

Otokar

PURCHASE CONTRACT

Article 1 - PARTIES

This contract is executed between

Otokar Otomotive ve Savunma Sanayi A.Ş.
Tax Office: Gümrükönü / Tax No: 6490018272
Atatürk Caddesi, No. 9
Arifiye, Sakarya

(referred briefly as “OTOKAR” hereinafter)

and

.....
Tax Office: / Tax No:
Address:

(referred briefly as the “Supplier” hereinafter)

under the following terms and conditions.

Article 2 - SCOPE

This contract sets out the reciprocal rights and obligations of OTOKAR and the Supplier in their contract-based relations.

Article 3 - DEFINITIONS

Part means all finished products, semi-finished products, consumables and spare parts of the same used in the manufacturing of all finished products manufactured by OTOKAR.

Technical Information means national and/or international standards, proprietary technical specifications and/or information, samples, models, techniques, technological or engineering information or documentation used in designing, manufacturing or assembly of finished products.

Purchase Order Contract means a letter by which order conditions, part prices, validity dates and, if any, special order conditions applicable to the parts and materials specified in this purchase contract are notified to the Supplier.

Special Order Conditions mean any special conditions applicable to the particular order specified in the purchase order contract.

UNCLASSIFIED

Shipment Plan means a plan showing the date of delivery and ordered quantity of the part or parts ordered by OTOKAR to the Supplier by stating the part code and description.

Supplier Code means the code representing the Supplier which is used to track all procedures involving OTOKAR and the Supplier concerning the issues addressed in the articles of this contract

OTOKAR Part Number means the code representing the parts purchased from the Supplier, by which all procedures involving OTOKAR and the Supplier are tracked.

State Quality Assurance (SQA) means the process by which the assurance that the requirements of the contract regarding quality is provided by competent National Authorities.

Article 4 - GENERAL PROVISIONS

4.1 This purchase contract is applicable to all orders.

4.2 By accepting an order placed by OTOKAR, the Supplier is deemed to have accepted also the provisions of the "Purchase Contract" and, if any, "Special Order Conditions" set out in the "Purchase Order Contract", which are an integral part of the order, even in the absence of a written confirmation by the Supplier.

4.3 Any note, wording, condition, addition, change or provision written by the Supplier on any invoice, letter or document which is contrary to the "Special Order Conditions" set out in the Purchase Order Contract or to the "Purchase Contract" without written consent of OTOKAR shall be invalid and notwithstanding the same, the "Special Order Conditions" and the "Purchase Contract" shall be applicable to the respective order. Failure of OTOKAR to send a clear objection against the same shall not be deemed an implied acceptance of the same.

4.4 If there isn't any "Special Order Condition" in the first order contract for a part, such condition(s) set out in the subsequent order letter(s) shall be deemed binding on the parties. The order contract bearing the latest date shall be applicable.

4.5 The Supplies may not transfer or sell the license to manufacture and/or sell any part or material ordered by OTOKAR, which has been designed by or on behalf of OTOKAR, to any third party without prior written consent of OTOKAR. The Supplier may not transfer and assign his responsibilities, rights and receivables arising from a purchase order in part or whole to any person or firm in any manner without prior written consent of OTOKAR.

4.6 The Supplier can work with third persons. In this case, the Supplier shall be severally liable in conjunction with such third persons toward OTOKAR. The fact that the Supplier works with subsidiary industry firms shall not alter the obligations undertaken by him against OTOKAR. Such firms too are obliged to abide by the terms and conditions of this contract and any special conditions. The Supplier shall be responsible for the consequences of failure of such firms to abide by the same.

4.7 The Supplier agrees to maintain spare parts (detail parts) of any product he supplies to OTOKAR hereunder, to supply the same to OTOKAR upon its order, to give the price list of such parts to OTOKAR and to provide after-sale service for such parts. The Supplier agrees that he shall be solely liable for any loss resulting from his failure to fulfill the requirements set out in this paragraph.

