

## GENERAL TERMS AND CONDITIONS

### 1. **Scope and Acceptance.**

(a) These General Terms and Conditions of Purchase (the “Terms and Conditions”), together with all documents specifically referenced herein or otherwise issued by Buyer (whether in writing or electronically), as those documents may be amended from time to time, represent the entire agreement between Buyer and Seller (the “Order”) for the materials ordered and any related services (whether or not ancillary to a sale of goods) (collectively, “Goods”). These Terms and Conditions will apply to an Order except as expressly modified or waived on the face of an Order. Captions in these Terms and Conditions are for convenience only. These Terms and Conditions constitute the parties’ contractual agreement and supersede any previous oral or written representations, including but not limited to provisions in Seller’s quotations, proposals, acknowledgments, invoices or other documents. Any references in an Order to Seller’s quotation or other form of offer for the Goods is for information only and Buyer hereby rejects all terms and conditions proposed by Seller therein.

(b) Seller’s written acknowledgement of an Order, commencement of work on the Goods, or delivery of any Goods hereunder will constitute its acceptance of these Terms and Conditions. Without Buyer’s written consent, no additional or different terms proposed by Seller in its acknowledgement will be effective to modify an Order and Seller will be deemed to have accepted an Order without such modifications. The terms of an Order may not be varied or modified in any manner, unless in a subsequent writing signed by an authorized representative of Buyer. Any stenographic or clerical errors are subject to correction by Buyer. Additional or different terms or any attempt by Seller to vary in any degree any of the terms of an Order shall be deemed material and are expressly objected to and rejected.

2. **Prices and Payment.** The Goods shall be furnished at the prices set forth in an Order. Unless otherwise specified in an Order, all prices shall be FOB destination (place of delivery). Seller warrants that the prices in an Order shall be complete, and no additional charges of any type shall be added without Buyer’s express written consent, including but not limited to, charges for shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing and crating. Seller shall submit invoices which include Seller’s supplier number, date and number of Buyer’s Order, Seller’s tax identification number, the date, place, and quantity of each delivery, and other information requested by Buyer. All cash discounts shall be computed from the date of receipt by Buyer of a final invoice or receipt of the Goods, whichever occurs later. Cash discounts shall be based on the full amount of invoice, less freight charges and taxes if itemized separately on the invoice. Invoices bearing the Order number must be received by Buyer ten (10) days prior to the cash discount payment date. Delay in receiving invoices or Goods will be considered good cause for withholding payment without losing cash discount privileges. Buyer shall have the right to reduce and set-off against amounts payable under an Order any indebtedness or other claim which Buyer, its parent, subsidiaries or affiliates, may have against Seller, its parent, subsidiaries and affiliates, under an order or any other agreement between the referenced parties.

3. **Blanket Order.** If an Order is identified as a “Blanket” Order or in some other manner references a specific quantity of Goods to be purchased, Seller hereby

acknowledges that the quantities specified and delivery dates listed in such “Blanket” Order are estimated quantities and delivery dates. The purchase of the Goods specified is expressly contingent upon the issuance of a release by Buyer identifying the Goods to be purchased and providing delivery directions. When an Order is identified as a “Blanket” Order or deliveries are otherwise specified to be in accordance with Buyer’s written releases, Seller shall not fabricate or assemble any Goods nor procure required materials, nor ship any Goods except to the extent authorized by such written releases or provisions of an Order specifying minimum fabrication and delivery quantities. Forecasts are not releases and may not be relied upon by Buyer. Releases are included in the term “Order”. By accepting a Blanket Order, Seller agrees to accept all releases issued by Buyer thereunder.

4. **Samples and Specifications.**

(a) Seller, at its expense, shall fabricate from production tooling and processes and furnish to Buyer the number of samples specified on the face of an Order, or if none is specified, a reasonable number of samples. Seller shall inspect such samples before delivery and shall certify inspection results in the manner requested by Buyer.

(b) Buyer reserves the right at any time, by way of written notice, to make changes in quantities, drawings, specifications, testing or quality control, packing, shipment, scope of work, delivery schedules and other terms of an Order. Any difference in price or time for performance necessarily resulting from such changes shall be adjusted equitably and an amendment to an Order or delivery schedule shall be provided in writing to reflect such adjustment if made; provided, that Seller makes demand for such adjustment and delivers all supporting documentation to Buyer within ten (10) days of Seller’s receipt of Buyer’s notice of change. Time is of the essence for such demand. If Seller does not provide timely notice to Buyer that a requested change may result in a difference in price or time for performance, the parties agree that Buyer’s requested change did not affect the price or time for performance. The price shall be adjusted solely to compensate Seller for increased direct costs necessarily incurred as a result of the changes. Seller may not substitute materials or change the specifications of the Goods in any way without written authorization from Buyer.

(c) Seller will not make any change in the quantities, drawings, specifications, testing or quality control, packing, shipment, scope of work, delivery schedules and other terms of an Order unless done pursuant to Buyer’s instructions or with Buyer’s written approval.

5. **Seller’s Quality and Development.**

(a) Seller shall, at its sole cost and expense, participate in, and abide by the terms of, any supplier quality and development programs that are established by Buyer and Buyer’s customers from time to time, including ISO9001, ISO-TS16949, QS9000 and any amendments, supplements and/or successor programs thereto.

(b) Seller agrees to abide by the terms of Buyer’s supplier manuals (if any), as such manuals are amended from time to time.

(c) Seller shall provide to Buyer all quality records and documents required by Buyer and Buyer’s customers, including but not limited to documents required under Buyer’s

PPAP program, Process FMEA, Design FMEA, DVP&R documentation, and documents validating Seller's validation of all tooling used in the production of the Goods.

6. **Inspection.**

(a) Buyer and Buyer's customers shall have the right to enter onto Seller's premises at reasonable times to inspect the facility, supplies, materials and any of Buyer's property covered by an Order. Notwithstanding the foregoing, such inspection or approval shall not constitute acceptance of the Goods or a waiver of Buyer's right to insist on strict performance.

