

LICENSE AGREEMENT

THIS AGREEMENT, by and between _____ a corporation organized and existing under the laws of Sweden, and having a place of business _____ (hereinafter referred to as "LICENSOR") and - _____,) reg. no. _____), a corporation organized and existing under the laws of _____, and having a place of business at _____ (hereinafter referred to as "LICENSEE").

WITNESSETH:

WHEREAS, LICENSOR is a world-leading researcher, developer and manufacturer of vehicle safety systems such as, but not limited to, airbag systems and seat belt systems and will continue to conduct research and development for the benefit of the companies in the Autoliv group;

WHEREAS, LICENSOR has the right to grant licenses for the exploitation of technologies developed and of patents, patent applications and know-how related to seat belt systems, airbag systems and other vehicle safety systems and assemblies thereof, existing now (as of the date of this agreement) and developed in the future

WHEREAS, LICENSEE desires to acquire a license under the aforesaid patents, patent applications and know-how and to have continuous access to the technologies developed; and

WHEREAS, LICENSOR is willing to grant such license under the following terms and conditions.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. Definitions

- 1.1 "Licensed Patents" shall mean those patents and patent applications, which are owned by LICENSOR now or in the future or which LICENSOR otherwise has the right to license.
- 1.2 "Technology" shall mean presently existing and future developed know-how relating to the seat belt systems, airbag systems and assemblies, possessed by the LICENSOR.
- 1.3 "Licensed Articles" shall mean seat belt systems, airbag systems and assemblies made under or comprised by any of the Licensed Patents and/or the Technology.

- 1.4 “Net Sales” shall be the price shown in LICENSEE’s invoices to external customers less discounts, rebates, transportation charges, value added tax and other taxes shown separately on the invoice.
- 1.5 “Affiliate” shall mean a corporation or company, which is controlled by Autoliv Inc., including any joint venture, in which Autoliv Inc. directly or indirectly controls more than 50 per cent of the shares.
- 1.6 “Effective Date” shall mean January 1, 2003.

2. License Grant

- 2.1 LICENSOR hereby grants to LICENSEE a non-exclusive, world-wide license without the right to sublicense others under the LICENSOR Licensed Patents and Technology to manufacture, use and sell Licensed Articles.

3. Compensation

- 3.1 For the rights and licenses granted pursuant to Article 2 LICENSEE shall pay to LICENSOR or its designee running royalty payments in the amount of two and a half (2.5) per cent of the Net Sales of Licensed Articles by LICENSEE.
- 3.2 The foregoing royalties shall become due when Licensed Articles are sold and shall be paid quarterly, provided however that all applicable exchange control and tax laws and regulations shall be complied with. LICENSEE shall pay to LICENSOR or to such other party as LICENSOR may direct in writing, on or before the last day of each of the months January and July of each year, the total amount (in U.S. dollars) or as otherwise agreed to by the parties of such royalties becoming due and owing during the preceding calendar quarter ending on the last day of December and June of each year. It is agreed that Licensed Articles shall be considered “sold” when billed out, or if not billed out, when shipped or delivered pursuant to a sale, lease or otherwise transferred for consideration.
- 3.3 LICENSEE shall, upon LICENSOR’s request, furnish to LICENSOR with each royalty payment a written statement showing the Net Sales of Licensed Articles by LICENSEE during the preceding calendar quarter.

4. Reports and Records

- 4.1 LICENSEE shall keep complete and true records of all Licensed Articles which are sold hereunder and shall retain such records for a period of three (3) years from the date of the establishment of the record. LICENSOR shall have the right to examine such records at LICENSEE’s place of business during reasonable business hours to the extent necessary to verify the correctness of any statements of LICENSEE with respect to royalties or the sale of Licensed Articles and royalties thereon.

5. Maintenance of Patents

- 5.1 LICENSOR shall be responsible at its own cost and expense and at its sole discretion for maintaining the Licensed Patents.
- 5.2 LICENSOR shall be responsible at its own cost and expense and at its sole discretion for persecuting any patent application, which are included in the Licensed Patents.

6. Transfer of Technology

- 6.1 As soon as practicable after the Effective Date and at the written request of LICENSEE, LICENSOR shall, in the event not already delivered, deliver directly or indirectly Technology licensed hereunder to LICENSEE, such as drawings, etc. in the documentary form in which it presently exists. All disclosure of the technical information shall be in the English language, unless otherwise agreed.
- 6.2 LICENSOR will assure that LICENSEE can receive relevant technical assistance related to Licensed Articles upon request from LICENSEE.

7. Improvements

- 7.1 The LICENSEE shall furnish improvements to LICENSOR and LICENSOR has as the sole owner of any improvements made to the Licensed Articles by LICENSEE during the term of this Agreement, the right to License such improvements to affiliates and unrelated parties.
- 7.2 During the term of this Agreement LICENSOR shall furnish to LICENSEE any technical improvements, technologies, know-how etc. related to the Licensed Articles without delay and without further down payment. The same royalty rate shall apply.
- 7.3 All local inventor compensations, which are based on local employment agreements or laws, shall be paid by LICENSEE.

