

**INOAC USA, INC.**

**GENERAL TERMS AND CONDITIONS**  
**OF PURCHASE**

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INOAC USA, INC.

(“Buyer”)

**GENERAL TERMS AND CONDITIONS OF PURCHASE**

1. **Scope and Acceptance.**

(a) Scope. These General Terms and Conditions of Purchase (“Terms”) automatically apply to and are a part of all written and oral purchase orders and amendments thereto and any request for quotation, Releases (as defined below), purchase agreements, supply agreements or similar documents issued to Seller by Buyer (collectively referred to as an “Order”). All goods and services (whether or not ancillary to a sale of goods) such as production and service parts, raw materials, equipment, tooling, engineering and design only, components, intermediate assemblies, work in process, and end products to be provided under an Order are included in the term “Goods.” The Buyer named above may from time to time administer purchasing for its Affiliates and issue Orders containing its name or logo, but identifying a different entity as the “Buyer.” Seller acknowledges and agrees that no such Order shall constitute or be interpreted to represent an Order of the Buyer named above or a guaranty by the Buyer named above of any obligations or liabilities of the Affiliate identified on an Order as the Buyer. An “Affiliate” is an entity directly or indirectly controlled by a party or an entity which is directly or indirectly under common control with a party. “Control” means at least a 25% voting or management interest.

(b) Offer and Seller’s Acceptance. Each purchase order, together with these Terms, is an offer by Buyer or its applicable Affiliate as identified in the Order as a Buyer to the party to whom such Order is addressed (“Seller”) to enter into the agreement it describes. It shall be the complete and exclusive statement of such offer and agreement and it is not an acceptance of Buyer’s quotation or other document. A purchase order may be accepted by returning a copy thereof signed manually or electronically by Seller within seven days of the date of a purchase order or, at Buyer’s election, by Seller’s oral acceptance, Seller’s preparation to provide the Goods, or Seller’s delivery of the Goods. A purchase order is an adequate document to satisfy any statute of frauds.

(c) Seller’s Quotation. An Order does not constitute an acceptance by Buyer of any quotation or any proposal of Seller. Reference in an Order to any such quotation or proposal shall not constitute an addition to or a modification of any of the terms and conditions of an Order, except that a specific item of a quotation or proposal referenced and adopted by an Order may be included in an Order and does not constitute adoption of any other portion of the quotation or proposal.

(d) Inconsistent or Additional Terms. TERMS AND CONDITIONS IN AN ATTEMPTED ACKNOWLEDGMENT OF AN ORDER, OFFER OR OTHER DOCUMENT ISSUED BY SELLER INCONSISTENT WITH OR IN ADDITION TO THE TERMS AND CONDITIONS OF AN ORDER ARE NOT BINDING UPON BUYER (UNLESS SPECIFICALLY ACCEPTED BY BUYER IN WRITING SIGNED BY BUYER), AND BUYER HEREBY OBJECTS THERETO.

(e) Website Provisions. An Order also includes other provisions (as amended from time to time) specifically stated to be applicable to the Buyer’s purchase of Goods, which may be found on the Buyer’s general website or Buyer’s supplier website, or portal, at <http://www.inoacusa.com> including but not limited to the “INOAC Supplier Requirements Manual” and the “INOAC Supplier Packaging & Labeling Standard” located at [www.inoacusa.com](http://www.inoacusa.com), and any other guides for logistics, purchasing, and quality published on the website or otherwise provided to Seller (together, the “Buyer

Guides”). In the event of a conflict between any Buyer Guides and these Terms, these Terms shall govern.

(f) Amendments to Terms. No exception to, deviation from, or waiver of these Terms shall be valid or binding on Buyer unless specified on the face of an Order or Order amendment or made in a signed writing by Buyer’s Purchasing Manager or officer. Any such exceptions, deviations or waivers shall apply only to the specific purchase order for which they are granted and shall not constitute a course of dealing.

2. **Duration of Order.**

If no specific period or expiration is stated in an Order it shall continue for the life of the project or programs for which the Goods are to be used in production or resold by the Buyer, including for the period in which service parts are required, or until otherwise terminated as provided by these Terms or a specific provision in an Order. Expiration or termination of an Order shall not affect warranty and other obligations which by their nature may continue beyond an initial obligation to provide the Goods. If a specific term is stated in an Order it shall continue for such period and then expire.

3. **Prices, Payment, Audit, and Security Interest.**

(a) Pricing and Invoices. Seller shall furnish the Goods at the prices specified in an Order. The price specified in an Order shall be complete, and no additional charges of any type, including but not limited to, for current or increased costs of materials, labor, packaging, labeling, custom duties, taxes, storage, insurance, boxing and crating shall be added for any reason without Buyer’s express written consent. All prices are firm for the duration of the Order. No price increases will be permitted for any reason, including but not limited to price increases to cover increases in the cost of raw materials, parts, components, fuel, energy, labor, supplies, overhead, or transportation. All prices are in U.S. dollars and are FCA Seller Incoterms 2010.

(b) Payment. Unless otherwise stated on the face of an Orders or other document signed by Buyer, payment terms are net 60 days from the Payment Start Date. The “Payment Start Date” shall be determined by Buyer’s policies. Notwithstanding the foregoing, if shipment or point of delivery is outside the United States, Canada or Mexico, the Payment Start Date is the date of receipt at the destination. All cash discounts shall be computed from the date of receipt by Buyer of a final correct invoice or receipt of the Goods, whichever occurs later. Buyer shall pay for Goods on a Net Settlement Basis for all of the accounts of Seller arising from an Order and other agreements Seller has with Buyer. “Net Settlement Basis” means that, unless prohibited by law, Buyer may set off and recoup against Buyer’s accounts payable to Seller any amounts which Buyer determines in commercial good faith that Seller or any Seller Affiliate is liable to Buyer or any Affiliate of Buyer, under any Order or other agreements between Seller or any Seller Affiliate and Buyer or any Buyer Affiliate. Buyer may do so without advance notice to Seller. Payment shall not constitute acceptance of non-conforming Goods and shall not limit or affect any rights or remedies of Buyer.

(c) Auditing and Indemnification. Buyer may at any reasonable time send its authorized representatives to examine all pertinent facilities, documents and materials in the possession or under the control of Seller relating to any of Seller’s obligations under an Order or any payments requested by Seller pursuant to an Order. Seller shall maintain books and records relating to an Order for a period equal to the greater of four years after completion of final delivery of Goods pursuant to an Order or as required by applicable law. If 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 audit and attorney's fees and any other cost related thereto, plus interest at the legal rate for written contracts (expressed as an annual percent). Seller shall obtain from Seller's suppliers and subcontractors such audit rights for benefit of Buyer.

(d) Customs Invoice. If Goods will cross an international border during delivery, Seller shall provide a commercial invoice to Buyer in the form and content as required for customs clearance. The invoice shall be in English, or in the specific language of the destination country as directed by Buyer.

(e) Taxes. Seller's price includes all payroll and occupational taxes, excise taxes, value-added taxes that are not recoverable by Buyer, and, except with the written consent of Buyer, all other taxes, fees, duties, tariffs or other charges applicable to the Goods under the applicable Incoterm or other delivery term; provided, however, that any national, state/provincial and local sales, use, excise, recoverable value added, and/or privilege taxes, if applicable, will be identified on Seller's invoice separately from the price. If Seller is obligated by law to charge any excise, value-added and/or similar tax to Buyer, Seller shall ensure that it is invoiced to Buyer and once collected is promptly remitted by Seller to the appropriate government authority, all in accordance with applicable rules so as to allow Buyer to reclaim such excise, value-added and/or similar tax from the appropriate government authority. Seller transfers to Buyer all taxes, fees, and duties which are recoverable by Seller and shall cooperate with Buyer to enable Buyer to recover such sums.