(b) All Goods (which term includes without limitation raw materials, components, intermediate assemblies, end products and accessories such as tooling) shall be received subject to the right of inspection and rejection by Buyer and its customer. Notwithstanding payment or prior inspection, Buyer, in addition to any other remedies that it may have pursuant to law or equity, at its option, may reject and return or retain and correct, Goods that fail to conform to the requirements of an Order even if the nonconformity does not become apparent until the manufacturing or processing stage. If Buyer elects to correct the Goods, it will consult with Seller on the method of correction. Seller will reimburse Buyer for all reasonable expenses resulting from rejection or correction. Goods rejected shall be removed by Seller at its expense and at its risk. Goods returned as defective or nonconforming shall not be returned to Buyer or replaced without Buyer's written approval. Furthermore, Buyer may, at its option, reduce the quantity of Goods Buyer may be obligated to purchase by the quantity of Goods returned to Seller hereunder. Payment for Goods prior to inspection shall not constitute an acceptance thereof. Acceptance, whether or not it has been revoked, shall not release Seller's responsibility for latent defects, non-conformities, warranty, or other claims. Nothing in these Terms and Conditions shall relieve Seller from the obligation of testing, inspection and quality control.

(c) If any inspection or test is made on the premises of Seller or its supplier, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and tests on the premises of Seller or its supplier shall be performed in such a manner so as to not unduly delay Seller.

(d) Seller shall provide and maintain an inspection and process control system acceptable to Buyer and its customer covering the Goods. Records of all inspection work performed by Seller as to a particular Good shall be kept complete, separate and available to Buyer and its customer during the performance of an Order and for such longer periods as may be specified in an Order, but not less than ten (10) years after the last delivery of the particular Good to Buyer.

7. **Safe Use and Maximum Life of the Goods.**

(a) Seller shall provide to Buyer in English all appropriate installation, operation and maintenance manuals to maximize the useful life and performance of the Goods. Seller shall also provide Buyer with any specific warnings or instructions regarding the safe

installation, operation and maintenance of the Goods, which should be reasonably provided to the ultimate users of the Goods.

(b) Prior to and with the shipment of the Goods, Seller shall furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the Goods, containers and packing) of any hazardous material that is an ingredient or a part of the Goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, and their respective employees of how to exercise that measure of care and precaution that will prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Goods, containers and packing shipped to Buyer. If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct (i) a list of all ingredients in the Goods; (ii) the amount of such ingredients; (iii) information concerning any changes in or additions to such ingredients; and (iv) all product, material and substance information required by Buyer in connection with Buyer's efforts to comply with the EU End-of-Life Directive and any other environmental material reporting directives issued by Buyer's customers. Seller shall provide Material Safety Data Sheets for the Goods as required by law or otherwise requested by Buyer. Without limiting the scope of its indemnification obligations elsewhere in these Terms and Conditions, Seller specifically agrees to indemnify and hold Buyer harmless from any costs, fines, expenses, or other damages incurred by Buyer as a result of Seller's failure to provide complete and accurate information under this section.

#### 8. **Compliance with Laws**

(a) Seller shall comply with all provisions, representations, agreements or clauses required by law to be included or incorporated by reference which result from the acceptance of an Order and dealing with, Equal Employment Opportunity, Employment of Veterans, Employment of the Handicapped, Employment Discrimination Because of Age, Utilization of Disadvantaged Business Enterprises, and the related Acts and Executive Orders as now or hereafter amended or codified.

(b) Seller warrants that it is, and shall continue to be, (i) an equal opportunity employer, and (ii) in compliance with the requirements for non-segregated facilities set forth in 41 CFR Chapter 601.8.

(c) Seller warrants that each chemical substance constituting or contained in the Goods sold is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et. seq.) as amended, and that the Goods are not hazardous under any state or federal law except as clearly stated on the shipping and storage containers. Seller shall defend and indemnify Buyer from any claim alleging improper or illegal dispositions of the Goods.

(d) Seller warrants that the Goods shall be in compliance with applicable sections of the Federal Consumer Product Safety Act (15 U.S.C. Sec. 2051 et seq.) as amended, and the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.) as amended, and lawful standards and regulations thereunder.

(e) Seller warrants that the Goods shall be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, including Section 12(a) and that Seller shall insert a certificate to that effect on all invoices submitted in connection with an Order.

(g) Seller warrants that it and the Goods shall comply with all industry, federal, state, foreign and provincial statutes, rules and regulations directly or indirectly relating to the manufacture of vehicles, vehicle equipment, vehicle materials or vehicle supplies, as well as compliance with similar statutes and rules effective in North America, including, but not limited to, the North American Free Trade Agreement and the North American Free Trade Agreement Implementation Act, American Automobile Labeling Act, Section 329 of the Motor Vehicle and Cost Savings Act, as amended, Fastener Quality Act, the Hazardous Materials Transportation Act, as amended, as well as all laws and regulations related or applicable thereto (including, but not limited to, 49 C.F.R. Part 171 et seq.), and all laws, rules, regulations and orders in North America, the Federal Motor Vehicle Safety Standards and rules, regulations and procedures promulgated by the National Highway Traffic Safety Administration of the United States Department of Transportation under the Safety Acts, and rules, regulations and procedures promulgated by the National Institute of Standards and Technology of the Department of Commerce to implement the provisions of the Fastener Quality Act. Seller shall provide to Buyer originals or copies, as required, of the test reports related to the satisfaction of such legal requirements as soon as they are available.

