|  |  |  |
| --- | --- | --- |
|  |  | **Company name**  For the attention of : <Destinataire>  <Adresse>  <City>  <Date> |
|  |  |
| **N/Ref. :** |  |
|  |  |
| **Commercial Quotation** |  |
|  |  |
|  | |

**Subject: Initial bid n°…. for project ………..**

Dear <Destinataire>,

Please see the attached JTEKT quote n°………. in response to your Request for quotation n°……..OR REFERENCE ………….. sent to…….. for the project ………….

We trust this quotation will satisfy your requirements,

Yours sincerely,

<Prénom NOM>

Customer General Manager

Tél : +33 (0)x xx xx xx xx

Fax : +33 (0)x xx xx xx xx

E-mail : xxx@xxx

|  |  |  |
| --- | --- | --- |
| Offer No. | Date | Reason of the update |
|  |  |  |
|  |  |  |

**Attachements:**

- Quote pages 1 to…

- Appendices 1 to ….

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**PREAMBLE**

The entirity of this document including all appendices constitutes JTEKT’s best quotation in response to your request for quotation n°….. of ……… for the project …….

+ Context of the project if it is specific in nature e.g. evolution, joint platform with another project for which JTEKT has been awarded the business….

Summary of the abbreviations in this document:

- ….

- ….

The quotation shall remain valid for a period of … (…) months.

1. REFERENCE DOCUMENTS

This quotation and its appendices are the reference documents between the Parties. It succeeds all previously submitted quotations.

The present bid is subject to the application of inter-professional agreements in force.

The following documents have been attached to this quotation:

* Appendix 1: JTEKT’s General Conditions of Sale;
* Appendix 2: Compliance chart number……..
* Appendix 3: Recommended General Operating Conditions
* Appendix 4: Confidentiality Contract dated ………..
* ……………
* Referenced drawings………………………
* catalogue of documents to be compulsorily signed with our customers
* any document itemising an element of the quote (eg: schedule …..)

1. TECHNICAL PROPOSAL

JTEKT bases this technical proposal on the technical parameters provided by your company and as contained in the request for quotation n°………

* 1. **Technical Documents**

JTEKT’s technical proposal comprises the following documents which take precedance over the technical documents of your company:

* Compliance chart n°…….
* Recommended General Operating Conditions
* ………………
* ………………

* 1. **Other technical elements**
* **Additional terms and/or conditions**

……………………………………………………..

* **Specific conditions of use**

……………………………………………………….

* **Limits with regard to the obsolescence of electronic components**

JTEKT shall produce the supplies set out in the present bid during the entire mass production run and during the delivery period of spare supplies.

However, JTEKT and its sub-contractors do not manufacture electronic components (such as microprocessors, transistors, etc.…). JTEKT cannot therefore guarantee the supply of electronic systems with an identical definition from source as the suppliers of the components themselves do not guarantee the availability of components throughout this period.

As this situation is common to all automobile electronic supplies, JTEKT shall propose, as required, the following solutions:

1°) Delivery of the supplies with an improved version or compatible with unavailable components, including the shrinked versions of the microprocessors.

2°) Production of an agreed quantity stock of parts or components prior to the end of series production to cover subsequent deliveries until the end of the period in question, on the basis of forecast volumes agreed upon with your company.

3°) Complete re-design of the electronic system to replace the existing system.

The following conditions are essential to satisfactorily achieve of the above activities:

1°) Your Company must indicate the required residual contractual volumes;

2°) Your company must accept the electronic design changes proposed in the case of obsolescence of a key component and JTEKT commits to inform your company in advance when manufacturing of the relevant component is discontinued;

3°) Evaluation and validation of the re-design of the electronic system or of the replacement of a component by another version of this component shall be handled by and be the responsibility of JTEKT who shall bear the associated costs, but the whole activity concerning the validation of impact at vehicle level shall be the responsibility of your company who commits itself to bearing such a responsibility and the associated costs.

* **Conditions relating to the success of the project**

The resources listed below are essential to satisfactorily achieve the conditions required by your company for the project.

……………………………………………………..

Firstly, JTEKT requests that vehicles be loaned by the company at the various phases of development:

* A vehicle is requested for phase B- (sample for one month. This vehicle is requested two months following the first SRU deliveries to confirm the definition prior to the Production Tooling Launch Agreement.
* A second vehicle is requested for one month. This vehicle is requested two months following the first C-Sample deliveries to validate the acoustic aspects;
* To secure the SOP, JTEKT requests that a vehicle be loaned by your company for the period beginning five months before commencing series production and ending at the earliest three months after commencing series production.
* During the development phase (at the beginning of phases B-sample and C-sample), JTEKT would like to receive representative chassis parts (front sub frame, suspension, wheel, wishbone…) to investigate the acoustic behaviour of the steering system in its environment

JTEKT would like to recover the parts following vehicle endurance testing for assessment.

Secondly, JTEKT would like to inform your company of the following elements regarding the number of calibration files.