UNCLASSIFIED

4.8 In the supply of all parts / materials to OTOKAR, the Supplier agrees and undertakes to observe the requirements of the environmental laws and regulations and the ISO 14001 Environmental Management System of OTOKAR.

4.9 The Supplier agrees and undertakes to carry out his manufacturing and supply activities in accordance with the global responsibility principles in a manner respecting the society, the environment and the human beings, to comply in respect of any forbidden or restricted materials / chemicals with the national and international directives, the United Nations Global Principles Convention, the laws and the mandatory standards, and to ensure dissemination of such information and requirements needed to this end throughout the supply chain.

Article 5 - ORDER CONDITIONS

5.1 The Supplier shall deliver the ordered parts and/or materials in accordance with the deadlines specified in the Purchase Order Contract.

5.2 OTOKAR has the right to make changes to technical specifications and drawings of any product for which an order has been placed at any time if it deems necessary. The Supplier recognizes the right of OTOKAR to cancel such parts specified in the purchase order due to any changes made in the design of the same by also taking into account the quantities on which the parties have mutually confirmed based on the quantities specified conclusively in the shipment schedule of OTOKAR.

5.3 The Supplier may not make changes to the technical specifications, the drawings or the contracts of the parts for which an order has been placed by OTOKAR, unless such changes have been requested or approved by OTOKAR. Otherwise, the Supplier shall indemnify OTOKAR for any loss incurred by it because of this without notice.

5.4 All purchase orders OTOKAR shall be placed, changed or cancelled by a written document or data sent via any medium (facsimile, mail, electronic data, etc.) originated from OTOKAR.

Article 6 - DELIVERY TERMS

6.1 The Supplier may request changes to any purchase order contract and shipment schedule of OTOKAR within the first business day following the receipt of the same by him. Such change shall be valid upon revision of such purchase order contract or shipment schedule by OTOKAR. Purchase order contracts and shipment schedules in respect of which no change has been requested shall be deemed accepted as they are.

6.2 The Supplier agrees to conform to the dates, quantities, place and other conditions of delivery specified in the purchase order contract and shipment schedule of OTOKAR as acknowledged by him.

6.3 The Supplier shall be liable for any loss or damage occurred in the course of transportation.

6.4 Except for the Milkrun practice, the expenses of and responsibility for transportation shall rest on the Supplier. Even if the materials are transported by OTOKAR, costs of transportation shall be invoiced to the Supplier.

UNCLASSIFIED

6.5 As part of the responsibility for transportation, the Supplier is obliged to obtain the exhaust emission reports of the vehicles used or leased by him for transportations to OTOKAR at the intervals as specified in the laws and submit them to OTOKAR at its request. OTOKAR shall not be responsible for any legal loss incurred due to any missing document.

6.6 Unless otherwise stated in the contract, the materials shall be delivered in accompany of the waybill to the warehouses of OTOKAR. A separate waybill must be issued for any part(s) shipped as preliminary delivery and first sample. The waybill shall be issued by taking into account the following essentials. Besides the legal conditions, the following information shall be written on the waybill:

6.6.1 OTOKAR part number of the product

6.6.2 Description, quantity and measurement unit of the products in conformity with the specification on the purchase order.

6.7 A representative of the Supplier or the carrier must get the signature the warehouse employee of OTOKAR on the waybill and receive back one signed copy of the waybill at the time of delivery of the products. Otherwise, he may not claim that the goods have been received by OTOKAR.

6.8 After receiving of the materials by the warehouses of OTOKAR, the responsibility for the material passes to OTOKAR. The right to return the goods

6.8.1 Due to any damage to the part occurred in the course of transportation to OTOKAR;

6.8.2 Due to non-conformity of the part to the desired specifications;

6.8.3 Due to non-conformity to the delivery dates specified in the shipping schedule

is reserved. The Supplier shall be liable for any loss resulting therefrom.