9. **Shipping.** Unless otherwise provided in an Order: (i) all shipping, drayage, demurrage, storage, insurance, packing and related charges shall be paid by Seller; (ii) all Goods shall be packed, marked and shipped in accordance with the requirements of the common carriers in a manner to secure the lowest transportation costs consistent with the requirements hereof; (iii) packing slips identifying the purchase order number, release number and part number must accompany each shipment in a package marked "Packing slip enclosed"; (iv) Seller shall mark each package with the Order number, and where multiple packages comprise a single shipment each package shall be shown on packing slips, bills of lading, and invoices; (v) in the event that Buyer is obligated to pay for shipping, Seller shall be responsible for all extra charges incurred because of Seller's failure to follow Buyer's shipping instructions, including those related to delivery schedules, whether or not Seller's liability for general damages is excused under other provisions of an Order; (vi) Seller shall describe the Goods on the bill of lading or other shipping receipt and route shipments in accordance with instructions issued by Buyer; (vii) Seller shall mark Goods, packaging, and packing as instructed by Buyer and in accordance with the standards of the Uniform Commercial Code (all such markings shall be in English bar code); (viii) Seller shall pay all express and other charges necessary to expedite delivery to enable Seller to meet the delivery schedule; (ix) Seller shall ship all late shipments by express or other priority methods of delivery at its expense; (x) Seller shall be responsible for the replacement cost of any reusable delivery cartons or other materials delivered to Seller; (xi) all packaging and documentation shall comply with the law of all countries of shipment, routing, and destination; and (xii) Seller shall issue to Buyer advance shipping notices as requested by Buyer.

10. **Delivery.** Time and quantity are of the essence in an Order. Delivery must be on the date indicated, if any, and otherwise as requested by Buyer. If delivery is "A.S.A.P." with a

date indicated therewith, delivery must be on or before that date. If an Order is identified as a “Blanket” Order or if no delivery schedule is provided, deliveries are to be made only in quantities and at times specified in releases or other instructions from Buyer. Buyer shall have no liability for payment of Goods delivered to Buyer which are in excess of quantities specified in an Order or in releases and Buyer may return overshipments to Seller at Seller’s expense for all packing, handling, sorting and transportation charges. Buyer may, from time to time, change delivery schedules or direct temporary suspension of scheduled shipments.

11. **Electronic Data Interchange.** Seller shall, at Buyer’s request, connect to Buyer’s electronic data interchange (“EDI”) system. All transactions initiated under EDI shall be governed by the terms contained in such transmissions. Notwithstanding the foregoing, the terms and conditions which may be a part of Buyer’s EDI system shall be supplemented by these Terms and Conditions. A transmission shall be deemed signed if it contains the name of the individual authorizing the transaction and is otherwise in accordance with Buyer’s EDI system.

12. **Risk of Loss and Title to Goods.**

(a) All shipments are at the risk of Seller, regardless of the F.O.B. point. If Buyer affirmatively assumes risk of loss in writing, Seller for the benefit of Buyer must provide all risk casualty insurance. Seller must pay the cost of any such insurance unless otherwise agreed to in writing by Buyer. Under no condition will the risk of loss be that of Buyer unless such insurance is provided. Transfer of title shall not govern risk of loss.

(b) Title to all Goods shall vest in Buyer on the date of their identification to an Order. Identification shall occur not later than the date Seller acquires or begins manufacture of the Goods.

13. **Confidentiality.**

(a) At all times prior to, during, and after an Order, Seller shall (i) maintain the confidentiality of any information disclosed by Buyer or any of its parents, subsidiaries, affiliates, customers, and contractors, whether or not identified as “confidential” upon disclosure (“Confidential Information”); (ii) not disclose or permit the disclosure of any Confidential Information to any person other than its employees for whom such knowledge is essential for performance of an Order; and (iii) not use Confidential Information except for performance of an Order. Seller shall immediately notify Buyer of any disclosure of any Confidential Information that is not permitted by these Terms and Conditions or other misuse of any Confidential Information or breach of these Terms and Conditions. Without limiting the direct liability of Seller’s employees and others who may have received Confidential Information directly or indirectly from Seller, Seller shall be responsible for the disclosure or other misuse of Confidential Information by Seller’s employees and others, and Seller shall immediately take such steps as may be necessary to terminate any continuing disclosure or misuse by any Seller’s employees and others of which Seller becomes aware. Buyer makes no representation or warranty of any kind, express or implied, with respect to any Confidential Information. Buyer may, at its sole discretion, elect at any time, by written notice to Seller, to terminate Seller’s further use of Confidential Information for any purpose. Upon receipt of such notice, Seller shall, and shall cause Seller’s employees to, promptly cease all further use of Confidential

Information, return to Buyer all physical materials containing Confidential Information, whether the materials were originally provided by Buyer or copied or otherwise prepared by Seller or any Seller's employee, and erase or otherwise destroy any Confidential Information kept by Seller or any Seller's employee in electronic or other non-physical form. Such termination by Buyer shall not affect Seller's continuing obligations in this subsection.

(b) Any information disclosed by Seller or on its behalf to Buyer or any of its parents, subsidiaries, affiliates, and contractors in any way related to an Order, shall not be deemed to be confidential or proprietary information, unless otherwise specifically agreed to in writing by Buyer.

#### 14. **Intellectual Property Rights.**

(a) If Buyer furnishes the design for the Goods or requires Seller to prepare a design for the Goods, then Buyer will own all intellectual property rights relating to such design. If Seller furnishes a pre-existing design for the Goods, then Seller will continue to own all intellectual property rights relating to such design. In the latter event, Seller hereby grants Buyer a permanent, paid-up, nonexclusive, worldwide, royalty-free license, with a right to sublicense to others, to make, have made, use, have used, such intellectual property.

(b) Seller at its expense will indemnify and hold Buyer harmless with respect to every claim that may be brought against Buyer or others that use the Goods of an Order, for any alleged infringement of any present or future patent, copyright, industrial design right or other proprietary right based on Seller's activity under an Order, or the manufacture, sale, or use of the Goods (i) alone; (ii) in combination by reason of their content, design or structure; or (iii) in combination in accordance with Seller's recommendations. Seller will investigate and defend or otherwise handle every such claim, and at Buyer's request, assist Buyer in Buyer's investigation, defense, or handling of any such claim. Seller will pay all expenses and damages or settlement amounts that Buyer and others selling Buyer's products or using the Goods of an Order may sustain by reason of each such indemnified claim. If the use or sale of the Goods is enjoined, Seller shall, at its own expense and at Buyer's option, either: (i) procure the right to continue using the Goods; (ii) replace same with a non-infringing equivalent; or (iii) remove the Goods and refund the purchase price and the transportation and installation costs thereof. Seller's obligations will apply even though Buyer furnishes all or any portion of the design and specifies all or any portion of the processing used by Seller.