* **During development**

Throughout the study phase, the EPS steering system of JTEKT is equipped with development controllers. With a dedicated tool, tuning sessions will enable JTEKT and your company to configure the steering parameters with the help of tuning files. These files can then be stored in the EEPROM of the controllers or on the PC for further use by JTEKT or your company at a later date.

To ensure the trials are representative (vibration, sealing….), JTEKT would like to receive from your company the mating parts of the interfaces (connectors…) which are an essential part of the development.

* **with C-sample controllers (C-sample (off-tool & pre-series)**

At this stage, your company must finalise the tuning of the controller to allow the end of development and the launching of the final validation of the software.

For this purpose, your company will have the possibility of making three tuning freezes (8 files maximum) before the SOP. These calibration files which result from the tuning carried out by the customer will be coded by JTEKT.

If the controller is provided from the outset for multiple vehicle variants (saloon, estate, engine variants...), JTEKT includes in its quotation an additional tuning freeze (5 files max) per variant.

If your company subsequently wishes to have additional tuning carried out on this project, this work will be billed up to three days per file + four days’ administrative management for each tuning freeze.

* **Regarding the development of the electronic product:**

The following documents to be made available to the JTEKT team:

* Descriptive charts of messages usable by JTEKT’s electronic controller in .dbc format for the CAN network or in .FIBEX format for the flexray network.
* Descriptive diagnostic charts in cdd format for joint definition and validation of services.
* Should the customer request a traceability of functional requirements, the latter commits itself to delivering its functional specifications to JTEKT complete with an identification of requirements in a suitable format and in agreement with JTEKT.
* Should the customer impose certain forms of software modules in the embedded code of the JTEKT product, the customer undertakes to define all the technical and commercial conditions for delivery and maintenance of these software modules and shall bear liability for same.

In the case of development of specific inter-system functions, the customer undertakes to deliver either a real validation environment or a simulated version enabling JTEKT to check its development.

1. SCHEDULE

ITEMISE THE SCHEDULE.

The parties shall mutually inform each other and at the shortest possible notice of any change of schedule.

Any change in schedule must be accepted in good faith by either party. In the case of a change in schedule by the customer, the latter shall bear the costs generated by the offset.

1. VOLUMES

At the time of the Request for Quotation by your company, you provided us with the following data regarding volumes:

|  |
| --- |
|  |

All the data presented in this quote has been determined on the basis of the volumes provided by the customer and referred to in this article.

In case of variation of annual volumes in excess of more or less than 15%, JTEKT will review specific elements of the bid and in particular will revise its prices.

**OR** In case of variation of these volumes, JTEKT shall apply the price charts described in article 5.

All the elements in this quote are based on a maximum production capacity of ………

1. PRICE

Please see below the prices applicable to JTEKT’s technical proposal.

* 1. **Price for each type of supply**
     1. **Price for series production supply**

|  |
| --- |
| TABLE OR ANY OTHER FORMAT  **…………………………………………………………………………………………………………..**  **…**  **…**  **…**  **…**  The price indicated below includes:   * supply of the product ; * contractual warranty as presented in the present bid; * right to use the intellectual property rights in the frame of the project and valid for the entire duration of the supply of spare parts by JTEKT ; * ……………………….   The price does not include:   * packaging * transport * assignment of studies and other intellectual property elements carried out in during the course of the study * specific tooling * cost of advanced supplier stock/warehousing or safety stock * development costs * ………………………. * Any other service………………………. |

The incoterm applicable to these prices is ……….

+ SPECIFIC CONDITIONS particularly:

* the value and/or indices of material used at a given date.
* the price chart in case of variation in volume if necessary.
  + 1. **Price of prototypes**

|  |
| --- |
| TABLE OR ANY OTHER FORMAT  **…………………………………………………………………………………………………………**  **…**  **…**  The price indicated below includes:   * supply of the product ; * contractual warranty as presented in the present bid; * right to use the intellectual property rights in the frame of the project and valid for the entire duration of the supply of spare parts by JTEKT ; * ………………………………….. * ……   The price does not include:   * packaging * transport * assignment of studies and other intellectual property elements carried out during the the course of the study * specific tooling * cost of advanced supplier stock/warehousing or safety stock * development costs * Any other service……………………….   The prices indicated below are applicable to the quantity of parts expressed to date i.e. XXX parts.  Any evolution of this quantity will oblige a renewal of the quote.  Your company’s trial prototype requirements must be given at least two weeks prior to the launching of orders by JTEKT to its suppliers (Q G- 4 via an order made by your company.  Should your company place a subsequent order requiring additional commitments, an additional sum of money at a price per part will be requested by JTEKT from your company to cover management administration costs. |

+ SPECIFIC CONDITIONS

* + 1. **Price of spare parts**

**5.1.3.1 Price of series parts sold as spare parts during the vehicle series production phase**

|  |
| --- |
| TABLE OR ANY OTHER FORMAT  **…………………………………………………………………………………………………………..**  **…**  **…**  **…**  Spare part: series price (average of the series price OR series price on the day of the order **OR** other: to be specified) + …% + logistics and packaging costs  The price indicated above includes the same elements as the price of series supplies with the exceptions:   * ……………………….. * ……………………….. |