6.9 The dates specified in the shipping schedule are the dates when the parts must be in the warehouse of OTOKAR.

6.10 OTOKAR shall immediately return any goods which were not ordered or the quantity of which exceeds the quantity specified on the purchase order or of which delivery date has not yet come. In this case, all transportation costs and other expenses shall be borne by the Supplier. In this case, the amount of the return invoice of OTOKAR shall be deducted immediately from any sum due and payable to the Supplier.

6.11 The Supplier may not cease and delay any shipments in the event of delay of the “Price Escalation Agreement”. If an agreement cannot be reached on the price escalation for prolonged time, the Supplier shall continue the shipments for the prices to be agreed until OTOKAR has found another source of supply.

6.12 In the event that a delivery has not been made in accordance with the deadline and the quantity specified in the “shipment schedule” as agreed between the Supplier and OTOKAR,

6.12.1 OTOKAR reserves the right to claim any loss incurred by it as a result of this (including extra labor costs incurred for each vehicle not manufactured and financial loss) from the Supplier;

6.12.2 OTOKAR reserves the right to terminate the contract and/or the purchase order unilaterally;

UNCLASSIFIED

6.12.3 OTOKAR reserves the right to keep the purchase order in effect and charge penalty at the rate of 2% of the cost of the part for each day of delay without notice and to demand making of the delivery as soon as possible.

6.12.4 OTOKAR shall have the right to supply the ordered but not delivered goods and/or service from another supplier on account the Supplier. In this case, any price difference and other expenses shall be paid by the Supplier. The right of OTOKAR to claim all of the losses incurred by it is reserved. In this case, such price difference and other expenses shall be invoiced to the Supplier or deducted from any sum due and payable to the Supplier.

Article 7 - PRICE AND CONDITIONS FOR PRICE REVISIONS

7.1 The Supplier may revise the prices only on condition that the Supplier has sent the price revision proposal in writing to OTOKAR and OTOKAR has sent a written approval of such revision to the Supplier. The Supplier shall be obliged, if requested by OTOKAR, to indicate all inputs in detail in the price revision proposal and submit the evidencing documents.

7.2 Any price revisions expected to occur due to changes made to any process or material shall be notified by the Supplier to OTOKAR beforehand. Any price revision shall not be valid and binding on OTOKAR, unless OTOKAR has accepted it in writing.

7.3 If a reduction occurs in the costs of inputs, the Supplier agrees to make a reduction in his prices.

Article 8 - INVOICES AND PAYMENT CONDITIONS

8.1 Invoices shall be issued in conformity with the quantities specified on the waybill and with the part numbers of OTOKAR.

8.2 A separate invoice shall be issued for each waybill.

8.3 The Supplier shall continue to invoice the orders for former prices until the price agreement has been reached.

8.4 In respect of any price difference pertaining to the previous periods, a separate price difference invoice shall be issued. The price difference invoices must be issued separately for each invoice. Any price difference invoice issued collectively and on the basis of part shall be invalid and returned.

8.5 In the event that the price specified on an invoice sent by the Supplier is different from the price agreed between the parties, OTOKAR shall reject and return that invoice.

8.6 In the event that the Supplier fails to fulfill his undertakings, OTOKAR reserves the right to set off the sums invoiced by OTOKAR to the Supplier on account of any loss, damage, sale, etc. in connection with the matters addressed in the contract, even if they are not related with the disputed order, against any sums due and payable to the Supplier for previous shipments or transactions as a guarantee for any loss and legal consequences of the failure of the Supplier without judgment or precautionary attachment or injunction.

UNCLASSIFIED

8.7 Payments to the Supplier shall be made at the due date agreed with the Supplier by check or bank transfer.

Article 9 - CONDITIONS FOR PACKAGING

9.1 Packaging that will ensure transportation of the ordered goods in an economic, sound and healthy manner to OTOKAR shall be selected and made by the Supplier. The Supplier shall conform to the statutory regulations in the selection and use of the packaging.