(c) Seller will furnish to Buyer, or another party designated by Buyer, without restrictions on use or disclosure, all information and data Seller acquires or develops in the course of Seller's activities under an Order. At Buyer's request, Seller also will discuss with Buyer or another party designated by Buyer, without restrictions on use or disclosure, any potential design, quality or manufacturing problems with Goods Seller worked on or produced pursuant to an Order.

(d) At Buyer's request, Seller will furnish to Buyer all other information and data of Seller which Buyer deems necessary to understand the design, operation and maintenance

of the Goods delivered under an Order, with no restrictions on use other than Seller's patent rights.

(e) With respect to inventions which Seller conceives or first reduces to practice in the course of Seller's activities under an Order, Seller grants to Buyer a permanent, paid-up, nonexclusive, worldwide, royalty-free license, with a right to sublicense others, to use such inventions, including any patents on such inventions, without restriction.

(f) Seller grants to Buyer a permanent, paid-up, nonexclusive, worldwide license, including a license to any operating software incorporated into the Goods sold hereunder with a right to grant a sublicense to others, to make, have made, use, have used and sell the Goods sold hereunder or derivatives thereof under any other patents now or hereafter owned or controlled by Seller.

(g) Seller grants to Buyer, and agrees to grant to any company designated by Buyer, a nonexclusive license, on reasonable terms and conditions, to make, have made, use, have used and sell under any other patents now or hereafter owned or controlled by Seller which cover any application of the technology embodied in the information or data Seller acquires or develops in the course of Seller's activities under an Order.

#### 15. **Service and Replacement Parts.**

(a) At Buyer's request, Seller shall sell to Buyer the Goods necessary for Buyer to fulfill its current model service and replacement parts requirements at the price(s) set forth in an Order. If the Goods are systems or modules, Seller shall sell to Buyer the components or parts that comprise the system or module at price(s) that shall not, in the aggregate, exceed the price of the system or module set forth in an Order less assembly costs.

(b) During the longer of (i) the fifteen (15) year period after Buyer completes current model purchases; or (ii) such time period granted to Buyer's customers for service and replacement parts, Seller shall sell Goods to Buyer to fulfill Buyer's past model service and replacement parts requirements. Unless otherwise agreed to by Buyer, the price(s) during this period shall be those in effect at the conclusion of its current model purchases. For the remainder of this period, the price(s) for Goods shall be as mutually agreed to by the parties. When requested by Buyer, Seller shall make service literature and other materials available at no additional charge to support Buyer's service part sales activities. Notwithstanding the foregoing, this is not a requirements contract and Buyer shall be under no obligation to purchase any service and replacement parts from Seller.

#### 16. **Warranty.**

(a) Seller expressly warrants and represents to Buyer, Buyer's successors, assigns and customers that all Goods shall be: (i) merchantable, safe and fit for Buyer's intended purposes, which purposes have been communicated to Seller; (ii) free from failure for the period of Buyer's express warranty to its customer; (iii) free from all defects including but not limited to defects in design, workmanship and materials; (iv) in strict compliance with the specifications, samples, drawings, designs or other requirements (including performance specifications) approved or adopted by Buyer; (v) composed of all new components; (vi) free and clear of any



liens, encumbrances and any actual or claimed patent, copyright or trademark infringement; and (vii) manufactured in compliance with all applicable federal, state and local laws, regulations or orders, and agency or association standards or other standards applicable to the manufacture, labeling, transporting, licensing, approval or certification, including by way of illustration and not by way of limitation, the Occupational Health and Safety Act, the Fair Labor Standards Act, and any law or order pertaining to discrimination including any regulations in force in countries where the Goods or Buyer's customer's vehicles equipped with the Goods are to be sold. All services performed by Seller shall be performed in a competent, workmanlike manner and in accordance with industry standards. These warranties shall be in addition to all other warranties, express, implied or statutory. These warranties shall survive inspection, test, delivery, acceptance, use and payment by Buyer and shall inure to the benefit of Buyer, its successors, assigns, customers and the users of Buyer's products. Buyer's approval of Seller's design, material, process, drawing, specifications or the like shall not be construed to relieve Seller of the warranties set forth herein, nor shall a waiver by Buyer of any drawing or specification request for one or more articles constitute a waiver of any such requirements for the remaining articles to be delivered hereunder unless so stated by Buyer in writing. Any attempt by Seller to limit, disclaim, or restrict any such warranties or any remedies of Buyer, by acknowledgement or otherwise, in accepting or performing an Order, shall be null, void, and ineffective without Buyer's prior written consent. All warranties and remedies provided herein are in addition to those provided by law.

(b) "Warranty Period" shall mean the longer of the following time periods (i) 18 months from the day of first use of the Goods by Buyer or acceptance by Buyer, whichever occurs later; or (ii) if the Goods are sold by Buyer to a third party (whether or not such Goods are incorporated into Buyer's product), the period of time provided by Buyer to Buyer's customers in Buyer's warranties. Notwithstanding anything in the foregoing, for Goods purchased by Buyer as service and replacement parts, the Warranty Period will be the greater of twelve (12) months from delivery to Buyer's customer or the remainder of the warranty period on the vehicle on which the part is installed as a service or replacement part. Seller may contact Buyer's representative for information regarding those countries in which vehicles incorporating Goods purchased from Seller will be sold. Notwithstanding the foregoing, Seller agrees to waive the expiration of the Warranty Period in the event there are failures or defects discovered after the Warranty Period of a significant nature or in a significant portion of the goods, or a defect is discovered which, in Buyer's opinion, constitutes a threat of damage to property or to the health and safety of any person.