+ SPECIFIC CONDITIONS

**5.1.3.2 Price of parts sold as spare parts after discontinuation of the vehicle series production phase**

|  |
| --- |
| TABLE OR ANY OTHER FORMAT  **…………………………………………………………………………………………………………..**  **…**  **…**  **…**  Spare part: series price (average of the series price OR series price on the day of the order **OR** other: to be specified) + …% + logistics and packaging costs for a minimum volume of ...parts/year **OR** month.  If the volume is lower, the prices shall be renegotiated between the parties to cover the additional costs borne by JTEKT.  **AND / OR** The price indicated above is valid for X years after the end of the series lifetime. Beyond this deadline, the prices shall be renegotiated between the parties.  The price indicated below includes:   * supply of the product ; * contractual warranty as presented in this quotation; * right to use the intellectual property rights within the limits of this project and valid for the entire duration of the supply of spare parts by JTEKT ; * …………………………………..   The price does not include:   * packaging * transport * assignment of studies and other intellectual property elements carried out during the course of the study * specific tooling * cost of advanced supplier stock/warehousing or safety stock * development costs * Any other service……………………… |

+ SPECIFIC CONDITIONS

The price of the spare parts is based on the estimated cost of components at the date of this quotation. In view of cost variance and the evolution of technology, JTEKT shall endeavour to deliver the spare parts at the price indicated above. Should components be unavailable (eg : due to obsolescence) and/or in case of variation in the manufacturing cost of the components by more than 10%, JTEKT and your company will together seek an alternative solution (eg: replacement of the part, revision of the price…).

* + 1. **Other cases to be defined**

………………………………………….

* 1. **General Provisions**
     1. **Exchange rate**

Reference relative to the exchange rate.

* + 1. **Limitation of the number of references**

The prices contained in this document apply to the development and production of XXX references. Should the number of references be revised, JTEKT and your company undertake to negotiate in good faith the consequences of this change particularly with regard to planning and costs.

* + 1. **Indexation of cost**

Indexation of the cost of raw material with planned periodic revision.

* + 1. **Variation of price**

Throughout the project, in case of variation in the cost of raw materials or labour by more or less than 10%, or of a variation in the exchange rate or a variation in the logistic, technical, legal or regulatory requirements, the prices shall be revised proportionally.

* + 1. **Productivity**

PRODUCTIVITY  if requested by the Customer:

To demonstrate JTEKT’s commitment to pursuing this project with you, JTEKT proposes productivity to your company to be applied along the following guidelines:

**Eg: (to be given in table form)**

(**PER OVERALL VOLUME – REACHING A CERTAIN THRESHOLD)** JTEKT grants your company a price reduction of X% before tax on the part of the price in force (excluding logistics, packaging, development costs and/or amortization of tooling or their renewal) if your company orders and pays for X parts. + TO BE DUPLICATED FOR OTHER PRODUCTIVITY THRESHOLDS.

**OR (PER OVERALL VOLUME – LAST TWELVE MONTH PERIOD)** JTEKT grants your company a price reduction of X% before tax on the part of the price in force (excluding logistics packaging, development costs and/or amortization of tooling or their renewal) if over the last twelve months your company has ordered and paid for X parts. + TO BE DUPLICATED FOR THE FOLLOWING TWELVE MONTH PERIODS.

**OR** **(PER REFERENCE – LAST TWELVE MONTH PERIOD)** JTEKT grants your company a price reduction of X% before tax on the part of the price in force (excluding logistics packaging, development costs and/or amortization of tooling or their renewal) for the reference number XXX if over the last twelve months your company has ordered and paid for X parts referenced XXX. + TO BE DUPLICATED FOR THE FOLLOWING TWELVE MONTH PERIODS

**OR (PER OVERALL VOLUME – PERIOD INDICATED IN ARTICLE 4)** JTEKT grants your company a price reduction of X% before tax on the part of the price in force (excluding logistics packaging, development costs and/or amortization of tooling or their renewal) if your company orders and pays for X parts per period specified in article 4. + TO BE DUPLICATED FOR ALL SPECIFIED PERIODS.

* + 1. **VA/VE**

E.g. the productivity described above includes the VA/VE (technical productivity).

**OR** The decrease in price resulting from the VA/VE shall be granted to your company in case of the latter’s acceptance of the following modifications:

* ………………………………………
* ………………………………………

**OR** The VA/VE is restricted to the development phase.

+ All useful information regarding the VA/VE.

1. GENERAL TERMS OF PAYMENT

Payment terms: ……………………………….

(Specify for the series life span and/or initial samples/ spare parts)

Means of payment : …………………………….

Late payment: 10 points beyond financing rate of the European Central Bank in force at the contractual date of payment unless new statutory and/or regulatory requirements specify otherwise.

1. DEVELOPMENT
   1. **Amount of development costs**

The amount of development costs to be incurred by JTEKT shall be …………

The amount of development expenses borne by your company shall amount to………….