9.2 In the cases where the packaging of the goods is not appropriate, OTOKAR reserves the right to demand another form and type of packaging as described by it from the Supplier. The Supplier agrees to conform to this demanded change.

9.3 Each box, crate or package shall be marked with

9.3.1 Name and Code of the Supplier;

9.3.2 OTOKAR number and material description of the Part or the Material;

9.3.3 Description and measurement unit of the product conforming to the specification on the purchase order and contents of each box, crate or package.

Article 10 - QUALITY AND WARRANTY CONDITIONS

10.1 For any material to be used first time ever, especially chemical-based materials, the Supplier undertakes to send the material safety data sheet of the manufacturer of that material to OTOKAR before the use of the material.

10.2 The Supplier agrees to provide the goods and services in accordance with the drawings and specifications, general and special conditions, technical specifications, CAD data, computer data, illustrations, norms and standards of OTOKAR. The Supplier agrees that he shall be solely liable for any loss or damage resulting from non-compliance of any goods/service delivered by him to these conditions.

10.3 Any assistance provided and audits done by OTOKAR in the course of manufacturing of any product when it is deemed necessary shall not limit the responsibility and liability of the Supplier in this regard.

10.4 The Supplier agrees that a continuous improvement plan must be implemented in order to reach the performance required by OTOKAR and to satisfy the end consumer.

10.5 The Supplier may give recommendations to OTOKAR regarding reduction of costs and improvement of quality.

10.6 OTOKAR or third persons authorized by OTOKAR can visit the manufacturing plant and warehouses of the Supplier at any time by giving prior notice to the Supplier to inspect such equipment, raw and intermediate materials used in the manufacture of the products, audit the quality system and take samples. The Supplier shall assist OTOKAR in the provision of information about the processes involving the manufacturing of the products. This, however, may not reduce the responsibility of the Supplier to deliver products conforming to the drawings and specifications of OTOKAR.

UNCLASSIFIED

10.7 All requirements set out in this contract can be subject to the State Quality Assurance (SQA) defined in article 3. Any SQA activity shall be notified to the Supplier beforehand.

10.8 If any persons or organizations with whom or which OTOKAR has made a sales agreement under a special contract demand, they can inspect such equipment and materials used in the manufacturing of the parts used on the vehicles manufactured by OTOKAR for them, make Quality System Audit, take samples and make any investigation related with the manufacturing of the products at the manufacturing plant of the Supplier.

10.9 In the event that any defect in the quality of any product which cannot be discovered immediately is discovered at the time of use of the product, the Supplier is obliged to receive back and replace the product free of charge.

10.10 The warranty period shall commence from the date of registration of the vehicles manufactured by OTOKAR. Unless otherwise stated in the "Purchase Order Contract", the valid warranty period for all parts shipped is 2 years. If an additional warranty period is granted by OTOKAR to any end user for any vehicle model, this shall be notified to the manufacturer with a separate specification and shall be binding if it is agreed. Regarding any spare parts, the same conditions shall apply from the moment they are fitted by an authorized seller to the vehicle of the end user. Any parts failed during this period, except for any misuse, shall be returned and a return invoice shall be issued based on the then current prices.

10.11 OTOKAR can notify return of any part made due to any defect with a warranty notification report and a return invoice attached to it to the Supplier at any time within the warranty period. In this case, the amount of the return invoice of OTOKAR shall be deducted from any sum due and payable to the Supplier. Any goods found to be defective during the warranty period shall be returned to the Supplier at the risk and cost of the Supplier.

10.12 Any damage occurred during use of any part which failed within the warranty period, any loss or damage incurred by third persons, any additional labor costs incurred for replacement of such part, all costs incurred for calling of vehicles where defective parts have been used to points of service can be invoiced by OTOKAR to the Supplier.

10.13 All these provisions shall apply as such to any defective parts in vehicles exported by OTOKAR as well, with the exception that any part or parts returnable as per the warranty conditions cannot be shipped back from abroad to the Supplier due to some regulatory difficulties and high transportation costs.