(c) Seller will indemnify and hold Buyer harmless in respect of the cost of recall campaigns and other corrective service actions that, in Buyer's or Buyer's customers reasonable judgment, are required to rectify non-conformities in the Goods that are the result of a breach of the foregoing warranty, whether such recall campaigns are mandated by any governmental entity, by Buyer's customers or by Buyer.

(d) Seller represents and warrants to Buyer that the prices charged and to be charged Buyer are the same or lower than all prices charged by Seller or Seller's affiliates to others for the Goods or similar goods during the past 12 months. Prices charged in violation of this clause shall be reduced and any overpayment shall forthwith be refunded by Seller to Buyer.

(e) Seller warrants that it shall engage in the continuous improvement of the Goods, other than Goods that by their nature cannot be improved.

(f) If Seller is certified under ISO-9001, ISO-TS16949, QS-9000, or any original equipment manufacturer quality program, Seller shall maintain such certification during the performance of an Order. If Seller is not so certified, Seller shall begin and continue the certification process under ISO-9001, ISO-TS16949 or QS-9000 in a diligent manner. Seller warrants that its performance of an Order shall be in compliance with the provisions of those sections of ISO-9000 (e.g. 9001, 9002, or 9003) and ISO-TS16949 applicable to the obligations of Seller under the Order, whether or not Seller is certified or registered under such standards.

(g) Seller warrants that no prison, forced, or other form of involuntary labor shall be used by Seller or its subcontractors.

17. **Security Requirements.** Seller shall abide by all of Buyer's supply chain security requirements, as such requirements are amended from time to time.

18. **Liability, Indemnity, and Insurance.**

(a) To the fullest extent permitted by law, Seller agrees to indemnify, save harmless and defend Buyer, Buyer's parents, and all of Buyer's affiliated companies, their directors, officers, employees, agents and customers ("Indemnitees") from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all judgments rendered against, and all fines and penalties imposed upon Indemnitees and all attorney's fees and any other cost of litigation ("Liabilities") arising out of a breach of these Terms and Conditions, warranty claims, product recall claims, product liability claims, injuries to persons, including death, or damage to property caused by Seller, its employees, agents, subcontractors, or in any way attributable to the performance of Seller, including without limitation, breach of contract, breach of warranty or product liability; provided, however, that Seller's obligation to indemnify Buyer shall not apply to any liabilities solely arising from Buyer's negligence. Seller waives the application of the doctrine of comparative negligence and other doctrines that may otherwise allocate the liability covered by Seller's indemnity.

(b) Seller warrants that no lien shall be filed by Seller or anyone claiming under or through Seller against Buyer, the site for delivery of the Goods, or Buyer's customer for materials, labor, services, equipment, goods furnished as part of the Goods. Seller expressly waives and releases, and agrees not to file or otherwise assert or prosecute or suffer to permit any statutory, equitable or other liens, including but not limited to any molder liens, tool liens, builder liens and the like, that Seller has or might have on or in connection with any property. Seller shall insert the prior sentence in any lower tier subcontract or purchase order for labor, equipment or materials furnished. If any such lien shall be filed by subcontractor, or any of its lower tier subcontractors, Seller shall take all steps necessary and proper for the release and discharge of such lien, in the manner required by the law upon demand by Buyer. Seller shall defend, indemnify and hold the Indemnitees harmless from and against all Liabilities, which might be asserted at any time whatsoever, arising in any way out of the recording of a lien by subcontractor or any lower tier subcontractor under it, including without limitation all costs,

reasonable attorney fees and expenses incurred by Buyer or its customer in the releasing, satisfying and discharging of such liens and enforcement of this clause. Further, Seller shall secure and furnish to Buyer, upon request, a waiver of lien from each lower tier subcontractor under it.

(c) Seller shall carry General Liability insurance in the amount of \$2,000,000 for general aggregate per occurrence and aggregate for products-completed operations and \$1,000,000 for bodily injury and property damage. Seller shall carry Automobile Liability insurance, including coverage for all owned, hired, and non-owned vehicles in an amount not less than \$1,000,000 combined single limit coverage for each accident for bodily injury and property damage. Seller shall also carry Excess Liability insurance through an umbrella policy in the amount of \$5,000,000 per occurrence and aggregate. Seller shall carry Worker's Compensation insurance in amounts equal to the statutory limits for all jurisdictions in which work is to be performed. Seller shall carry Employer's Liability insurance in the amount of \$1,000,000. The certificate must be in the form of an ACORD Certificate of Insurance and must set forth the amount of each coverage, number of policy and date of expiration. Seller shall furnish to Buyer a Certificate of Insurance completed by its insurance carrier(s) certifying that the required insurance coverages are in effect and will not be canceled or materially changed until thirty (30) days after prior written notice has been delivered to Buyer. If Seller is a self-insurer, the certificate of the department of labor of the jurisdiction in which any labor is to be performed must be furnished to Buyer by Seller. The purchase of such insurance coverage or the furnishing of said certificate shall not be a satisfaction of Seller's liability hereunder, or in any way modify Seller's obligation to indemnify Buyer.

(f) If Seller's work under an Order involves operations by Seller on the premises of Buyer or one of Buyer's customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to persons or damage to property during the progress of such work, and except to the extent that any such injury or damage is due solely and directly to Buyer's negligence, Seller shall defend and indemnify Buyer against any claim which may result in any way from any act or omission of Seller, its agents, employees or subcontractors.

19. **Foreign Purchases.** The following applies to all transactions involving imported Goods:

(a) Seller warrants that all sales made hereunder are or will be made at not less than fair value under the United States Anti-Dumping Law (19 U.S.C. Sec. 160 et. seq.) and Seller will indemnify, defend and hold Buyer harmless from and against any costs or expenses (including but not limited to any anti-dumping duties which may be imposed) arising out of or in connection with any breach of this warranty.

(b) Buyer shall not be a party to the importation of the Goods, the transaction(s) represented by an Order will be consummated subsequent to importation, and Seller will neither cause nor permit Buyer's name to be shown as "Importer of Record" on any customs declaration.