**OR** Contribution by your company to the costs incurred by JTEKT amount to………

In case of total or partial or early termination of the project or of development work on grounds which are not attributable to JTEKT, your Company shall compensate JTEKT for the damages by repayment of the costs incurred.

Development expenses do not include the assignment of any intellectual property rights whatsoever. Development results shall remain the property of the company which developed them.

* 1. **Special payment terms**

Payment of the development expenses mentioned above shall be made (in one instalment **OR** in several instalments and in cash by your company as from despatch of the invoice by JTEKT at a date to be mutually agreed upon by the Parties but at the latest at the commencement of phase …XX.

**AND/ OR**

Payment of the development expenses mentioned above shall be made as per the price of the part. These development expenses amount to ....euro per part which means that the payment of these development expenses to be borne by your company shall be fully settled once your company has paid for XX parts per reference. In compliance with the volumes indicated, this amount should be reached within ....years. If at the end of the period of XX years, the number of references/supplies required has not been reached, your company undertakes to pay the remaining amount either in one instalment **OR** several instalments and in cash as soon as JTEKT sends its invoice.

**OR** The payment terms for development work shall be provided in a rider to the present bid and shall be submitted to you at a later date.

The payment period for studies on small series is 30 days net from the date of issuance of the invoice.

1. SPECIFIC TOOLING

In the frame of this project, JTEKT or its supplier shall design and manufacture the following specific toolings:

|  |  |  |  |
| --- | --- | --- | --- |
| Designation of tooling | Reference(s) produced by this tooling | Price of the tooling | Estimated lifetime of the tooling |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

* 1. **Ownership of the specific tooling**

Your company shall become owner of the specific tooling listed in this document and which has been ordered, following total payment of the price of each item of tooling by your company. Following total payment, you will supply JTEKT with identification of the specific tooling (plates or any other means) .

**OR** JTEKT and your company shall be joint owners of the tooling up to the amount paid.

**OR** JTEKT shall remain the exclusive owner of the specific tooling.

* 1. **Terms and conditions for payment of the specific tooling**

Corresponding orders shall be issued by your company at the latest by the commencement date of manufacturing of each item of tooling.

Payment of the specific tooling mentioned above as well as taxes and customs duties shall be made by your company in one instalment and in cash as soon as JTEKT sends its invoice at a date agreed upon between the Parties but at the latest by the commencement of the .....phase

+ Payment period

**OR** Payment of the specific tooling mentioned above as well as taxes and customs duties shall be made in the price per part. The price corresponding to this specific tooling amounts to ….. euro per part i.e. payment of tooling shall be fully settled once …. (Your Company) has paid for XX references. In compliance with indicated volumes, this amount must be paid within ...years. If at the end of this period of …… years the number of parts/references/supplies required has not been reached, your company undertakes to pay the remaining amount in one instalment **OR** in several instalments and in cash, once JTEKT has sent its invoice.

The price does not include the assignment of intellectual property rights.

* 1. **Renewal**

The renewal of tooling is not included in the price defined above. The renewal shall be paid in a single instalment by your company on receipt of the invoice issued by JTEKT. For information purposes, we have attached the approximate lifetime of the specific tooling.

**OR** explain other conceivable systems (eg: those already used for initial allocation).

1. LOGISTICS AND PACKAGING
   1. **Logistics**

Production site: ……………….

Incoterm : …………………….

The service rate is to be calculated corresponding to the Incoterm.

Any revision of transport conditions must be accepted in good faith by either party

In case of revision of transport conditions, the customer commits itself to seeking a solution with JTEKT and a fair compensation of costs.

Safety stock: details to be provided especially if the desire is to limit this obligation (place and duration).

**OR** (general sentence) JTEKT undertakes to meet your company’s logistics requirements as contained in the Request for Quotation.

* 1. **Notice of volume variation**

Our quotation takes into account the dimensioning of the logistics loop of components including provision to absorb a fluctuation of your needs of 15 % over a period of 8 weeks compared to the needs expressed the previous year in the months M-1, M-2 and M-3. A quotation of exceptional transport chargeable to your company will be made in case of any superior fluctuation to cover the costs of supply of components requiring long term planning within the limits of accessibility to the sources of suplply. Particular care must be taken relating to electronic components and their specific constraints.

* 1. **Packaging**

**9.2.1 Designation and description of packaging**

|  |
| --- |
|  |

**9.2.2. Ownership of packaging**

The packaging is the ownership of ……………………………

At the end of the project, your company undertakes to recover empty packaging within … month(s). Failure to do so shall lead to destruction of the packaging by JTEKT.

* Distribution of tasks for permanent packaging:

…………………………………………………… (Upkeep and maintenance, washing, calls, management).

1. GUARANTEE AND QUALITY

* 1. **Warranty**

**Warranty of parts delivered in series:**

The duration of the contractual warranty is set at …………… from the first registration of the vehicle or ……………….. as from delivery of the part to your company. The duration of the warranty shall end at the earliest of the above two dates.