10.14 OTOKAR may return any material to the Supplier if such material stayed outside OTOKAR for a period which is longer than the below specified periods before delivered to OTOKAR. Failure to discover this non-compliance at the time of acceptance of the material shall not prevent return of the material to the Supplier at any time upon discovery of the non-conformance by OTOKAR.

10.14.1 If the shelf life of the material is 24 months, those materials aged longer than 12 months;

10.14.2 If the shelf life of the material is 18 months, those materials aged longer than 9 months;

10.14.3 If the shelf life of the material is 12 months, those materials aged longer than 4 months;

10.14.4 If the shelf life of the material is 8 months, those materials aged longer than 3 months;

10.14.5 If the shelf life of the material is 6 months, those materials aged longer than 2 months;

10.14.6 If the shelf life of the material is 3 months, those materials aged longer than 1 month.

UNCLASSIFIED

10.15 If it deems necessary, OTOKAR may accept any non-conforming material conditionally. This, however, shall not mean that OTOKAR has changed its specifications and expectations pertaining to that material. Use of a non-conforming material by OTOKAR when it deems necessary shall not mean that it will accept any non-conforming material in the future.

10.16 In any case, the Supplier shall be responsible for and liable to indemnify any bodily injury, financial and moral loss and physical damage incurred by OTOKAR or any beneficiary due to any defect in the products of the Supplier and any direct or indirect consequences of the same for an indefinite period of time beyond the aforesaid warranty periods.

Article 11 - NO TRANSFER

11.1 The Supplier may not transfer and assign his responsibilities for and his rights and receivables arising from a Purchase Order to any person by any way without prior written consent of OTOKAR.

11.2 If the business or the legal status of the Supplier falls into danger or if the company of the Supplier is taken over by another person directly or indirectly or if an extraordinary event which disrupts business of the Supplier occurs or if the operations of the Supplier are expected to be disrupted due to his debts to third persons, the Supplier is obliged to notify the same to OTOKAR immediately. OTOKAR reserves the right to terminate the contract.

Article 12 - MOLD DELIVERY AND PART ORDER CONTRACT

12.1 If OTOKAR has provided and/or financed a mold, fixture or equipment to be used in the manufacturing of a part, such fixed assets shall become the property of OTOKAR under the following conditions after the respective part has been approved and payment for it made.

12.2 Such molds shall be the property of OTOKAR solely. They are given to the Supplier on trust for manufacturing of the parts demanded by OTOKAR only.

12.3 The Supplier agrees and undertakes to use such molds entrusted to him in the manufacturing of the parts solely for OTOKAR.

12.4 In the event that the contract is not fulfilled or the purchase order is cancelled or expires or if it is demanded by OTOKAR for any reason, the Supplier agrees and undertakes to deliver such molds in complete and as free of any damage to OTOKAR (or any place designated by OTOKAR).

12.5 In the event that the Supplier breaches paragraphs 12.1, 12.2, 12.3 and 12.4, the Supplier agrees and undertakes to pay the current value of the mold to OTOKAR as compensation.

12.6 The Supplier shall exert the necessary care and diligence when using the molds in his manufacturing.

12.7 The Supplier shall be liable for any loss or damage caused by any fault or act of him or any other person against OTOKAR directly and shall be obliged to indemnify any loss incurred by OTOKAR. (Indemnification of losses is dealt with in article 12.8 of the contract.)

UNCLASSIFIED

12.8 Indemnification of a loss is the payment of the repair expenses or the expenses incurred by OTOKAR for repair of the damage by others as well as the payment of any loss resulting from loss of production caused by delay in the delivery of any part because of such damage.

12.9 Maintenance of such molds shall be the responsibility of the Supplier and the Supplier shall not claim payment from OTOKAR in this regard.

12.10 The Supplier may not give and permit use of any mold or similar tool to and by any other firm (third persons) without prior written consent of OTOKAR.