#### 4. Releases, Quantities and Blanket Order.

(a) Releases. If an Order is a "blanket order", "requirements contract", or in some other manner indicates Buyer's obligation to purchase is limited to those Goods and quantities in Releases or other written delivery instructions from Buyer ("Blanket Order"), the quantities and delivery dates in an Order are not binding on Buyer, and Buyer's obligation to purchase the Goods is expressly contingent upon the issuance of a release or other written delivery instructions ("Releases") by Buyer identifying the Goods and materials and quantities to be purchased and providing delivery schedules and directions. A Release shall be part of the applicable Order. All Orders for Goods used in production by Buyer or its customer, or in and for their corresponding service and replacement parts, are presumed to be Blanket Orders for 100% of Buyer's requirements. As to a Blanket Order, Seller shall not provide any services, fabricate or assemble any Goods, procure required materials, nor ship any Goods, except to the extent specifically authorized by an Order or by written Releases. Seller shall maintain at its expense and risk components, materials and finished Goods necessary to assure a continued supply of Goods at the latest design level. Subject to change by Buyer's Releases, Seller is authorized to fabricate and assemble up to four weeks of finished Goods inventory and acquire up to an additional four weeks of component and materials inventory based on Buyer's latest Releases. Subject to any provision requiring Buyer to purchase a specific quantity or 100% or some portion of its requirements, Buyer shall be obligated only to purchase Goods and those components and materials fabricated or acquired by Seller in reliance on the firm periods provided above or otherwise in a Release that establishes a firm, fixed, or requirements quantity. Notwithstanding anything to the contrary in an Order, Seller is obligated to provide quantities as required in Releases issued to Seller. A provision providing for Seller to provide a percentage or range of percentages of Buyer's requirements is not a guarantee of any specific quantity of Goods that must be purchased by Buyer and the actual range of purchases pursuant to Releases can be substantially different from the percentages of estimates given, without any change in the obligation of Seller. Releases may be modified by Buyer at any time to the extent not contrary to specific terms of an Order. Buyer may temporarily suspend delivery or modify delivery dates for firm or fixed quantities.

Buyer may return shipments in excess of quantities released or ordered to Seller at Seller's expense for all packing, handling, sorting and transportation charges. Seller acknowledges and agrees to accept the risk associated with the lead times of the various components if they are beyond the firm Release quantities provided by Buyer.

(b) Period. If a Blanket Order has no specific period of validity or is not for the life of a program, the obligation of Seller to sell under the prices and other terms of a Blanket Order continues for the longer of the periods in which Buyer issues Releases to Seller and a reasonable period after notice of termination (not less than 12 months). Buyer has and/or will rely upon Seller's obligations to sell under an Order. The inclusion in an Order of prices for periods beyond the term of any firm period of commitment to deliver in an Order obligates Seller to accept a new or renewed Order at such prices, but is not an implied extension of any commitment of Buyer to purchase. If an Order contains a specific period of commitment, the commitment of Seller continues for the period covered by an Order and thereafter, at the prices in effect at the end of the specific period, until a reasonable period (not less than 12 months) as determined by Buyer after written notice by Seller that it no longer wishes to supply under such prices, so that Buyer may have adequate time to resource supply of the Goods.

(c) Seller's Obligations. A reference in a Blanket Order to a quantity is an estimate based upon information from Buyer's customer or other sources and is not a guarantee of the quantity to be purchased. A reference to production Goods included in an Order for tooling or other non-production Goods, is to obtain a warranty of performance of the Goods to be produced with the non-production Goods, and is not an obligation for the issuance of an Order for any production Goods or for a particular quantity of production Goods. A reference in an Order to a minimum or maximum quantity of production of Goods is a warranty by Seller of its commitment to maintain the indicated capacity and production levels, and is not a guarantee of a quantity of Goods to be ordered by Buyer.

(d) On Time Delivery. Seller shall maintain a 100% on time delivery record and a 100% compliance with other Order requirements. Seller is responsible for any costs incurred to comply with Buyer's Releases, regardless of estimated quantities, including but not limited to costs to increase capacity above estimated or maximum quantities. Seller shall maintain production and delivery capacity so that deliveries can be made in accordance with Buyer's Releases. Seller shall immediately inform Buyer if there is any risk of deviation from the Releases (including but not limited to potential labor disputes) and shall take all available measures to avoid such deviation. Seller is aware that the actual need for the Goods may be driven by the requirements of Buyer's customer, and that Seller and Buyer must adopt a flexible approach to adjust to these and other contingencies.

(e) Requirements and Minimum Quantities. Unless otherwise stated in an Order, an Order for production or service parts quantities shall be for 100% of Buyer's requirements for the Goods during the term of an Order which may be terminated as provided in an Order. As additional compensation to Seller for its supply obligations under the Order and any deemed option of Buyer to purchase or not purchase Goods, and as Seller's exclusive remedy, Buyer shall pay to Seller a fee of \$100.00 upon a demand from Seller made within 90 days after notice from Buyer that there will be no Releases or new additional Releases by Buyer, subject only to the purchase obligation in Subsection (a) above. This exclusive remedy shall not affect Buyer's obligations to purchase that are specifically provided for under other provisions of these Terms such as purchase obligations on termination for convenience.



(f) Claims. All claims related to Buyer's alleged failure to comply with obligations to release and/or purchase firm or other quantities must be made in writing within 120 days of date such claim accrues or it is barred, released and abandoned.

5. Delivery. Delivery must be on the date indicated in an Order, if any, unless otherwise directed by Buyer. Seller shall comply with delivery, documentation, marking, and other logistics requirements as specified by Buyer. If an Order is a Blanket Order or if no delivery schedule is provided, deliveries are to be made only in quantities and at times specified in Releases as they may be amended by Buyer. Buyer shall have no liability for payment of Goods delivered to Buyer which are in excess of firm quantities specified in an Order (including Releases). Buyer may, from time to time, change delivery schedules or direct temporary suspension of scheduled shipments without additional charge. Time is of the essence as to delivery and other performance by Seller.

6. Changes.

(a) Required Changes and Requests for Adjustments. Buyer reserves the right at any time to make changes in quantities, drawings, specifications, testing or quality control, packing, shipment, scope of work and other specific terms of an Order. The specifications shall include those in an Order and any statement of work or statement of requirements issued by Buyer or its customer. Any purported change shall be binding on Buyer only if made in a written Order amendment from Buyer. Any impact on price (higher or lower) or time for performance necessarily resulting from such changes shall be reported by Seller to Buyer, and any adjustment to price or schedules shall be requested by Buyer, with all supporting documentation within ten days of receipt of Buyer's written notice of change or a withdrawal of suspension under Section 6(b). Time is of the essence for such request. Buyer shall issue an Order amendment promptly if it agrees with the request. Notwithstanding anything to the contrary, if adjusted, the price shall be adjusted solely to compensate Seller for increased costs of materials and other direct production costs (excluding overhead and profit) necessarily incurred as a result of the changes, and the terms for performance shall be adjusted only for the period actually required to comply with the changes. Seller shall diligently perform an Order and all changes while its claim is being evaluated and during any period of dispute regarding Seller's requested adjustments. Any such claim by Seller for adjustment to time for performance or price under an Order must be solely and directly the result of the change directed by Buyer and any notice of such claim shall be effective only if accompanied by all relevant information sufficient for Buyer to verify such claim. Buyer shall have the right to audit all relevant records, facilities, work or materials of Seller to verify any claim. Seller shall consider and advise Buyer of the impact of a design change on the system or assembly in which the Goods covered by an Order are used. Nothing in this Section shall excuse Seller from performing promptly in accordance with an Order as changed.