**Warranty of parts delivered as spares:**

The contractual warranty period is set at …………… as from delivery of the part to your company.

* 1. **Quality**

With a view to maintaining quality, supply & performance of the parts related to this quote throughout the duration of the project, your company undertakes not to refuse requests for technical or process modification proposed by JTEKT without reasonable grounds.

**Quality commitment**

Please see below **OR attached** our quality commitments in terms of parts delivery for this project:

|  |
| --- |
| * ………… * ………… * ……….. * ppm commitment |

1. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

Either party undertakes to keep any and all information disclosed by the other party in the context of the current project confidential.

Either party shall remain owner of all proprietary information and intellectual property rights existing prior to the project.

We trust that the present bid meets with your expectations and we remain at your disposal,

…………………………………. …………………………………………

Customer General Manager Customer Manager

**GENERAL CONDITIONS OF SALE OF JTEKT**

**DEFINITIONS**

CUSTOMER: co-contracting legal entity of JTEKT

SpEcifiC PACKAGING: designates packaging used exclusively for transport of parts intended for the Customer.

SUPPLIES: designates indifferently any part, tooling, machine, service to be provided to Customer by JTEKT

JTEKT: all JTEKT European companies

SpEcifiC TOOLING**:** designates the specific industrial means required for the production of parts intended for the Customer.

PARTY (IES): designates JTEKT and/or Customer

The fact that JTEKT does not demand the application of one or several provisions hereto shall not under any circumstance be deemed as a renunciation of the exercise of its rights.

1. **Purpose /scope**

The conditions set forth herein are intended to govern the relationship between Parties.

Unless specified otherwise in writing these conditions shall apply excluding any other document deriving from Customer. Any and all variation of the present conditions must be done so in writing.

Any standard document of the Customer available on line shall only be applicable subject to the express consent of the Parties.

1. **Bid / Consultation phase**

Through the submission of its bid, JTEKT commits itself to delivering the Supplies to the Customer under the conditions contained in the bid.

The letter of appointment or failing this, the initial order or the order altered subject to either Party’s consent constitutes approval as is of this bid by the Customer. It can therefore not contain a reserve or a new request.

1. **Order**

The order must comply with the bid made by JTEKT and/or if necessary with a subsequent agreement put in writing between the Parties.

Any increase in the price of raw materials, labour and/or any and all alteration of the exchange rate risk or legal or regulatory constraints applicable to JTEKT or its suppliers shall immediately bring about a change in the prices in force.

Should there be a contestation in writing regarding one or several items of the order, the execution of this order shall not be deemed as acceptance thereof.

Any alteration to an item of the order shall be subject to the prior written approval of JTEKT and a rider to the order shall be drawn up by the Customer or shall give rise to a new order.

All firm orders or calls for delivery cannot be cancelled.

If there is a discrepancy of more or less than 15% in the quantity of Supplies effectively delivered and the planning estimates given by the Customer and used as a base to calculate the price of Supplies, the Parties shall seek a solution to restore the balance of the contract.

In case of an upward variation, JTEKT shall endeavour to meet the Customer’s requirements with deadlines and quantities compatible in particular with its production, transport, sub-contracting, human and financial capacity.

JTEKT may freely transfer all or part of the order to a third party.

Any additional Supplies which are not forecast in the order shall be negotiated between the Parties.

1. **Payment**

Unless otherwise agreed between the Parties, payment shall be made within 30 days from the date of receipt of the goods or the date of performance of the service.

If the Customer has not made payment by the date indicated on the invoice JTEKT shall be entitled to late payment penalties at a rate to be agreed between the Parties. Failing an agreement to this effect, the late payment penalty rate shall be 10 points above the European Central Bank rate in effect and of a minimal recovering indemnity amounting to 40 euros.

Self-invoicing is prohibited unless there is a prior written agreement between the Parties setting forth the terms and conditions thereof.

All offsetting is strictly forbidden unless JTEKT gives its prior written approval thereto.

In case of late payment or payment which is not compliant with the Parties’ agreement, following formal notice to the Customer remaining without effect for 5 working days, JTEKT may suspend the performance of the contract until full payment is made.

No payment may be postponed without JTEKT’s prior written approval.

1. **Delivery**

The Customer is bound to accept the Supplies delivered to it and pay the relevant contractual price.

Unless otherwise agreed beforehand in writing between the Parties, the Customer is bound to check the condition of the Supplies prior to delivery.

The Customer avails of three (3) working days to notify the freight forwarders by registered letter with acknowledgement of receipt of any averages and/or missing items. The customer must send a copy of this letter and a copy of the initialled and marked waybill to JTEKT. Failure by the Customer to comply with these provisions will prevent it from making any future claims against JTEKT.

JTEKT shall endeavour to meet delivery deadlines. Delays shall not under any circumstance justify the total or partial cancellation of an order, nor give rise to penalties or damages unless otherwise specified by the Parties.

1. **Transfer of risk and ownership**

Unless there is a specific agreement in writing between the Parties defining the Incoterm, the transfer of risks relative to the Supplies shall be executed at delivery. Regardless of the point of destination of the material and whatever the payment terms, delivery shall be deemed effective when dropped off in the factories or workshops of JTEKT.