8. Secrecy

- 8.1 During this license agreement LICENSEE agrees not to disclose to any person or company outside the Autoliv-Group technology or any other information of a confidential nature disclosed, designed or manufactured directly or indirectly by LICENSOR, including methods, machines, apparatus and processes utilized for such manufacture.

9. Indemnity and disclaimer

9.1 LICENSEE shall forever and hereby does release, indemnify, defend and save LICENSOR harmless from any and all demands and liabilities or other claims of whatever nature arising out of the manufacture, use or sale by LICENSEE of Licensed Articles whether on account of defects in manufacture by LICENSEE, or design otherwise.

10. Protection of Licensed Rights

10.1 LICENSEE shall take all reasonable steps to prevent the manufacture and sale of Licensed Articles by third parties and shall immediately inform LICENSOR when/if such event comes to its notice.

10.2 LICENSOR may decide, at its absolute discretion, whether or not initiate proceedings against any non-licensed production and sale by third parties of Licensed Articles. LICENSEE shall not initiate such proceedings without the prior written consent of LICENSOR. If LICENSOR decides to proceed against such non-licensed production and sale, LICENSEE shall give to LICENSOR all available assistance.

11. Duration and Termination

11.1 This license agreement has effect from January 1, 2003, and it will continue in force for a period of ten (10) years. The term of this agreement shall automatically be extended for subsequent periods of two (2) years, unless written notice if given by one of the parties six (6) months before its expiration.

11.2 If LICENSEE shall at any time default in the payment of royalties, or fail to fulfil any of its obligations hereunder, then LICENSOR may, at its option, terminate this Agreement and the licenses herein granted by giving LICENSEE _____ days' written notice of its intention to do so; provided, however, that if LICENSEE shall fulfil such obligations and remedy any such default or breach during such _____ day period, then such notice of termination shall be null and void; otherwise this Agreement and the Licenses herein granted shall terminate on the expiration of said _____ day period.

11.3 If LICENSEE becomes insolvent or is adjudged bankrupt or is liquidated or is dissolved, or if a trustee or receiver of its property is appointed, or is subject to any other action under local law based upon its inability to meet its financial obligations LICENSOR is entitled to immediately terminate this agreement. The same shall apply if LICENSEE no longer is an Affiliate.

11.4 If this agreement is terminated in accordance with sub-paragraph (1) of this paragraph, or otherwise, LICENSEE shall not be relieved of liability for payment of any royalties due to LICENSOR which accrued prior to the effective date of

such termination. At the expiration of this Agreement, all rights and licenses granted under Article 2 above shall automatically be terminated. In the event of the expiration or termination of this Agreement on whatever account, LICENSEE shall return, in addition to ceasing its use of LICENSOR's patents, patent applications, and know-how, all drawings, specifications and other material to LICENSOR or dispose thereof in accordance with instructions from LICENSOR.

12. Notices

- 12.1 All notices, payments, statements and reports required by this Agreement shall be in writing and sent to LICENSOR and to LICENSEE at their respective addresses indicated below or such other address as one party shall have directed by written notice to the other party.

If to LICENSOR:

If to LICENSEE:

13. Assignment

- 13.1 LICENSEE is prohibited to assign this Agreement to any third party.

14. Miscellaneous

- 14.1 This Agreement constitutes the entire agreement between the parties and merges and supersedes all prior discussions, writings and negotiations between the parties with respect to the subject matter hereof. No amendment to this Agreement shall be effective unless agreed to in writing by the parties.
- 14.2 Any governmental approval for this Agreement, as well as any registration thereof, shall be the responsibility of LICENSEE and for its account.

15. Force Majeure

15.1 If either party is rendered unable, wholly or in part, to carry out any of its duties or obligations under this Agreement, by reason of (i) act of God or the public enemy, fire explosion, perils of the sea, flood, drought, war, riot, sabotage, accident, embargo or (ii) without limiting the foregoing circumstances, any circumstance of like or different character or nature beyond the reasonable control of the party so failing, or (iii) interruption of or delay in transportation, inadequacy or shortage or failure of supply of materials or equipment, breakdowns, labor trouble from whatever cause arising and whether or not the demands of employees involved are reasonable and within said party's power to concede or (iv) compliance by either party with any order, action, direction, or request of any governmental officer, department, agency, authority or committee thereof and (v) whether in any case the circumstance now exists or hereafter arises, such party shall forthwith give written notice thereof to the other party (such notice briefly to describe the circumstance causing such inability), and thereupon, to the extent that the party giving such notice is unable to perform such duty or obligation by reason of said circumstance, such duty or obligation shall be suspended during but not longer than, the continuance of such circumstance.

16. Arbitration and governing law

16.1 All disputes arising out of or in connection with this Agreement shall be settled by arbitration in accordance with the Rules of Arbitration of the Stockholm Chamber of Commerce then applicable.

16.2 The arbitration tribunal shall be formed by three members appointed in accordance with the said Rules.

16.3 The exclusive seat of the arbitration shall be in Stockholm, Sweden and the arbitration shall be conducted in the English language.

16.4 Swedish law shall govern this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed executed as of the dates written below.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____