(b) Limitation on Changes. Without the prior approval of Buyer on the face of an Order amendment Seller shall not make any changes to any Order or the Goods covered by an Order, including, without limitation, changing: (i) any third party supplier to Seller of services, raw materials or goods used by Seller in connection with its performance under an Order, (ii) the facility from which Seller or such supplier operates, (iii) the price of any of the Goods covered by an Order, (iv) the nature, type or quality of any services, raw materials or goods used by Seller or its suppliers in connection with an Order; (v) the fit, form, function, appearance, performance of any Goods covered by an Order; or (vi) the production method, or any process or software used in the production or provision of any Goods under an Order. Any changes by Seller to any Order or the Goods covered by an Order without the prior approval by Buyer on the face of an Order amendment or in a signed writing by Buyer's Purchasing Manager or officer, shall constitute a breach of an Order.

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

(a) **Risk of Loss.** All shipments are at the risk of Seller until receipt at Buyer's location or other final destination designated in an Order or other writing by Buyer, regardless of the delivery point pursuant to the delivery terms unless risk of loss is otherwise assumed by Buyer in writing. Seller shall insure the Goods at their replacement value for the benefit of Seller and Buyer as their interest may appear and provide to Buyer proof thereof. If risk of loss is assumed by Buyer, all risk casualty insurance for replacement value must be provided by Seller for the benefit of Buyer. The cost of any insurance shall be paid by Seller unless otherwise agreed in writing by Buyer. Under no condition will the risk of loss be that of Buyer, unless such insurance is provided. Risk of loss shall not be governed by transfer of title.

(b) **Title to Goods.** Title to all Goods shall vest in Buyer the earlier of the date of an Order and their identification to an Order. Identification shall occur not later than the date Seller acquires or begins manufacture of the Goods. Buyer's obligation to pay for Goods is limited by the terms of an Order. Seller shall pay all taxes related to ownership, possession or storage of the Goods until Buyer takes possession of the Goods whether or not title has transferred.

(c) **Right to Possession.** Buyer has the right to possession of all Goods at all times from the time the Goods are identified to an Order whether or not Seller is in default subject to Buyer's obligation to pay for the Goods upon obtaining possession. This right is separate and apart from any Security Interest.

8. **Quality and Inspection.** Seller shall comply with all provisions of Buyer's Guides relating to quality, testing, inspection, and related matters.

9. **Maintenance and Safe Use.** Seller shall provide to Buyer with the Goods, in writing, in English (subject to any mandatory translation required by any applicable law which Seller shall also provide) and in writing, all information necessary: (a) for the safe installation, use, maintenance and repair of the Goods; and (b) to maximize the efficient use and useful life of the Goods. Prior to and with the shipment of the Goods, Seller shall furnish to Buyer sufficient warning and notice in writing (including material safety data sheets and appropriate labels on the Goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the Goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, customers and end users if applicable, and their respective employees, how to exercise that measure of care and precaution that will best prevent bodily injury (including death) 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, in addition to standard material safety data sheets: (i) a list of all ingredients in the Goods; (ii) the amount of all ingredients; (iii) information concerning any changes in or additions to such ingredients; and (iv) other information required by International Material Data System consumer protection laws and conflict minerals regulations.

10. **Electronic Data Interchange and Computer Secrets.** Seller shall comply with all Buyer Guides, and requirements, related to participation in electronic data interchange and computer access.

11. **Confidentiality and Intellectual Property.**

(a) **Confidentiality.** At all times prior to, during and after an Order, Seller shall: (i) maintain the confidentiality of any information disclosed by Buyer or any parent, Affiliate, customer and

contractor, including for example only, any technical, process or economic information derived from drawings, specifications, samples and other data furnished by Buyer in connection with an Order, 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 or subcontractors for whom such knowledge is essential for performance of an Order; (iii) not use Confidential Information except for performance of an Order; and (iv) not disclose any of the terms of an Order or any details or characterization of Buyer’s performance of an Order. Seller shall immediately notify Buyer of any disclosure of any Confidential Information that is not permitted by these Terms or other misuse of any Confidential Information or breach of these Terms. Except as required for the efficient performance of an Order, Seller shall not: (x) use Confidential Information or make copies or permit copies to be made of Confidential Information without the prior written consent of Buyer; or (y) sell to any third party any products which are constructed with or incorporate Confidential Information obtained by Seller or from reverse engineering of the Goods. If any copies of Confidential Information are made with prior consent, notice referring to the requirements of this Subsection shall be placed on the copies. Without limiting the direct liability of Seller’s employees, subcontractors and others who may have received Confidential Information directly or indirectly from Seller, Seller shall be responsible for the improper disclosure or other misuse of Confidential Information by Seller’s employees, subcontractors and others obtaining Confidential Information from Seller, and Seller shall immediately take such steps as may be necessary to terminate any continuing improper disclosure or misuse by any of Seller’s employees, subcontractors and others of which Seller becomes aware. Seller shall not disclose Buyer’s Confidential Information to any third party without Buyer’s prior written consent. Buyer makes no representation, condition 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, other than completion of contractual obligations. Upon receipt of such notice, Seller shall, and shall cause Seller’s employees, its subcontractors, and others 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 of Seller’s employees or subcontractors, and erase or otherwise destroy any Confidential Information kept by Seller or any of Seller’s employees or subcontractors in electronic or other non-physical form. Such termination by Buyer shall not affect Seller’s continuing obligations in this Subsection.

(b) Seller’s Non-Confidential Information. Any knowledge or information disclosed by Seller or on its behalf to Buyer, its Affiliates or subcontractors, which in any way relates to an Order, shall not, unless otherwise specifically agreed to in writing by Buyer, be deemed confidential or proprietary information, and shall be acquired by Buyer, free from any restrictions (other than restrictions under valid patents), as part of the consideration for an Order, and Buyer may disclose such information.

(c) Indemnification. Seller, at its expense, shall defend, indemnify and hold harmless Buyer and its successors, assigns, customers and users with respect to every claim that may be brought against Buyer or others that use the Goods, for any actual or 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 shall 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 shall 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: (x) procure the right to continue using the Goods; (y) replace the Goods with a non-infringing equivalent; or (z) remove the Goods and refund the purchase price and the transportation and installation costs thereof. Seller's obligations shall apply even though Buyer furnishes all or any portion of the design and specifies all or any portion of the processing used by Seller and, unless Seller provides a non-infringing equivalent acceptable to Buyer and its customer, even if Buyer has notice of a claim of infringement and continues to purchase, use, or resell Seller's Goods.

(d) Specific Disclosures Regarding Patents. Seller shall specifically identify in a writing delivered to Buyer prior to any shipment, all components, processes, tooling or equipment used in the production of the Goods that are subject to any patent of Seller or third party. Seller shall obtain from third parties for the benefit of Seller, Buyer and Buyer's subcontractors and customers, any rights necessary to make, use and sell the Goods.

(e) Restrictions on Seller's Sale Activities. Except for sale to Buyer, Seller shall not manufacture or sell any product which uses the design or the product model numbers or other designation, of the Goods sold under an Order or any product which is produced with the tooling owned by Buyer or its customer used to produce the Goods. Seller shall not sell, attempt to sell, or assist a third party in any way in its attempted sale of any personal property or services to a customer which would replace or reduce any supply by Buyer to a customer of the Goods separately or as a component of an assembly.