**JTEKT retains entire title of ownership of the Supplies up to effective payment of the full price by the Customer.** In case of events likely to compromise JTEKT’s rights, the Customer undertakes to immediately inform JTEKT thereof.

1. **Technical terms and conditions**

JTEKT undertakes to deliver the Supplies compliant with the technical data contained in the bid which is in force at the date of delivery.

Any technical alteration to the Supplies requested by the Customer shall be subject to agreement between the Parties and shall provide a lead time and the technical/economic conditions of this alteration.

1. **Warranty**

Specific terms and conditions relative to the warranty of the Supplies and their application shall be subject to a specific agreement between the Parties.

At all events, JTEKT warrants that the Supplies comply with the plans, specifications and initial samples validated by the Parties and are free from any manufacturing or material defect.

JTEKT’s warranty obligation shall only apply if the Customer establishes that the defect appeared under the conditions of use normally provided for this type of Supply and in the course of normal use.

The warranty is strictly limited to the material sold by JTEKT. It does not cover the performance of equipment in which the Supplies have not been incorporated by JTEKT.

The warranty is limited, at JTEKT’s discretion, to repair or replacement by JTEKT or refunding of the price of the faulty part.

The Customer must notify the defect in writing within 30 clear days of its discovery and return the Supplies at indicated JTEKT’s site at once and in a good state of preservation. Failing this, the Customer shall lose its right to the warranty covering the Supplies.

This warranty is granted with the exception of any other warranty of whatever nature, in particular the warranty provided in sections 1641 *and following* of the French Civil Code.

1. **Liability**

Either Party’s liability shall be incurred in case of proven failure to comply with their respective obligations.

JTEKT shall not be held liable for damage attributable to the design of the Supplies realized by the Customer or attributable to the Customer’s demands.

JTEKT’s liability under the present agreement is limited to the amount of the Supplies which are at the claim’s origin (taxes excluded).

Unless otherwise specified, neither Party shall be held liable towards the other for production losses, loss of profit, loss of custom, loss of contracts, damage to corporate image or any other indirect and/or immaterial damage of whatever nature.

If the Customer recommends a supplier to JTEKT, the Customer undertakes in good faith to negotiate the sharing of liability amongst the various stakeholders.

1. **Cancellation**

In case of non performance by one of the Parties of any one its essential contractual obligations, the Parties undertake to seek a friendly solution at once before exercising their right to cancellation for default.

In case of serious or repeated failure by a Party to comply with its obligations, the other Party reserves the right to terminate the commercial relationship by registered letter with acknowledgement of receipt pursuant to statutory requirements in force and following formal notice which remains without effect despite a 30 days grace period to remedy. The cancellation shall be effective immediately in case of gross negligence or wilful misconduct.

The Customer undertakes to compensate JTEKT for all harmful direct and/or indirect consequences at the date of cancellation, whatever the cause, such as non amortized machinery and tooling, development expenses, effective or in-process procurement of material or supplies/composites, shortfall of expected profit should the order have not be cancelled..

1. **Confidentiality**

Either Party shall be bound to keep secret all respective proprietary information supplied by the other Party or to which it was afforded access during the business relationship, it shall ensure such information remains confidential and shall prevent the disclosure of any one element of such information.

1. **Intellectual Property**

Either Party shall remain owner of the proprietary rights and intellectual property elements belonging to it prior to entering into the business relationship with the other Party.

Unless otherwise agreed in writing beforehand by JTEKT, the rights and intellectual property elements obtained in the frame of this relationship shall remain the property of JTEKT.

JTEKT grants the Customer the right to use the intellectual property rights and elements essential to the delivery of the Supplies throughout the entire period covering the delivery of these Supplies by JTEKT. Any other use shall be subject to written agreement between the Parties particularly concerning the JTEKT brand.

The Customer shall hold JTEKT harmless from any court or out-of-court claim brought by third parties against JTEKT, irrespective of the country, on the grounds of the intellectual property rights put at JTEKT’s disposal by the Customer for the preparation of the Supplies.

For its part and within the limit of the guarantee granted by its own supplier, JTEKT shall only hold the Customer harmless if the product is not associated with another product not supplied by JTEKT and provided the Customer notifies JTEKT of such claim within 5 working days of receipt and provides JTEKT with any and all facts required to defend the Customer, to be carried out with JTEKT’s full consent.

The Customer undertakes to forward the updated list of the States where the Supplies are to be marketed to JTEKT.

The price of Supplies does not include the assignment of the intellectual property rights.

1. **Specific tooling and specific packaging**

Ownership and the specific terms and conditions of funding and use of the Specific Tooling and the Specific Packaging shall be determined by the Parties upstream from the delivery phase of the spare parts intended for the Customer.

Unless subject to specific agreement, the Customer shall finance the Specific Tooling and/or Specific Packaging up to 100% in one instalment and in cash on presentation of invoice by JTEKT. At all events, ownership of the said tooling or packaging shall only be transferred after full payment of the price unless there is a legal constraint and only after JTEKT has sent written confirmation of this transfer of ownership.