(c) Upon request and where applicable, Seller shall provide Buyer Customs Form 7582 entitled "Certificate of Delivery" properly executed. Upon request, Seller shall

furnish promptly all documents required for customs drawback purposes, properly completed in accordance with government regulations applicable thereto. Unless otherwise stated herein, all customs drawback will be credited to Buyer.

(d) Upon request, Seller shall furnish promptly certificates of local value added in accordance with applicable government regulations.

(e) The Order includes all related customs duty and import drawback rights, if any, including rights developed by substitution and rights that may be acquired from Seller's supplier(s) that Seller can transfer to Buyer.

20. **Termination for Convenience.**

(a) In addition to any other rights of Buyer to cancel or terminate an Order or any releases issued pursuant to an Order, Buyer may, at its option, immediately terminate all of any part of an Order or any releases issued pursuant to an Order for Buyer's convenience, at any time and for any or no reason by giving written notice to Seller. In the event of such termination, Seller shall stop all work, and shall forthwith cause all of its suppliers and subcontractors to cease work.

(b) Upon a termination by Buyer pursuant to Section 20(a) above, subject to Section 20(d) below, Buyer shall pay to Seller the following amounts without duplication: (i) the Order price for all Goods which have been completed in accordance with an Order not previously paid; and (ii) the actual direct costs of work in process and raw materials incurred by Seller in furnishing the Goods under an Order or any releases issued pursuant to an Order to the extent such costs are reasonable in amount and are properly allowable or apportionable, under generally accepted accounting principles, to the terminated portion of an Order or any releases issued pursuant to an Order; less, however, the reasonable value or cost (whichever is higher) of any Goods or materials subsequently used or sold by Seller with Buyer's written consent and of the cost of any damaged or destroyed Goods or materials. Notwithstanding the foregoing or any transfer to Buyer, Buyer shall not be liable to pay for (i) finished Goods, work in process or raw materials fabricated or processed by Seller in amounts in excess of four (4) weeks of authorized production pursuant to release schedules, (ii) any undelivered Goods which are Seller's standard stock or which are readily marketable, or (iii) any finished Goods which are not promptly delivered to Buyer after request by Buyer. Payments made under this Section shall not exceed the aggregate price payable by Buyer for all finished Goods to have been produced by Seller under the most current delivery or release schedule issued by Buyer for the four-week period immediately following the date of termination. Except as provided in this Section, Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment, rearrangement cost or rental, unamortized depreciation costs, and general and administrative burden charges arising from termination of an Order.

(c) Within sixty (60) days from the effective date of termination for convenience, Seller shall submit a comprehensive termination claim to Buyer with sufficient supporting data to permit Buyer's audit and shall thereafter promptly furnish such supplemental

and supporting information as Buyer shall request. Buyer or its agent shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of Seller. Buyer, however, shall have no obligation to Seller if Buyer terminates its purchase obligations under an Order or any releases issued pursuant to an Order because of default by Seller. Payment under this Section shall constitute the only liability of Buyer if an Order is terminated by Buyer for its convenience. Termination of an Order or any release does not affect Seller's obligations under these Terms and Conditions as to Goods delivered or obligations not dependent upon the delivery of Goods.

(d) Notwithstanding anything in the foregoing, in the event that Buyer terminates or limits an Order pursuant to Section 20(a) due to the termination or limitation of an order issued to Buyer by Buyer's customer, Buyer's liability to Seller shall be limited to the lesser of the amount that would be otherwise owed under Section 20(b) above and that amount which Buyer's customer actually pays to Buyer for the termination costs specifically attributable to Seller relative to such Order.

## 21. **Default and Remedies.**

(a) Buyer may terminate an Order in the event of a default by Seller. In the event of a termination for default, Buyer shall have no obligation to Seller whatsoever. The following are causes, among others, allowing Buyer to terminate an Order: (i) late delivery, (ii) delivery of goods that are defective or that do not conform to the terms and conditions of an Order, (iii) failure to comply with the terms and conditions of an Order; (iv) failure upon request to provide Buyer with reasonable assurances of future performance; or (v) Seller fails to remain competitive with respect to quality, technology, delivery and pricing of the Goods. Additionally, Buyer may forthwith cancel this agreement in the event of any of the following: (i) insolvency of Seller; (ii) the filing of an involuntary or voluntary petition of bankruptcy against Seller; (iii) the execution by Seller of an assignment for the benefit of creditors; or (iv) the appointment of a receiver over Seller's assets. In the event of termination for cause, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for all damages, including attorneys fees and costs, sustained by reason of the default which gave rise to the termination.

(b) Upon default, Buyer may by written notice of default to Seller (i) terminate the whole or any part of an Order; and (ii) procure alternative goods upon such terms as it shall deem appropriate. Seller shall continue performance of an Order to the extent not terminated and shall be liable to Buyer for any excess costs for such similar goods and other direct, incidental, and consequential damages. As an alternative remedy, and in lieu of termination for default, Buyer, at its sole discretion, may elect (1) to extend the delivery schedule and/or (2) to waive other deficiencies in Seller's performance in which case an equitable reduction in the Order price shall be established by Buyer to compensate Buyer for its damages.

(c) If Seller for any reason anticipates difficulty in complying with the required delivery date, or in meeting any of the other requirements of an Order, Seller shall promptly notify Buyer in writing of the potential default, the cause thereof, and the estimated length of the anticipated default. Buyer is under no obligation to waive any default.

(d) If any of the Goods are found at any time to be defective in design, material or workmanship, or otherwise not in conformity with the requirements of an Order, Buyer, in addition to such other rights, remedies and choices as it may have under an Order or by law, at its option and sole discretion may: (i) reject and return such Goods at Seller's expense; or (ii) require Seller to inspect the Goods and remove and replace nonconforming Goods with Goods that conform to an Order. If Buyer elects option (ii) and Seller fails to promptly make the necessary inspection, removal and replacement, Buyer may at its option and Seller's cost, inspect and repair or replace the Goods.