## 12. Warranties.

(a) Express Warranties. Seller warrants and represents to Buyer that all Goods shall be: (i) merchantable; (ii) free from failure in the final product as sold to the end user; (iii) free from all defects, including for example, design, workmanship and materials; (iv) fit for the particular purposes for which they are purchased; including the specified form, fit, function and performance as a component and in the component system, as a part of the final product subsystem, in the location within the final products to be sold by Buyer and its customer and in the environment in which the Goods are or reasonably may be expected to perform; (v) in strict compliance with the specifications, samples, drawings, designs, Seller's advertisements, statements on containers and labels, statements of work and requirements of Buyer and its customers and other requirements (including performance specifications) approved or adopted by Buyer as of the date of delivery or such other date provided by Buyer in writing; (vi) in strict compliance with all government requirements; (vii) composed of all new materials and components; (viii) produced by experienced and well trained personnel in a professional and workmanlike manner and in accordance with industry best practices; (ix) in conformity with all sales and other information provided by Seller orally or in writing; and (x) free of liens. If there is any conflict or overlap of provisions regarding Seller's warranties, the more demanding provision shall apply. 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. Approvals by Buyer of Seller's design drawings, specifications, samples, designs and other data, are to assist Seller without charge to Seller, but they do not replace, modify or cause Seller to share, Buyer's responsibility and do not waive or limit any warranty of Seller.

(b) Warranty Period. As to each of the Goods, each of Seller's warranties begins on the date of delivery to Buyer and continues until the last to occur of the following: (A) four years after delivery to Buyer; (B) the expiration of the longest time period which Buyer or Buyer's customer or the original equipment manufacturer in which the Goods may be installed may be required, by contract or

law, to repair or replace the Goods or Buyer's product incorporating the Goods; or (C) the period provided by applicable law for the Goods as sold to a consumer. The statute of limitations period applicable to any breach of warranty will be the longest statute of limitation period for breach of contract, products liability or indemnity claims in any applicable jurisdiction or, in the case of any recall campaign, the longest time period provided by the U.S. federal, state, or foreign government where the Goods are used. Buyer or its customer voluntarily or pursuant to a government mandate, makes an offer to owners of vehicles (or other finished products) on which the Goods, or any parts, components or systems incorporating the Goods, are installed to provide remedial action to address a defect or condition that relates to safety or the failure of the product to comply with any applicable law, safety standard or guideline, whether in connection with a recall campaign or other customer satisfaction or corrected service action (a "Remedial Action"), the warranty shall continue for such time period as may be dictated by Buyer's customer or the federal, state, local or foreign government where the Goods are used or provided and Seller shall fully comply with the requirements of the Remedial Action. The warranty period for Goods other than those used as components in further production shall be the longer of two year(s) or 4,000 hours of operation after final acceptance by Buyer or the period stated in Seller's sales materials.

(c) Warranty Intent and Purpose. All warranties are intended to provide Buyer with protection from any and all warranty claims brought against Buyer by its customer. This includes, but is not limited to, satisfying any customer-required warranties relating to the Goods or products into which the Goods are incorporated. All such customer-required warranties are incorporated by reference.

(d) Notice of Breach. The following communications shall each constitute notice of breach of warranty under an Order: (i) any communication or notice specifying a defect, default, claim of defect or other problem or quality issue with Goods sold under an Order; or (ii) any communication to Seller claiming that Seller's Goods are in breach of any warranty or that Seller is in default under an Order. Any such claim of breach by Buyer may only be rescinded in a writing signed by Buyer's Purchasing Manager or officer.

(e) Buyer's Defense of Third Party Claims. To mitigate its damages, Buyer may elect to fully defend any claim from any customer or other third party that any Goods supplied by Seller are defective, in breach of warranty, or otherwise did not meet applicable legal or contractual requirements because such claimant may attempt to hold Buyer responsible for problems caused in whole or in part by Seller. Seller and Buyer agree that this defense is in the interest of both Seller and Buyer. Seller waives the right to assert that Buyer took any such position in any way limits Buyer's right to assert a claim against Seller by Buyer for breach of warranty, contribution, indemnification or other claim that may arise from or be related to the subject matter of any of the foregoing. If Seller wishes to participate in any of the negotiations with Buyer's customer or other third party regarding any of the foregoing or any related litigation or defense of any such claim, then in each case that Seller receives a notice of default or claim of breach, Seller shall give Buyer prompt written notice of its request to participate, which notice shall describe with particularity the details of Seller's position regarding the defense of the alleged default or breach.

(f) Costs of Remedial Action. Notwithstanding the expiration of the warranty period set forth in these Terms, Seller shall nonetheless be liable for costs and damages associated with the conduct of any Remedial Action to the extent that such Remedial Action is based upon a reasonable determination (including by use of statistical analysis or other sampling methodology) that the Goods fail to conform to the warranties set forth in an Order. Where applicable, Seller shall pay all reasonable expenses associated with determining whether a Remedial Action is necessary. Any Remedial Action

involving Goods sold to Buyer shall be treated separately and distinctly from similar Remedial Actions of other products of Seller; provided that such separate and distinct treatment is lawful and Seller shall provide at least the same protection and remedies to Buyer on such Goods as Seller provides to its other customers in connection with such similar Remedial Actions.

(g) Cumulation. All warranties and remedies provided by these Terms are cumulative and in addition to those provided by law and shall survive testing, inspection, and acceptance of the Goods. Approval by Buyer of Seller's drawings, data, designs, engineering instructions, models, specifications or other technical information, written, oral or otherwise, does not waive or limit any warranty.

(h) Assignability. All warranties under this Section are assignable by Buyer to its customers, end users and other third parties without notice to or consent by Seller.

13. **Service and Replacement Parts.**

(a) Supply. Seller shall sell Goods to Buyer as ordered and released by Buyer for use as production and as service and aftermarket replacement parts. If the Goods are systems or modules, Seller shall sell to Buyer, as ordered by Buyer, the system or module or the components or parts that comprise the system or module. The prices for the components or parts shall not, in the aggregate, exceed the price of the system or module less assembly costs. During the period in which Buyer is required by its customer to provide service or replacement parts, Seller shall sell Goods to Buyer as ordered to fulfill Buyer's service and replacement parts requirements. Unless otherwise agreed to by Buyer in writing, the price during the first five years of this period shall be those in effect at the conclusion of purchases for production for the customer plus any actual costs for any unique packaging required for Goods intended for service and aftermarket. For the remainder of this period, the price for Goods shall be as agreed to by the parties, not to exceed the lower of: (i) the cost of manufacture and, not to exceed the percentage on production Goods, a reasonable contribution to overhead and profit; or (ii) the price at which Buyer is obligated to sell to its customer; or (iii) the price at the conclusion of production for use by customer's current models, plus any actual costs for any unique packaging required for Goods intended for service and aftermarket. When requested by Buyer, Seller shall make service literature and other materials available in English at no additional charge to support Buyer's service and replacement part sales activities.

(b) Related Deliverables. Upon Buyer's request and without charge, Seller shall furnish Buyer with all data and the following:

(i) Appropriate Seller and third party certification of all Goods requiring calibration and testing prior to delivery.

(ii) Draft and final copies, if any, of the service shop manual and illustrations to facilitate preparation of the service shop manual by Buyer for the Goods.

(iii) User manuals, training materials, product descriptions and specifications, brochures, technical manuals, license agreements, supporting materials and other printed information relating to the Goods. Additional training and support in the installation and use of the Goods will be made available without charge to Buyer as reasonably required and as may be provided in the Development Agreement between the parties.