Unless agreed otherwise in writing, the renewal and possible alterations to the Specific Tooling and/or Specific Packaging must be agreed between the Parties and shall be financed up to 100% by the Customer.

Unless otherwise agreed between the Parties, at the definitive life cycle end of the product which the Supplies are incorporated in, the Customer undertakes to come and recover all proprietary Specific Tooling and/or Specific Packaging within one month. Failing this, and following formal notice remaining without effect for fifteen (15) days, JTEKT reserves the right to destroy the said tooling.

1. **Spare parts**

In compliance with customary practice in the automobile sector, spare parts shall be delivered by JTEKT over a period to be agreed with the Customer from the date of end of mass production on EU territory (as set forth on January 1, 2009) of the part incorporating the Supplies, unless base components required by JTEKT become definitively unavailable, on reception of an order whose terms and conditions are in compliance with the Parties’ agreement.

At all events, the Customer shall inform JTEKT in writing of its decision to cease manufacturing a spare part with sufficient and reasonable notice.

1. **Force majeure**

Either Party shall be entitled to suspend the performance of its obligations under the contract to the extent that such performance is hindered or becomes unreasonably expensive as a result of the following circumstances suffered by one of the Parties or one of its suppliers: labour disputes, fire, war, general mobilization, insurrection, requisition, attachment, garnishment, embargo, energy restrictions and default or delay in delivery by sub-contractors brought about by such circumstances and any external, irresistible and unforeseeable event .

The Party requesting application of the force majeure must immediately notify the other Party in writing at the commencement date and end date of such circumstance.

1. **Sale to third parties**

JTEKT shall refrain from selling Supplies bearing intellectual property rights or other technical proprietary information of the Customer without first having negotiated reasonable conditions of use.

1. **Customer’s obligation of information with regard to JTEKT**

The Customer has an obligation of general information towards JTEKT. The Customer shall convey any information conducive to a good working relationship.

In particular, the Customer shall inform JTEKT of the intended use of the Supplies and shall refrain from using the Supplies for any other purpose.

1. **Litigation**

The Parties declare that they shall constantly strive to preserve the quality of their business relationship and pursue this relationship for as long as possible. Consequently, in the event of a dispute, the Parties shall seek an amicable solution to be implemented as soon as possible.

Relations between JTEKT and its Customer and particularly any dispute relative to the interpretation of the present conditions shall be governed by French law under exclusion of its conflict in laws rules and under exclusion of the International Sales of Goods Convention (Vienna 1980). Failing a settlement between the Parties, any and all disputes shall be exclusively dealt with before the Commercial Court of Lyon including all summary proceedings and in case of several defendants.

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To be completed by the Technical Center.

1. **PRECONISATIONS GENERALES D’UTILISATION D’UNE DIRECTION / GENERALS RECOMMENDATIONS FOR THE USE OF A STEERING GEAR**

* Utilisation de la direction dans les limites des cahiers des charges mentionnés aux plans fonctionnels et aux plans fournisseurs. Use of the steering within the application area of specifications mentioned on functional & suppliers drawings.
* Ne pas desserrer les vis de la direction. Do not untight any steering gear screws
* Ne pas désassembler un composant de la direction (quel que soit le composant). Do not disassemble the parts from the column (any type of component).
* Ne pas utiliser la colonne après une chute ou un choc. Do not use the steering after a shock or a fall.
* Alimenter électriquement la direction uniquement avec un calculateur livré par JTEKT. Strictly feed the steering system with a controller supplied by JTEKT.
* Ne pas rayer les revêtements et les peintures (tenue à la corrosion). Do not scratch the coatings & paints (protection against corrosion).
* Interdire toutes manipulations pouvant conduire à la détérioration des pièces. Prohibit all manipulations can lead to deterioration of parts.
* La préhension doit se faire préférentiellement par le carter et les goujons de berceau. The grip should be preferred by the housing and the nuts.
* Ne pas manipuler la direction par les soufflets. Do not handle the strg through the bellows.
* Ne pas poser le direction sur les soufflets. Do not stock the strg on bellows.
* Ne pas choquer les soufflets ou les biellettes. Do not shock bellows or tie rod.
* Ne pas forcer sur les biellettes en cas de contact lors de leur limite angulaire. Do not force the tie rods in contact during their limited angular
* Ne pas modifier le réglage de la vis poussoir. Do not modify the angle yoke plug adjustment
* Ne pas solliciter mécaniquement les fils électriques. Do not apply mechanically stress the electrical wire.
* Ne pas démonter le capteur d’angle. Do not dismantle the angle sensor.
* Respecter les couples de serrage indiqués au plan. Respect the tightening torques mentionned on drawings.
* Lors du montage de la direction sur le véhicule, les faces d’appui doivent être en contact sur le berceau avant le vissage au couple. When mounting the direction to the vehicle, the sides of support must be in contact on the cradle before screwing torque.
* Lors d’une intervention sur le réglage parallélisme, le serrage de l’écrou de rotule axiale devra être réalisé en maintenant le corps du BCR avec une clef. During the parallelism adjustment, tightening the nut axial ball will now be made in the body of the BCR with a key.
* Le soufflet ne doit pas être vrillé lors du réglage parallélisme. The bellows should not be twisted when adjusting parallelism.