(e) Seller hereby grants to Buyer a security interest in the Goods to secure Seller's return of any deposits and the performance of its obligations to Buyer. Furthermore, Seller hereby grants to Buyer an irrevocable power of attorney to execute and file appropriate financing statements evidencing such interest and the interests of Buyer and its customers in property furnished by them. Seller's continued holding of the Goods and property delivered to Seller after demand has been made for delivery will substantially impair the value of the Goods and property, and Buyer shall be entitled to a court order for possession without bond.

(f) Buyer's rights and remedies shall be cumulative and in addition to any other rights or remedies provided by law or equity. A waiver by Buyer of any right or remedy shall not affect any rights or remedies subsequently arising under the same or similar case. Any attempt by Seller to limit Buyer's warranties, remedies or the amount and types of damages that Buyer may seek shall be null and void. Seller agrees that in no event shall Buyer be liable to Seller for any incidental, consequential, or special damages, including but not limitation, Seller's loss of profits.

## 22. **Property Furnished by Buyer and Its Customer.**

(a) The right, title and interest to all supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, designs, drawings, specifications, spare parts, trial parts, ancillary products, items owned by Buyer and other items furnished by Buyer or its customers ("Furnished Property") to Seller for use in manufacturing the Goods, or for which Seller is reimbursed by Buyer or its customers, shall be and remain the property of Buyer and/or its customers.

(b) Seller shall bear the risk of loss of and damage to such Furnished Property.

(c) Seller will (i) properly house and maintain the Furnished Property on Seller's premises; (ii) not use the Furnished Property for any purpose other than for performance under an Order; (iii) prominently mark the Furnished Property as property of Buyer; (iv) refrain from commingling the Furnished Property with the property of Seller or with that of a third party; (v) adequately insure the Furnished Property against loss or damage, including but not limited to maintaining full fire and extended coverage insurance for replacement value and naming Buyer as an additional insured; (vi) take reasonable steps to ensure that the Furnished Property do not become subject to any liens or other claims; and (vii) not move the Furnished Property to another location whether owned by Seller or a third party, without the prior written consent of Buyer.

(d) Buyer will have the right to enter Seller's premises at reasonable times to inspect the Furnished Property and Seller's records pertaining thereto.

(e) Seller expressly waives and releases, and agrees not to file or otherwise assert or prosecute or suffer to permit any statutory, equitable or other liens, including but not limited to equitable or other liens, including but not limited to any molder liens, tool liens, builder liens and the like, that Seller has or might have on or in connection with the Furnished Property for all work, including but not limited to, designing, manufacturing, improving, maintaining, servicing, using, assembling, fabricating or developing the Furnished Property.

(f) Seller hereby agrees to indemnify, defend and hold Buyer harmless from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all attorney's fees and all other cost of litigation that are in any way related to releasing, terminating or otherwise removing all such liens placed on the Furnished Property. Seller will assign to Buyer any claims Seller has against third parties with respect to Buyer's property.

(g) Upon written request, Seller, at its expense, shall immediately deliver the Furnished Property at Buyer's option F.O.B. Carrier Seller's facility (Ex Works Loaded) or F.O.B. Buyer's premises (CIF Buyer Plant/Delivered Buyer Plant), properly packed and marked in accordance with the requirements of the carrier and Buyer. Seller will cooperate with Buyer's removal of the Furnished Property from Seller's premises.

(h) In the event that the Seller does not immediately return the Furnished Property pursuant to Section 22(g) above, the Buyer shall, in addition to any other rights and remedies provided by law or these Terms and Conditions, have the right to enter the Seller's premises to reclaim possession of the Furnished Property, with or without prior demand and with or without process of law.

(i) Seller agrees that it will comply with its obligation to release the Furnished Property notwithstanding any claim, financial or otherwise, that it may have against Buyer.

(j) Seller shall assume all risk of death or injury to persons or damage to property arising from use of the Furnished Property.

(k) Unless otherwise agreed to in writing by Buyer, Seller at its own expense shall keep the Furnished Property in good condition and repair, including repair necessitated by wear and tear and other usage by Seller. In the event that it becomes necessary, as determined by either Buyer or Seller, to replace the Furnished Property due to normal use by Seller, or otherwise, said replacement Furnished Property shall be at the sole expense of Seller and said replacement tools shall remain the property of Buyer.

(l) Buyer does not guarantee the accuracy of any Furnished Property or the availability or suitability of any supplies or material furnished by it. Seller assumes sole responsibility for inspecting, testing and approving all Furnished Property or other materials supplied by Buyer prior to any use by Seller.

23. **Seller's Tooling.** Seller, at its own expense, shall furnish, keep in good condition, and replace when necessary all tooling, jigs, dies, gages, fixtures, molds, and patterns other than Furnished Property necessary for the production of the Goods (hereinafter "Seller's Tooling") for so long as the Goods are being purchased by Buyer for its production as well as for its service and replacement parts requirements. The cost of changes to Seller's Tooling necessary to make design changes and specification changes authorized by Buyer shall be paid for by Buyer. Buyer may inspect Seller's Tooling and production facilities during normal working hours upon reasonable notice to Seller. Seller shall insure Seller's Tooling with full fire and extended coverage insurance for the replacement thereof. Seller grants Buyer an irrevocable option to take possession of and title to Seller's Tooling that is special for the production of Goods upon payment to Seller of the book value thereof less any amounts Buyer has previously paid to Seller in any manner (including but not limited to amortization of such cost through the price of the Goods) for the cost of Seller's Tooling; provided, however, that this option shall not apply if Seller's Tooling is used to produce products that are standard stock of Seller. Seller grants Buyer a security interest in Seller's Tooling to secure Buyer's rights in Seller's Tooling and waives any rights that may conflict with this Section.