(iv) Drawings and specifications of any proposed special tools, if any, which will be used in servicing Goods, to facilitate the installation or use of Goods, or of special tooling and processes used in the manufacture of the Goods.

14. **Indemnity Insurance and Performance on Buyer's Premises.**

(a) **Indemnity and Liability.** In addition to any rights to indemnification or remedy provided to Buyer by applicable law, Seller, at its expense, shall at Buyer's request defend, indemnify and/or hold harmless the indemnified parties from and against any Claims and damages, including damages relating to the investigation, pursuit, defense and handling of any Claims arising out of or relating to the condition, labeling, engineering, use, sale, storage, design, safety and other matters relating to the Goods whether or not incorporated in another product, as long as the damages were not caused solely by Buyer or other third party who is not a supplier of Seller. For clarity, Seller shall pay all damages that an indemnified party may sustain by reason of the foregoing. Seller waives the application of the doctrine of comparative negligence and other doctrines that may otherwise allocate the liability covered by Seller's indemnity. This Section shall not apply to any liability for which the law prohibits Buyer from obtaining indemnity.

(b) **Insurance.** Seller shall obtain and maintain insurance coverage in the following minimum amounts: workmen's compensation - statutory limits for jurisdictions in which work is to be performed; employer's liability-\$1,000,000; comprehensive general liability-\$1,000,000 per occurrence and an aggregate of \$2,000,000; automobile liability/bodily injury/property damage-\$1,000,000; and a commercial umbrella or excess liability policy with limits of at least \$5,000,000 per occurrence and aggregate that provides excess coverage with a least as broad of terms and conditions as the policies referred to above, including coverage for the Company, its managing agents and lenders as listed as an additional insured primary and non-contributory endorsement.. Seller waives subrogation against Buyer. All policies shall be issued by an insurer licensed to do business in the national, state/provincial, and local jurisdiction where Buyer shall use and sell the Goods. The comprehensive general liability insurance shall be an occurrence form of policy and cover global liability arising from products liability, premises, operations, independent contractor, products-completed operations, personal injury and advertising injury, recall and liability assumed under contract. Buyer shall be named as an additional insured under the policies. Seller shall furnish to Buyer a certificate of insurance completed by its insurance carriers certifying that the required insurance coverages are in effect and will not be canceled or materially changed until 30 days after prior written notice has been delivered to Buyer. The certificate shall set forth the amount of each coverage, number of policy, date of expiration and Buyer as an additional insured. If Seller is a self-insurer of workers compensation liability as may be permitted by applicable law, Seller shall furnish Buyer a certificate of the Department of Labor, or similar government authority of the jurisdiction in which any labor is to be performed approving the self-insurance. The purchase of such insurance coverage or the furnishing of a certificate shall not be a satisfaction of Seller's liability hereunder, or in any way modify Seller's obligation to indemnify Buyer.

(c) **Performance on Buyer's Premises.** If Seller's performance under an Order involves operations by Seller on the premises of Buyer or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury (including death) to persons or damages to property during the progress of such performances, and except to the extent that any such injury or damage is due solely and directly to the negligence of Buyer or a third party. 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 arising under or related to an Order. The Buyer is not obligated to provide any tools, materials equipment or other personal property to enable Seller to perform on the premises of Buyer or one of its customers. If Buyer does provide such personal property it shall be as bailor for the benefit of Seller AS-IS WHERE-IS. Any such permission may be withdrawn by Buyer at any time. Seller shall return all such personal property to the control of Buyer upon demand in the same

condition as when provided, reasonable wear and tear accepted. Seller shall have the sole responsibility for the selection, proper and safe use, and protection of such personal property. Seller shall defend and indemnify Buyer and its customer against all liabilities, claims or damages for injuries or damages to person or property arising out of the selection, use and storage, and loss of such personal property.

15. **Termination for Other than Default.** In addition to any other rights of Buyer to cancel or terminate an Order or any Releases, Buyer may at its option immediately terminate all or any part of an Order or any Releases on 30 days notice, for (a) the termination or material reduction in customer demands; (b) a change in Buyer's requirements; (c) Seller's failure to remain competitive in price, quality, delivery, and/or technology whether or not such failure would be a default or breach by Seller; or (d) Buyer's convenience, by giving written notice to Seller. Seller shall cooperate with Buyer in any transfer of production or other performance to a new supplier. Upon a termination under this Section, Buyer shall pay to Seller the following amounts without duplication: (x) an Order price for all conforming Goods which have been completed in accordance with an Order not previously paid; (y) the actual direct cost of protecting Buyer's property; and (z) the actual direct costs of work in process and raw materials reasonably incurred by Seller in furnishing or preparing to furnish the Goods under an Order or any Releases 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 finished Goods, work in process or raw materials obtained, fabricated or processed by Seller in amounts in excess of those authorized as firm in Releases (if Releases are required or contemplated by an Order), for any undelivered Goods which are Seller's standard stock or which are readily marketable, or for any finished Goods or materials 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 finished Goods which would have been produced by Seller for firm quantities of finished Goods and materials under Releases outstanding at the date of termination for firm quantities of finished Goods and materials. Except as provided in this Section, Buyer shall not be liable for and shall not be required to make any other payments to Seller, directly or on account of claims by Seller or Seller's suppliers or subcontractors, arising from termination of an Order, including for example only for loss of anticipated profit, revenue or opportunity, and for business interruption, unabsorbed overhead, product development and engineering costs, facilities and equipment, rearrangement cost or rental, unamortized depreciation costs, general and administrative burden charges, or interest on claims. Within 60 days from the effective date of termination, 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, however, shall have no obligation to Seller under this Section if Buyer terminates its purchase obligations under an Order or any Release for any reason other than for Buyer's convenience under Subsection (d) above, except to the extent Buyer recovers from its customer for amounts otherwise due to Seller from Buyer under this Section. Payment under this Section shall constitute the exclusive liability of Buyer if an Order is terminated by Buyer pursuant to this Section. Seller has no right to terminate an Order.

16. **Security and Solvency.**

(a) **Security Interest.** Seller grants to Buyer a security interest ("Security Interest") in the materials, components, contracts, intellectual property, and all other property and any proceeds



thereof that may be acquired or allocated by Seller for use in the design, acquisition, assembly, and manufacture of the Goods, including Required Tooling and Furnished Property and in the completed Goods (“Collateral”) to secure Seller’s return of any deposits and Seller’s performance of other obligations under an Order. The Security Interest attaches at the time the Collateral is identified to an Order. The Collateral constitutes and will constitute continuing security for the performance of Seller’s obligations under an Order including the obligation of Seller to repay to Buyer all monies paid on an Order if Seller defaults under an Order. Seller shall cooperate with Buyer and provide documents reasonably requested by Buyer, to enable Buyer to confirm, create and perfect the Security Interest. Seller grants Buyer an irrevocable power of attorney coupled with an interest to execute and file such documents. All Collateral shall be marked, tagged, or otherwise identified by Seller as being subject to the Security Interest. Buyer may inspect the Collateral during Seller’s normal business hours. Seller shall insure and maintain the Collateral for the benefit of Seller and Buyer.