1. **PRECONISATIONS SPECIFIQUES D’UTILISATION SELON LE TYPE DE DIRECTION / SPECIFICS RECOMMENDATIONS OF USE FOLLOWING TYPE OF STEERING GEAR**

**2-1 Direction à assistance hydraulique / Hydraulic steering gear**

* La propreté du circuit hydraulique (pompe, réservoir, tuyauterie huile) doit être conforme à la classe 9 de la norme NAS 1638. The cleaness of the hydraulic circuit (pump, reservoir, feed tubes) will satisfy the class 9 of norm NAS 1638.
* Utilisation d’un filtre d’huile permettant de maintenir la classe de propreté 9 sur véhicule. Use an oil filter to allow to meet the cleaness class 9 on the vehicle.
* Ne pas stocker la direction sans ses bouchons de valve. Do not store the strg gear without valve caps.
* Ne pas solliciter par la queue de valve ou par les biellettes si les bouchons de valve sont en place. Do not put any effort on the valve input shaft or on the tie rods if the valve caps are fitted.
* Interdiction de transporter la direction par les tuyaux. Do not carry the strg gear by the hoses

**2-2 Colonne à assistance électrique / Column electric-power steering**

* Ne pas solliciter mécaniquement les fils. Do not put any mechanical effort on the wires.
* Lors de la manipulation, le potting et le câbles ne doivent pas faire l’objet d’une quelconque agression mécanique. When handling, potting, and the cables should not be any mechanical aggression
* Lors de l’utilisation véhicule, le potting ne doit pas être dans une zone sujette à des agressions mécaniques (gravillonnage par exemple). When using the vehicle, the potting should not be in an area prone to mechanical assault (eg gravel).
* La colonne n'est pas étanche à l'eau ; ne pas la mettre en contact avec de l’eau. The column not being watertight, do not put it on contact with water.
* Ne pas actionner la poignée du système de réglage volant avant montage complet sur véhicule. Do not actuate the control handle of the steering wheel before completion of the assembly on vehicle
* Utiliser un outillage spécial pour extraire le volant afin d'éviter les chocs tels que le martèlement lors du démontage. Use an adapted tool to remove the steering wheel in order to avoid shocks, such as hammering, at disassembly.
* Les cardans de l’axe intermédiaire ne doivent pas venir en butée (risque de déboîtement des roulements à aiguilles). Universal joints of intermediate shaft should not push until stop end (risk of pulling apart the needle bearings).
* Eviter la proximité de conducteurs électriques > 10A. Un contact avec la colonne peut la détériorer. Avoid the proximity with electrical wires > 10A. A contact with the column could damage it
* Ne pas exposer la colonne à des champs magnétiques supérieurs à 10 mT à une distance < 50 mm. Do not expose the column to magnetic fields over 10 mT at a distance < 50 mm.
* Ne pas soumettre la colonne à un courant passant par l’axe. Do not submit the column to a current along its axis.
* Ne pas débrancher les connexions électriques de la colonne lorsque celle-ci est sous tension. Do not disconnect the electrical connections of the column when power is on.
* Les conditions de stockage doivent permettre une attente de montage sans altération des produits (humidité, poussière …). Storage conditions should enable a waiting period before assembly without damage to the products (humidity, powder,..).
* Montage géométrique selon les points A, B, C, D du plan fournisseur. Geometrical assembly according points A, B, C, D.

**2-3 Direction électrique assistée sur pignon ou double pignon (P-EPS ou DP-EPS)/ Pinion or dual pinion electric-power steering**

* Ne pas débrancher les connexions électriques de la direction lorsque celle-ci est sous tension. Do not disconnect the electrical connections of the steering when power is on.
* Eviter la proximité de conducteurs électriques > 10A. Un contact avec la direction peut la détériorer. Avoid the proximity with electrical wires > 10A. A contact with the steering system could damage it
* Ne pas exposer la colonne à des champs magnétiques supérieurs
* à 10 mT à une distance < 50 mm. Do not expose the column to magnetic fields over 10 mT at a distance < 50 mm
* Les conditions de stockage doivent permettre une attente de montage sans altération des produits (humidité, poussière …). Storage conditions should enable a waiting period before assembly without damage to the products (humidity, powder,..)
* Lors de la manipulation, le potting et le câbles ne doivent pas faire l’objet d’une quelconque agression mécanique. When handling, potting, and the cables should not be any mechanical aggression
* Lors de l’utilisation véhicule, le potting ne doit pas être dans une zone sujette à des agressions mécaniques (gravillonnage par exemple). When using the vehicle, the potting should not be in an area prone to mechanical assault (eg gravel).

To be completed.