24. **Audit Rights.** Seller grants to Buyer access to all pertinent information, including but not limited to, books, records, payroll data, receipts, correspondence and other documents and materials in the possession or under the control of Seller, or otherwise relating to any of Seller's obligations under an Order or any payments requested by Seller pursuant to an Order. Buyer will have the right at any reasonable time to send its authorized representatives to examine all such information. Seller shall maintain all pertinent information relating to an Order for a period of four years after completion of services or delivery of Goods pursuant to an Order. In the event that any such audit discloses any inaccurate information, Seller shall indemnify, defend and hold harmless Buyer from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including but not limited to all attorney's fees and any other cost related thereto.

25. **Assignment.** Each Order is issued by Buyer in reliance upon Seller's personal performance of the duties imposed. Seller will not assign or delegate all or substantially all of its substantive duties under an Order, nor transfer to another any intellectual property right that is licensed to Buyer hereunder, without Buyer's prior and express written approval. Any such assignment or delegation without the previous written consent of Buyer, at the option of Buyer, shall be null and void. Any consent by Buyer to an assignment shall not be deemed to waive Buyer's right to recoupment from Seller and/or its assigns for any claim arising out of this transaction, and shall not prohibit Buyer from enforcing any of its rights against the assignee. Buyer will have the right to assign any benefit or duty under an Order to any third party upon notice to Seller with or without consent.

26. **Excusable Delays.** Any delay or failure of either party to perform its obligations shall be excused if it is caused by an extraordinary event and without the non-performing party's fault or negligence, such as acts of God, fires, floods, windstorms, explosions, riots, natural disasters and wars. Written notice of such delay, including the anticipated duration of the delay, must be given by the non-performing party within ten (10) days of the event. During the period of any delay or failure to perform by Seller, Buyer, at its option (i) may purchase Goods from other sources and reduce its schedules to Seller by such quantities, without liability to Seller; (ii)



cause Seller to provide the Goods from other sources in quantities and at times requested by Buyer at the price set forth in an Order; or (iii) may request Seller to deliver to Buyer at its expense all finished goods, work in process and parts and materials produced or acquired for work under a Order. If requested by Buyer, Seller shall, within five (5) days of such request, provide adequate assurance that the delay will not exceed such period of time as Buyer deems appropriate. If the delay lasts more than the time period specified by Buyer, or Seller does not provide adequate assurance that the delay will cease within such time period, Buyer may, among its other remedies, immediately cancel an Order without liability. Prior to the expiration of any directly related labor contract of Seller, Seller at its expense will take such actions as Seller may reasonably determine to ensure the uninterrupted production of supplies for a period of thirty (30) days for Buyer during any anticipated labor disruption or slowdown resulting from the expiration of the labor contract.

27. **Choice of Forum; Applicable Law**

(a) All disputes between the parties, including those arising, directly or indirectly, under an Order or the performance or breach of an Order, shall be adjudicated exclusively in the Circuit Court for the County of Oakland, State of Michigan or, if subject matter jurisdiction exists, the U.S. District Court for the Eastern District of Michigan. The parties stipulate that the referenced venues are convenient. All disputes between the parties regarding an Order will be construed, governed and controlled in all respects by the laws of the State of Michigan. The UN Convention for the International Sale of Goods is expressly excluded.

(b) In the event that Seller is located outside of the United States, then Buyer shall have the option of submitting any dispute, controversy or claim arising under an Order or otherwise to binding arbitration. Such arbitration will take place before one arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association and shall take place in the City of Southfield, State of Michigan. The arbitration award may be entered as a final judgment in any court of competent jurisdiction. The Federal Arbitration Act, 9 USC §1, *et seq.* will apply to the application and interpretation of this arbitration provision.

28. **Miscellaneous.**

(a) Without obtaining the prior written consent of Buyer, Seller shall not in any manner advertise or publish the fact that Seller has contracted to furnish Goods to Buyer (or Buyer's customers), or use any trademark or tradenames of Buyer (or Buyer's customers) in Seller's advertising or promotional materials. In the event of Seller's breach of this Section, Buyer shall have the right to cancel the undelivered portion of any Goods covered by an Order and shall not be required to make further payments except for conforming Goods delivered or services rendered prior to cancellation.

(b) With respect to its role as supplier to Buyer, including any interaction with any employee of Buyer, Seller shall not: (i) give or offer to give any gift or benefit to Buyer's employees; (ii) solicit or accept any information, data, services, equipment, or commitment from Buyer's employees unless it is (1) required under a contract between Buyer and Seller, or (2) made pursuant to a written disclosure agreement between Buyer and Seller, or (3) specifically authorized in writing by Buyer's management; (iii) solicit or accept favoritism from Buyer's

employees; or (iv) enter into any outside business relationship with Buyer's employees without full disclosure to, and prior approval of Buyer's management. "Employee" includes members of the employee's immediate family and household, plus any other person who is attempting to benefit from his or her relationship to the employee; "Seller" includes all employees and agents of Seller; "gift or benefit" includes money, goods, services, discounts, favors and the like in any form but excluding low value advertising items such as pens, pencils and calendars; "supplier" includes prospective, current and past suppliers; and "favoritism" means partiality in promoting the interest of Seller over that of other suppliers. Such activity by Seller shall constitute default by Seller of every contract and Order with Buyer and may further result in Seller's debarment from doing business with Buyer.

(c) The failure of either party at any time to require performance by the other party of any provision of an Order shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver by either party of a breach of any provision of an Order constitute a waiver of any succeeding breach of the same or any other provision.

(d) Seller and Buyer are independent contracting parties and nothing in an Order shall make either party the agent, joint venturer or legal representative of the other for any purpose whatsoever, or grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. There are no third party beneficiaries to an Order.

(e) If any term of an Order is invalid or unenforceable under any statute, regulation, ordinance, or any other rule of law, such term shall be reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of an Order shall remain in full force and effect.

(f) COMMUNICATIONS FROM SELLER CONCERNING ANY DISPUTED CLAIMS OF SELLER, INCLUDING AN INSTRUMENT TENDERED AS FULL SATISFACTION OF A DEBT OR CLAIMS, MUST BE SENT TO THE PRESIDENT OF BUYER WITH A COPY TO BUYER'S GENERAL COUNSEL.