from VENDOR compensation for damages which KCPL suffered due to a defect in products.

Article 7

When a defect is found in work which is conducted by VENDOR for KCPL and which does not accompany delivery of products within one year after the completion of work, KCPL may request VENDOR to conduct another work free of cost, except in the case that such another work cannot be conducted because of the nature of work. The provision of this Article shall not preclude KCPL from seeking compensation for damages.

Article 8

When KCPL is requested by VENDOR to return defective products to take corrective measures against the defect, KCPL shall comply with such a request and return them to VENDOR, except in the case that KCPL does not possess or cannot obtain such defective products.

Appendix 2

In-house Contractor Covenants

Notwithstanding the provisions of Master Transaction Agreement, when VENDOR conducts work contracted from KCPL within KCPL's facilities, the following provisions shall be applied. Unless amended under these Covenants, the provisions of Master Transaction Agreement shall be applied:

Article 1 (Deletion)

The following provisions in Master Transaction Agreement shall be deleted in its entirety.

- (1) Article 17 (Loan of Machinery, Apparatus and Molds etc.)
- (2) Article 18 (Cancellation of Loan Items)
- (3) Article 19 (Handling of Supplies and Loan Items)
- (4) Article 21 (Change of Work, etc.)
- (5) Article 22 (Loan of Workplace, etc.)
- (6) Article 31 (Subcontract)
- (7) Article 34 (Compliance with Regulations)
- (8) Article 35 (Safety and Pollution Prevention)

Article 2 (Taking in Equipment and Machinery)

1. VENDOR may, with the prior written approval of KCPL and at the cost of VENDOR, take into KCPL's premises and use VENDOR's equipment, machinery, transport equipment, tools, apparatus and so forth (hereinafter called "Taken-in Articles").
2. Under the preceding Paragraph, VENDOR shall submit to KCPL a list of Taken-in Articles, have it checked by KCPL each time any Taken-in Article is taken into KCPL's premises, follow KCPL's instructions over the installation place, movement thereof after the installation and so forth, and give an indication to a Taken-in Article that such Taken-in Article is in the possession of VENDOR.

Article 3 (Loan of Workplace, etc)

1. KCPL shall whenever necessary loan to VENDOR workplace facilities, machinery, equipment, apparatus and so forth (hereinafter workplace facilities are called as "Loan Facilities", and machinery, equipment, apparatus and so forth are called as "Loan Items") And VENDOR shall acknowledge the same
2. The loan period of Loan Facilities and Loan Items shall

terminate upon completion of VENDOR's operation of a purchase order placed by KCPL or upon expiration or termination of Master Transaction Agreement; provided that KCPL may discontinue the loan whenever KCPL deems it necessary.

3. Under the preceding Paragraph, VENDOR shall immediately return to KCPL, Loaned Facilities, Loaned Items, drawings, specifications, free Supplies and unpaid onerous Supplies, and promptly remove all Taken-in Articles at the cost of VENDOR.
4. Under the preceding Paragraph, if KCPL suffers any damages resulting from a delay of VENDOR's return or removal, KCPL may seek from VENDOR compensation for such damages.
5. KCPL may, whenever necessary, supply VENDOR with electricity, gas, water, air, factory supplies, subject to mutual discussion over prices, and other terms and conditions related thereto.

Article 4 (Handling of Supplies, Loan Facilities and Loan Items)

1. VENDOR shall maintain and keep Supplies, Loan Facilities and Loan Items with the duty of care of good custodianship and distinguish them from other items not to cause confusion for storage and bookkeeping.
2. VENDOR shall not use Supplies, Loan Facilities or Loan Items for any purpose other than the intended application nor shall it assign, lend, pledge or otherwise dispose of the same to any third party.
3. VENDOR shall not alter, remodel or change the original state of Loan Facilities and Loan Items, without the written approval of KCPL.
4. KCPL may, through discussion with VENDOR, enter workplaces, offices and other premises of VENDOR to inspect the conditions of storage of Supplies and Loan Items, the conditions of management of Loan Facilities and operation conditions thereof, and so forth.
5. Under the preceding Paragraph, VENDOR shall submit to KCPL all written documents concerning the storage conditions of Supplies and Loan Items, and the management conditions of Loan Facilities, and the operation conditions thereof as well as all written reports concerning the operation conditions thereof, and if KCPL finds any fact which it deems as inappropriate in the inspection and requests VENDOR for improvements, VENDOR shall immediately respond to such a request and follow KCPL's instructions.