(b) Seller’s Representation of Financial Stability and Solvency. Seller represents and warrants to Buyer as of the date of each Order (which representations and warranties shall be deemed repeated as of the date of Seller’s acceptance of each Release under an Order and at the time of each delivery under an Order): (i) that it is solvent and is paying all debts as they become due; (ii) that it is in compliance with all of its loan covenants and other obligations; (iii) that all financial information provided by Seller to Buyer concerning Seller is true and accurate; (iv) that such financial information fairly represents Seller’s financial condition; and (v) that all such financial statements of Seller have been prepared in accordance with generally accepted accounting principles, uniformly and consistently applied. On Buyer’s request, Seller shall provide to Buyer annually, or as otherwise required by Buyer, Seller’s financial statements (audited if available), or a written report from an independent financial reporting company acceptable to Seller evaluating Buyer’s financial stability and ability to perform an Order, together with such other information which Buyer may reasonably request to verify Seller’s financial ability to perform and to continue to perform its obligations under an Order (including but not limited to production schedules, accounts receivable agings, accounts payable agings, and organizational charts).

Seller shall notify Buyer in writing immediately if Seller becomes insolvent.

17. **Default and Remedies.**

(a) General. Seller shall be in default: (i) if Seller fails to perform any obligation within the time specified in an Order (including a Release) or any extension thereof granted by Buyer in writing, or upon Buyer’s demand if no time has been specified; (ii) if Seller fails to make progress in the performance of any obligation so as to make Buyer reasonably apprehensive about Seller’s ability or willingness to perform its obligations; (iii) if Seller repudiates or is in breach of any provisions of an Order, including Seller’s representations and warranties (including but limited to Seller’s representations and warranties regarding financial condition and solvency); or (iv) if Seller’s performance of its obligations, or 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, and if in any of these defaults, the effects of which default can be cured, Seller does not cure such failure within seven calendar days (or such longer period as Buyer may authorize in the notice of default).

(b) General Remedies. Upon Seller’s default, Buyer may by written notice of default to Seller, 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 take one or more of the following actions: (i) rescind, cancel or terminate an Order; (ii) reject and return non-conforming or defective Goods at Seller’s expense; (iii) require Seller

to inspect the Goods and remove and replace non-conforming or defective Goods with Goods that conform to an Order; and/or (iv) take any other action at Seller's cost which Buyer determines in its reasonable judgment is necessary to cure Seller's default and/or mitigate the effect of Seller's default. If Buyer elects option (iii) 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. Buyer may take remedial and other action based on one or more Sections of this Agreement as alternative and/or cumulative basis. Seller shall continue performance of an Order to the extent not terminated and shall be liable to Buyer for any excess costs for alternative products or services. Buyer, at its sole discretion, may also elect to extend the delivery schedule and/or to waive other deficiencies in Seller's performance; in which case an equitable reduction in an Order price shall be established by Buyer to compensate Buyer for its damages. If Seller for any reason anticipates difficulty in complying with a required delivery or other 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.

(c) Damages. Seller shall reimburse Buyer for all direct, incidental, consequential and special damages, and damages caused by or related to Seller's default including but not limited to lost profits, revenue and opportunity and business interruption. Such damages shall include but are not limited to, costs, expenses and losses incurred directly or indirectly by Buyer or its customers: (i) in inspecting, sorting, repairing or replacing non-conforming Goods; (ii) resulting from production interruptions; (iii) in conducting any recall or other corrective service actions; or (iv) resulting from personal injury (including death) or property damage. Consequential damages include reasonable actual attorneys' and other professionals' fees incurred by Buyer. Buyer's indirect costs include but are not limited to such administrative charges as Buyer establishes from time to time to compensate Buyer for its time and effort in addressing issues related to Seller's default. Buyer may also at its option adjust the price of the non-conforming Goods which it elects to accept to reflect the reduced value of the Goods.

(d) Specific Performance. Seller acknowledges and agrees that money damages would not be a sufficient remedy for any actual, anticipatory or threatened breach of any Order by Seller with respect to its delivery of Goods to Buyer and that, in addition to all other rights and remedies which Buyer may have, Buyer shall be entitled to specific performance and interlocutory and permanent injunctive or other equitable relief as a remedy for any such breach, without proof of actual damages, without establishing a "balance of convenience", and without bond or other security being required.

(e) Duty to Deliver. Seller's continued holding of the Goods, Furnished Property, or Required Tooling, after demand has been made by Buyer for delivery, will substantially impair their value, and Buyer shall be entitled to a court order for possession without bond. Seller shall continue to sell Goods under an Order during any dispute with Buyer provided Buyer continues to pay Seller amounts owed in excess of any right of offset.

(f) Disclaimer of Liability for Certain Damages. UNDER NO CIRCUMSTANCES SHALL BUYER BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES OR DAMAGES FOR LOST PROFIT, REVENUE, OR OPPORTUNITY, OR FOR BUSINESS INTERRUPTION.

(g) Transition of Supply. In connection with Buyer's termination or non-renewal of an Order, or Buyer's other decision to source the Goods from any alternate supplier(s), Seller shall cooperate with Buyer in the transition of supply of the Goods, including the following: (a) Seller shall continue production and delivery of all Goods as ordered by Buyer, at the prices and other terms stated

in an Order, without premium or other condition, during the entire period reasonably needed by Buyer to complete the transition to the alternate supplier(s), such that Seller's action or inaction causes no interruption in Buyer's ability to obtain the Goods as needed; (b) at no cost to Buyer, Seller shall promptly provide all requested information and documentation regarding and access to Seller's manufacturing process, including on-site inspections, bill-of-material, data, tooling and process detail and samples of the Goods and components; and (c) subject to Seller's reasonable capacity constraints, Seller shall provide special overtime production, storage and/or management of extra inventory of the Goods, extraordinary packaging and transportation and other special services (collectively "Transition Support") as expressly requested by Buyer in writing.

18. **Property Furnished or Purchased by Buyer or Its Customer for Seller's Use.**

(a) Ownership. Unless otherwise agreed in a writing signed by Buyer, all tooling, tooling designs, equipment, equipment designs, material and other property of every description furnished to Seller by Buyer or its customer, or acquired or developed by Seller but paid for or to be paid for by Buyer or its customer as a separate price or amortized in the price of the Goods, and any materials affixed or attached thereto and replacement thereof (all of which constitutes "Furnished Property"), shall be and remain exclusively the personal property of Buyer or its customer and held as an at-will bailment and in trust for the benefit of Buyer or its customer as their interests may exist. All additions, attachments, accessories and repairs to the Furnished Property, and replacements thereof, shall be deemed Furnished Property and shall become the exclusive property of the owner of the affected Furnished Property without payment. Seller shall not substitute any of its own property for use in place of Furnished Property and to the extent it does so, such property shall become the Furnished Property of the owner of the property replaced. All designs, intellectual property included in Goods or Furnished Property, shall be transferred in Buyer in a format dictated by Buyer immediately upon request, and shall not be encumbered in any way by Seller. Title to the Furnished Property which is acquired by Seller and its contractors, and the components thereof, shall vest in Buyer upon its their acquisition or production even though the Furnished Property is not completed. Seller shall sign separate at-will bailment and other agreements confirming the status of Furnished Property under these Terms if requested by Buyer. Seller is also bound by any additional obligations relating to Furnished Property which are contained in Buyer's contract with its customer and Seller agrees that Buyer, in its own name, may enforce such obligations on behalf of its customer.

(b) Maintenance and Taxes. Seller shall install, maintain, repair, replace and return Furnished Property in good condition and working order, reasonable wear and tear excepted, at Seller's cost. Seller shall pay all taxes assessed against the Furnished Property or for its use while in the possession or control of Seller, whether or not Buyer is required by law to pay such taxes. Risk of loss is on Seller.

(c) Markings. Each individual item of Furnished Property (and the container in which it may be stored) shall be plainly and permanently marked or otherwise adequately identified and permanently marked by Seller as the property of Buyer and/or Buyer's customer as directed by Buyer and with the project and part number on which it is used.