12.11 In the event that it becomes impossible to return the molds to OTOKAR for any reason or the Supplier is not willing to return the molds, the costs of the molds shall be immediately compensated by the Supplier.

12.12 The value of the molds to be returned shall be the price quoted by a mold maker chosen by OTOKAR at home or abroad at the date of compensation. If a dispute is not settled, the Supplier agrees and undertakes to pay any price difference arising during that period as compensation as well.

12.13 It is strictly forbidden to sell any parts manufactured by using the molds supplied by OTOKAR to the Supplier to the spare part market directly or indirectly or otherwise. The right to sell such parts belongs to OTOKAR. If any molds belonging to OTOKAR are not returned to OTOKAR for any reason, any parts manufactured by using such molds may not be sold to spare part market or any third person directly or indirectly. Otherwise, the Supplier shall immediately indemnify OTOKAR for any financial loss incurred by it because of this.

12.14 The Supplier shall purchase insurance for molds and other tools supplied by OTOKAR to him against loss or damage caused by disappearance, accident, fire, etc. at the cost of the Supplier and shall present the insurance policy and the receipt of insurance premium to OTOKAR.

Article 13 - CONDITIONS APPLICABLE TO MARKING OF THE PRODUCTS

13.1 On the parts and materials ordered by OTOKAR shall be written indelibly the “OTOKAR Code”, the “OTOKAR part number” and the “OTOKAR logo” as well as the year and month of manufacturing by the Supplier if so requested by OTOKAR.

13.2 Use of the “OTOKAR logo” and the part number has been allocated to the parts and materials manufactured for OTOKAR only in accordance with the illustrations and specifications of OTOKAR.

Article 14 - CONDITIONS APPLICABLE TO INDUSTRIAL PROPERTY AND TRADE SECRET RIGHT

TECHNICAL INFORMATION: Every kind of technical information such as every kind of design, method, process, software program, application, drawing, mechanism, tool, equipment, gauge, draft, invention, technical improvement, useful model, patent, industrial design, know-how, etc which are stored in written, printed, visual, mechanical and/or electronic mediums and used for manufacturing of a part.

UNCLASSIFIED

WORK: Every kind of drawing, CAD/CAM data and software developed by the Supplier, sub-contractors of the Supplier and their employees for purposes of manufacturing of parts for OTOKAR.

14.1 In respect of any TECHNICAL INFORMATION and WORK owned by the Supplier before entering into the business relationship with OTOKAR or subsequently developed by the Supplier through his own R&d activities which are not related with the parts manufactured for OTOKAR and used by the Supplier for the purposes of manufacturing of parts for OTOKAR by agreement between the parties, regardless of whether such TECHNICAL INFORMATION and WORK fall into the scope of Intellectual and Industrial Property rights or not, OTOKAR shall have a non-exclusive, irrevocable and paid license, including the right to grant sub-licenses for purposes of making manufacturing for OTOKAR, for an indefinite period of time, which will be valid all around the world.

14.2 Any TECHNICAL INFORMATION provided by OTOKAR to the Supplier in accompany of a purchase order for the purposes of manufacturing of parts for OTOKAR, of which title or exclusive rights belong to OTOKAR, has been provided solely for the purposes of manufacturing of parts for OTOKAR. The Supplier may not use such TECHNICAL INFORMATION falling into the definition given above for any other purpose, may not file action for the recovery of the title to such TECHNICAL INFORMATION against OTOKAR or may not register such TECHNICAL INFORMATION on his name. Any relationship between the parties may not be construed to the effect that a license has been granted to the Supplier in respect of any TECHNICAL INFORMATION referred in this article.

14.3 The Supplier shall take the necessary measures for proper protection and safekeeping of the intellectual and industry property rights as well as the TECHNICAL INFORMATION belonging to OTOKAR and send the necessary warnings and provide the necessary support to OTOKAR for registration of such rights on the name of OTOKAR.