Article 5 (Confidentiality)

1. VENDOR shall conduct necessary guidance and education on its employees not to cause any confidential information of KCPL known to VENDOR in the course of conducting operations hereunder to be leaked or disclosed to any third party, and whenever necessary, take appropriate measures to prevent leakage by its employees of KCPL's confidential information to any third party , through consultation between KCPL and VENDOR.
2. If VENDOR has disclosed or leaked to any third party any confidential information of KCPL known to VENDOR in the course of conducting operations hereunder, and KCPL has suffered any damages as a result, KCPL may, whether such disclosure or leakage was made intentionally or negligently by VENDOR, seek from VENDOR compensation for such damages. The amount of compensation shall be determined through mutual consultation.

Article 6 (Prohibition of Subcontract)

VENDOR shall not subcontract or entrust to its subcontractors or any third party the manufacture of products pertaining to any Specific Contract without written approval from KCPL authorized person

Article 7 (Compliance with Laws)

1. VENDOR shall comply with the Labor Standards Law, the Employment Security Law, the Industrial Safety and Health Law and other relevant laws and regulations applicable to the employment of employees as well as administrative guidance stipulated by competent authorities based on such laws and regulations.
2. VENDOR shall comply with relevant laws including the Fire Defense Law when handling dangerous articles and fire in Loan Facilities, take necessary steps to prevent fires, etc. and cooperate with KCPL in implementing fire-preventive measures.
3. If KCPL suffers damages caused by a fire and so forth attributable to VENDOR, KCPL may seek from VENDOR compensation for such damages. The amount of damages to be compensated shall be determined through mutual discussion.
4. VENDOR shall comply with the Basic Law for Environmental

Pollution Control, municipal ordinances, and other relevant laws and regulations in relation to the treatment of and measures for smoke, toxic gas, noise, vibration, industrial waste and so forth generated by the performance of Master Transaction Agreement and any Specific Contract, take necessary steps to prevent an occurrence of pollution and cooperate with KCPL in implementing pollution-preventive measures.

5. If pollution which occurs due to an event or cause attributable to VENDOR causes damage to or a dispute with any third party, VENDOR shall settle such damage or dispute at its own responsibility and expense and shall not cause KCPL to be involved in the handling or settlement of such damage or dispute.
6. If pollution which occurs due to an event or cause attributable to VENDOR causes damage to KCPL, KCPL may seek from VENDOR compensation for damages. The amount of damages to be compensated shall be determined through mutual consultation.
7. VENDOR shall submit to KCPL in advance names and personal records of VENDOR's employees who are made to engage in the operations under Master Transaction Agreement and any Specific Contract and obtain the prior consent of KCPL. The same shall apply when VENDOR makes any changes thereof.
8. VENDOR shall make its employees strictly comply with the regulations, prohibition of unauthorized entry to designated areas and so forth stipulated by KCPL.
9. VENDOR shall appoint staff responsible for the performance of operations under Master Transaction Agreement and Specific Contracts, and make them (1) conduct labor management, safety and health control, engineering training, and negotiations with related departments, (2) take the command of VENDOR's employees under the direction of KCPL, and (3) control respective workplaces and employees at their own responsibility.
10. If KCPL finds that any of VENDOR's employees are likely to cause disorder within KCPL's premises, KCPL may prohibit such VENDOR's employees from entering KCPL's premises or order them out of KCPL's premises, and in this case, VENDOR shall take every possible measure to prevent any delivery delay.
11. VENDOR shall establish disaster-prevention standards, take every possible measure not to let its employees suffer from any

- damage due to accidents or disasters, and make labor and safety control thoroughly implemented.
12. VENDOR shall, as an employer, be liable for compensation for damage suffered by its employees due to accidents or disaster.
 13. VENDOR shall, at its own expense, insure its employees who are engaged in the operation under Master Transaction Agreement and any Specific Contract against workmen's accidents and other disasters according to an applicable law for workers' compensation.
 14. Notwithstanding the provision of each of the above Paragraphs, when, in accordance with applicable laws or an agreement separately executed between KCPL and VENDOR, VENDOR's employees are covered by workmen's accident compensation insurance taken out by KCPL, any surcharge which may be imposed on an employer out of or in connection with dishonest receipts or accidents, intentional or by gross negligence, as defined under the Workmen's Accident Compensation Insurance Law, shall be borne by VENDOR.
 15. Upon occurrence of a fire or any other emergency situation, KCPL and VENDOR shall make best efforts to minimize damage caused to the two parties.
 16. KCPL shall allow VENDOR to use welfare facilities of KCPL; provided that use fee thereof shall be determined through mutual discussion.

Article 8 (Default)

If any event or cause which delays or makes impossible the performance of any Specific Contract occurs or is likely to occur, VENDOR shall promptly notify KCPL of such an event or cause, the scheduled completion date and so forth, and decide on and implement measures through mutual consultation.