(d) Use and Safety. Seller shall not use or permit others to use Furnished Property except to fill Orders. Seller shall not, under any circumstance, sell or transfer any product or service produced with the Furnished Property except to Buyer and its designees. Seller shall use Furnished Property in a careful and safe manner. Seller, at its sole cost and expense, shall furnish appropriate safety systems for Furnished Property which are integrated into the production process to meet federal and state

OSHA and any other applicable safety rules and regulations, or, if delivered in Canada or other country, all requirements of similar legislation in the jurisdiction and its regulations.

(e) Warranty Disclaimer. Seller accepts and/or shall produce the Furnished Property “AS IS” and without any representation, warranty or duty from Buyer except as may be specifically stated as such in an Order. It is Seller’s obligation to determine if the Furnished Property is suitable for its intended purpose. ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF BUYER AND ITS CUSTOMER ARE DISCLAIMED.

(f) Express Trust. Payments made by Buyer for Furnished Property are made by Buyer to Seller in express trust for the benefit of Buyer and of any third party toolmaker and other supplier used by Seller or others to produce all or a portion of the Furnished Property who has a perfected toolmaker’s lien or similar lien on the Furnished Property which is superior to Buyer’s interest in the Furnished Property. Buyer shall pay in trust and Seller shall hold these payments as trustee in express trust for Buyer and the toolmaker to satisfy such lien. Seller acknowledges that such toolmaker is an intended third party beneficiary of this Section and that Buyer and the toolmaker each has the right to enforce the trust directly against Seller only. As an obligation of its position as a trustee, Seller shall provide in its purchase order or other agreement with the toolmaker or other supplier that it shall not include or consent to include Buyer as a party to an action against Seller for payment of all or a portion of the Furnished Property but shall provide notice to Buyer of any action to obtain or retain possession of Furnished Property. Seller shall at Buyer’s request defend and/or indemnify Buyer against any action and the costs thereof, including reasonable attorney fees, by the toolmaker or other supplier against Buyer relating to Furnished Property.

(g) Injunctive Relief. The Required Tooling is a unique product which is critical in the production of a unique part or assembly. Seller expressly acknowledges that Buyer is in an industry that has exacting standards for delivery, quality, and other performance including just-in-time delivery requirements. The failure to produce or deliver the Required Tooling in accordance with the requirements of an Order can expose Buyer to significant claims by third parties and a significant loss of business and reputation which will be very difficult or impossible to quantify and for which Seller may be fiscally unable to respond in monetary damages. Whether or not the parties are in a dispute, Buyer shall be entitled to possession of the Required Tooling on demand and tender of payment to Seller or Seller’s tooling subcontractor of any portion of the unpaid purchase price owed Seller under an Order for the Required Tooling which is not contested by Buyer, and Seller shall be entitled to orders for specific performance, preliminary and permanent injunctions and/or other extraordinary relief, which relief shall be cumulative and in addition to any and all other remedies to which any party may be entitled under this Agreement or by law or equity, including but not limited to an ex parte order for possession of the tooling; provided Buyer shall only be entitled to a single full recovery for any breach. Seller waives any requirement for posting of a bond provided that if a waiver is not permitted by law, the amount of the bond shall not exceed the unpaid purchase price. CERTAIN JURISDICTIONS PROVIDE THE RIGHT TO A TRIAL BY JURY, BUT THIS RIGHT MAY BE WAIVED. SELLER HEREBY KNOWINGLY, VOLUNTARILY AND WITHOUT COERCION, WAIVES ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO A PROCEEDING BY BUYER TO OBTAIN POSSESSION OF REQUIRED TOOLING.

(h) Liquidated Damages. Time is of the essence, and any delays will result in substantial damages to Buyer. Seller shall pay to Buyer one (1%) percent of the purchase price of an Order for Furnished Property or Required Tooling for each day of delay of the final completion or any

interim scheduled completion or deliverable resulting from any breach of an Order by Seller, not to exceed ten (10%) percent of the purchase price. This liquidated damage provision is only to compensate for the period of delay referenced and shall not affect Buyer's right to injunctive and other relief.

19. **Required Tooling.** Production of the Goods by Seller or its subcontractor may require production aids and equipment in addition to that to be provided as Furnished Property under an Order. Seller, at its own expense, shall furnish, keep in good condition, and replace when necessary all tooling, jigs, dies, gages, fixtures, molds, patterns and other personal property used in the production process, whether or not they are Furnished Property or they are owned or leased by Seller or its subcontractors, which are necessary for the production of Goods in accordance with an Order ("Required Tooling"). In addition, all Required Tooling must continue to be maintained or repaired by Seller in a condition that is adequate for at least one year of production based on Buyer's forecasts and historical purchase levels. The cost of changes to Required Tooling necessary to make design changes and specification changes to the Goods authorized by Buyer in writing shall be paid for by Seller unless otherwise provided in an Order. Buyer may inspect Required Tooling and Seller's facilities during normal working hours upon reasonable notice to Seller. Seller may not relocate the Required Tooling without the prior written consent of Buyer. Seller shall advise Buyer of any required repair or replacement of Required Tooling. Seller shall be responsible for obtaining any PPAP required because of movement, modifications, repair, replacement, or other events. Seller shall insure Required Tooling with fire and extended all risk coverage insurance for its replacement value and provide Buyer with certificates of insurance evidencing such coverage. Seller grants Buyer an irrevocable option to take possession of and good title to some or all of the Required Tooling (including leases thereof) as selected by Buyer, that is not Furnished Property and is specific for the production of Goods, upon tender to Seller a purchase price computed as the book value thereof, less any amounts Buyer has previously paid to Seller in any manner for the cost of Required Tooling (e.g., by separate payment or by an allocated portion of the price of the Goods as shown in an Order or documents provided by Seller such as, for example only, a bill of materials); provided, however, that this option to purchase shall not apply to any Required Tooling used primarily to produce products that are standard stock of Seller sold to purchasers other than Buyer or its designee. On Buyer's request, Seller shall deliver any purchased Required Tooling to Buyer at Seller's or its subcontractor's plant or other location specified by Buyer. Seller is responsible for labor and other costs of dismounting, dismantling, preparing for delivery and staging the Required Tooling for delivery. Seller shall cooperate with Buyer in removing the Required Tooling from the location of Seller or its subcontractor. Seller shall have no right, after tender of the purchase price, to retain possession of Required Tooling to secure payment of amounts owed or for any other reason and Seller waives any common law or statutory lien rights, as a claim for damages (with any bond in the amount of the purchase price of tooling to be purchased as may be required by a court) is an adequate remedy. If the Required Tooling is not utilized to produce any Goods for Buyer for a period of two years, Seller shall so notify Buyer in writing and request instructions as to the disposition of the Required Tooling.

20. **Compliance with Laws.**

(a) **Environmental Laws.** Seller shall comply with all laws and standards adopted by Buyer and its customers relating to the environment, including these, for example: (i) requiring design and materials to maximize the recycling of Goods and end products; (ii) requiring marking of Goods with material composition; (iii) applicable to handling waste and chemicals; (iv) applicable to reacting to environmental emergencies; (v) applicable to use of reusable packaging; and (vi) requiring compliance with regulatory emission requirements for manufacturing or importing vehicles and engines in Canada and the United States.