14.4 All technical documentations, tools, devices, equipment, models, molds, appliances, templates, gauges and samples supplied to the Supplier or paid by OTOKAR for manufacturing of the ordered goods in accordance with the drawings and specifications of OTOKAR are the industrial property of OTOKAR and shall be returned to OTOKAR immediately upon the demand of OTOKAR.

14.5 All equipment, measurement devices and documents referred above are absolutely trade secret and may not be copied in any way and transferred or sold to third persons without written consent of OTOKAR.

14.6 When using the intellectual and industrial property rights belonging to OTOKAR, the Supplier is obliged to conform to the document of OTOKAR, titled "GENERAL CONDITIONS FOR USE OF INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS OF OTOKAR BY SUPPLIERS". The latest version of this document is available at www.otokar.com.tr.

14.7 OTOKAR does not assume any liability for any dispute between the Supplier and any third party arising from industrial property, trade secret or any other matters related thereto in respect of the goods and services it purchased from the Supplier. In the case of such dispute, all legal liability shall be borne by the Supplier and OTOKAR shall not be held liable for the consequences thereof.

14.8 In order for protection and security of the industrial property and trade secrets of OTOKAR, the Supplier shall take all measures, in respect of his employees who are present at the facilities of

UNCLASSIFIED

OTOKAR, to prevent shooting of video film within the site of OTOKAR and to make sure that mobile phones, video cameras, voice recording devices, fired arms, any sharp objects are handed over to the security at the entrance to the site of OTOKAR. In this regard, the Supplier shall be responsible for any video shooting or photograph taking and copying of any technical information, work and trade secrets at the site of OTOKAR without prior written consent of OTOKAR.

14.9 The Supplier agrees, declares and undertakes that intellectual rights to software programs, formula, parts, components and other materials used in the course of manufacturing of such goods and rendering of such services to OTOKAR belong to the Supplier or has acquired the right to use the same from the owners in accordance with the legislation.

The Supplier agrees, declares and undertakes that if any dispute arises between any third person and OTOKAR as a result of use of any goods and services provided by the Supplier to OTOKAR, OTOKAR shall not be held liable in any way, that any liability arising from the same shall be solely borne by the Supplier, that if any third person claiming a right to such goods and services files lawsuit against OTOKAR, the Supplier shall immediately intervene the lawsuit beside OTOKAR, that he shall indemnify OTOKAR for any damages paid by OTOKAR to such third person due to infringement of any intellectual right, trade secret and know-how, together with all expenses incurred by OTOKAR directly or indirectly because of this, that he shall immediately inform OTOKAR about infringement or revocation of any intellectual right as a result of use of such goods and services, and that he shall act as instructed by OTOKAR.

14.10 The Supplier agrees to indemnify OTOKAR for all financial and moral losses incurred by OTOKAR directly or indirectly as a result of legal and penal claims raised against OTOKAR by third persons as a result of breach of the above articles and of the fact that the representations in this Contract are not true.

Article 15 - CONDITIONS APPLICABLE TO ADVERTISEMENT AND BRANDING

15.1 The Supplier may not advertise directly or indirectly the commercial relationship between the parties and any vehicle and part manufactured by OTOKAR without explicit written consent of OTOKAR. If OTOKAR gives consent in this regard, the Supplier shall be obliged to conform to the form of and conditions for advertisement as established by OTOKAR. The Supplier shall take every measure to conform to these obligations.

15.2 The Supplier may not use the trademark, logo and similar expressions of OTOKAR for purposes of advertisement, reference, etc. in printed and visual form in any way. The Supplier may not use the trademark, logo and similar expressions of OTOKAR on his documents, letters, papers etc.

15.3 If the Supplier is manufacturing safety parts, he shall write visibly and indelibly the part number, date of manufacturing or production serial number / lot number of the part on each part manufactured by him for OTOKAR.

Article 16 - OTHER MATTERS

16.1 This Purchase Contract shall be binding on the legal successors of the parties. However, the Supplier may not transfer and assign his rights and obligations arising from this contract to any third person or relinquish the same otherwise.

UNCLASSIFIED

16.2 All notices required by this contract shall be sent by the parties to the addresses, fax numbers and/or e-mail addresses of the parties given on the first page of the purchase order contract, unless either party has notified another address to the other in writing. The parties agree that a notice sent to these mail addresses and/or fax numbers shall be deemed served to them.

Article 17 - CONDITIONS APPLICABLE TO AMENDMENTS

17.1 The Supplier may not make any change to the specifications of any part and material without explicit written approval of OTOKAR.

17.2 Any changes requested in writing to be made to the specifications of the parts and materials which have been approved by OTOKAR shall be made and submitted to the approval of OTOKAR within a period agreed between the parties.

17.3 Failure of either party to raise objection against breach of one or more provisions of this contract by the other party or to exercise its rights against the other party for a while, this shall not be construed as a waiver of such provisions or rights by that party, nor shall preclude enforcement of such provisions or rights later on, nor shall affect validity of the other provisions or the entirety of the contract.

17.4 In the event that any of the shareholders, managers and/or representatives of the Supplier is changed, the Supplier shall be obliged to send the new circular of authorized signatures by registered mail with return confirmation to the Accounting and Purchasing Managers of OTOKAR. Otherwise, the former circular of authorized signatures shall be valid.

Article 18 - CONDITIONS APPLICABLE TO TERMINATION

18.1 If the Supplier fails to conform to or acts in contradiction with this contract and his obligations arising from the contract despite the written notices sent by OTOKAR in this regard, OTOKAR may terminate the commercial relationship with the Supplier, providing that the right of OTOKAR to make claim and file action is reserved.

18.2 In the event that the Supplier fails to conform to the delivery dates specified by OTOKAR in the "Purchase Order Contract" or the "Shipment Schedule" more than three times within a year or that the parts manufactured by the Supplier for OTOKAR do not conform to the drawings and specifications of OTOKAR for more than three times within a year, OTOKAR shall be entitled to terminate the contract without notice, providing that the right of OTOKAR to exercise its rights arising from the contract is reserved.

18.3 In the event that the Supplier fails to achieve the "Supply Performance" and the "Quality Performance" and similar criteria established and notified to the Supplier by OTOKAR as annual target within the time specified on the same letter, OTOKAR shall be entitled to terminate the contract without notice, providing that the right of OTOKAR to exercise its rights arising from the contract is reserved.

18.4 In the event that the Supplier breaches the article, titled "Industrial Property and Trade Secret Right", of this Purchase Contract, OTOKAR shall be entitled to terminate the contract immediately without notice.

UNCLASSIFIED

18.5 If the shareholders or managers of the Supplier are changed, such changes must be notified to OTOKAR in writing immediately. If such changes is so extensive to make the performance of the work as desired difficult or impossible, OTOKAR may terminate the contract unilaterally.

18.6 In the event of a force majeure (strike, lockout, natural disaster, etc.), the obligation to conform to the provisions of this contract shall cease. However, the parties shall be notified of such event in a timely manner.

18.7 This Purchase Contract shall terminate upon coming into effect of a new purchase contract by a written notice of OTOKAR.

18.8 This Purchase Contract shall terminate ten (10) years after its effective date.

18.9 In the event of termination of the Purchase Contract or the Purchase Order Contract by OTOKAR due to any of the reasons for termination set out herein, OTOKAR reserves its right to claim compensation of any kind.

Article 19 - PROVISIONS TO SURVIVE THE TERMINATION

19.1 Termination of this contract shall not terminate the obligations set out in articles titled “Quality and Warranty Conditions” and “Industrial Property and Trade Secret Right” of the contract.

Article 20 - COMPETENT COURT

20.1 Any dispute shall be settled by courts and execution offices in İstanbul.

Place:

Date:

For and on behalf of
OTOKAR

For and on behalf of
SUPPLIER