(b) Contractual Obligations. Seller shall comply with any provisions, representations or agreements, or contractual clauses required thereby to be included or incorporated by reference or operation of law in the contract resulting from acceptance of an Order and dealing with, in the United States of America, 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, or, in Canada, the right to equal treatment with respect to employment without discrimination and freedom from harassment in the workplace as provided in the OHSA and the Human Rights Code (Ontario), and any similar applicable state or provincial legislation, as now or hereafter amended or codified and any similar laws of the jurisdiction of production and destination of the Goods. Seller shall comply with all applicable requirements as a subcontractor if an Order qualifies Seller as a subcontractor on a government contract.

(c) Non-Segregated Facilities. Seller warrants that it is, and shall continue to be, in compliance with the requirements for non-segregated facilities set forth in 41 CFR Chapter 601.8 and any similar laws of the jurisdiction of production or destination of the Goods and is an equal opportunity employer.

(d) Controlled Substances. 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 any similar laws of the jurisdiction of production or destination of the Goods (including without limitation, the Environmental Protection Act in Canada) and that the Goods are not hazardous under any national, state/provincial, and/or local law of the jurisdiction of production or destination, except as clearly stated on the shipping and storage containers.

(e) Composition of Goods. Seller shall supply to Buyer material safety data sheets on all Goods to each location to which there has not been a prior shipment. Upon the request of Buyer, Seller shall provide Buyer with access to and copies of any other data, materials or other information, including any formulas or analyses, that: (i) relate to the Goods, their composition, any component or part of the Goods, or any materials or substances used in the Goods or in connection with their production; and (ii) are needed, as determined by the requestor, to enable compliance with any requirement of a government (either mandated or voluntarily agreed upon by Buyer or any of its Affiliates) relating to the hazardous, toxic or other content or nature of the Goods, or the ability to dispose of or recycle the Goods or any component, part or materials in the Goods. Seller shall comply with Buyer's and customer's requirements relating to the use (or prohibition on use) of certain materials and substances in the Goods and shall utilize and comply with Buyer's reporting processes and requirements relating to any such data, materials or other information (such as the International Material Data System).

(f) Labor Standards. Seller warrants that the Goods produced in the United States shall be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, including Section 12(a) thereof. Seller warrants that the Goods produced outside the United States shall be produced in facilities that comply with local law and any safety, labor or employment, and environmental standards adopted by Buyer. Seller and its subcontractors shall comply with all applicable laws relating to labor relations and human rights in the production of Goods and its work places. Seller further warrants that no child, prison, forced or involuntary labor shall be used by Seller or its subcontractors in the production of Goods. Seller and its subcontractors shall maintain a work place free from physical abuse and any practice in violation of local law. Seller and its subcontractors shall provide a healthy, safe work environment, wages and benefits as required by applicable law, freedom of association and reasonable working conditions.

(g) Industry Standards and Law. Seller warrants that it shall comply with all applicable industry standards and national, state/provincial and/or local laws, rules, regulations and ordinances/bylaws applicable to the Goods and performance of an Order in the jurisdiction of production and destination of the Goods.

(h) Export and Economic Sanctions Laws. This Order and all items furnished by Buyer to Seller in connection herewith shall at all times be subject to the applicable export control, economic sanctions and anti-terrorism laws and regulations of Canada and the U.S., Nuclear Safety and Control Act, United Nations Act, Special Economic Measures Act, Criminal Code, and in the case of the United States including, but not limited to, 10 CFR Part 810 and U.S. Export Administration Regulations, Nuclear Technology Regulations, and the embargoes and economic sanctions administered by the Office of Foreign Assets Control. Seller warrants that no equipment, materials, services, technical data, technology, software or other technical information or assistance furnished by Buyer, or any product thereof, shall be exported or re-exported by Seller or its authorized transferees, if any, directly or indirectly, except to the consignee(s), if any, specified on this Terms, and in accordance with applicable law relating to export control, economic sanctions and anti-terrorism. Further, Seller warrants that no such export or re-export will be made without the prior explicit authorization, in writing, of Buyer and in accordance with any applicable Canadian, U.S. or other relevant export control, economic sanctions and anti-terrorism laws and regulations. The obligations in this Section shall survive any satisfaction, expiration, termination or discharge of any other contract obligations.

(i) Seller's Import Obligations. If Goods are to be delivered under other terms requiring Seller to deliver with duty paid to the destination country, Seller warrants that Buyer will not be a party to the importation of the Goods, that the transaction(s) represented by an Order will be consummated after importation, and that Seller will neither cause nor permit Buyer's name to be shown as "importer of record" on any customs declaration. Seller also warrants that it has non-resident importation rights, if necessary, into the destination country with knowledge of the necessary import laws. If Seller is the importer of record into the United States or Canada for any Goods, including any component parts thereof, associated with an Order, Seller shall provide Buyer required documentation and all necessary information for duty drawback purposes.

(j) Conflict Minerals Reporting. Seller shall maintain such records and provide such reports to Buyer to enable Buyer to report to government authorities and Buyer's customers the presence of conflict materials (as defined in the Dodd-Frank Act) in the Goods. Seller shall provide such information in such format as requested by Buyer.

21. Assignment, Subcontracting and Replacement Orders. Assignment by Seller of an Order or any interest therein, or any payment due or to become due to Seller, without the prior written consent of Buyer, shall be void and not binding on Buyer. Subcontracting any part of an Order without the prior written consent of Buyer is prohibited. Buyer shall not be obligated to any subcontractor for the product or services of any subcontractor whether or not Buyer has consented to or designated a subcontractor. Buyer may, however, pay the claim of any subcontractor on an Order if in Buyer's reasonable judgment such monies are owed, Seller has failed to make payment, and payment is required for the subcontractor to continue to perform. Seller shall immediately reimburse Buyer for any such payments. Approval of a subcontractor is not a release or waiver of any obligation of Seller or right of Buyer. Subcontracts related to Seller's performance under an Order shall automatically be for the benefit

of Buyer without obligating Buyer. Seller is responsible for all actions or inactions of any subcontractor and shall bind its subcontractors for the benefit of Seller and Buyer to perform its obligations under these Terms. Notwithstanding the above, the Buyer retains the right to assign the Order or any interest therein at its sole discretion.

22. **Audit Rights.** Seller shall maintain general records relating to an Order for a period of not less than ten years after completion of final delivery of Goods pursuant to that Order. Records of all manufacture, testing and inspection by Seller of the Goods 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 years after the last delivery of the Goods to Buyer or as required by law. Buyer or its authorized agents and representatives shall have the right at any time during normal business hours of Seller and with one day's prior notice to audit records. In the event any such audit shall disclose an overpayment to Seller, Seller shall pay Buyer, within 14 days after receipt of notice from Buyer, the amount of any overpayment together with interest at the prime rate then charged by Buyer's bank (expressed as an annual interest rate) plus 4% and Seller shall reimburse Buyer for the cost of such audit. Seller shall obtain from the subcontractors the same audit rights for benefit of Buyer.

23. **Foreign Purchases.** The following applies to all transactions involving Goods or portions of Goods to be imported into the country in which Seller's place of final delivery to Buyer is located:

(a) **Seller as Exporter and Importer.** Except as otherwise provided in an Order, Buyer shall not be a party to the exportation or importation of the Goods. The transaction(s) represented by an Order will be consummated subsequent to importation into the country of destination, and Seller will neither cause nor permit Buyer's name to be shown as "Importer of Record" on any customs declaration. Seller shall obtain all licenses necessary or convenient for the exportation and importation of the Goods.

(b) **Customs Forms.** Upon request and where applicable, Seller shall provide Buyer or Buyer's representative, U.S. Customs Form 7543 entitled "Certificate of Delivery" (or its replacement) 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 in an Order, all customs drawback will be credited to Buyer.

(c) **Other Certificates.** Upon request, Seller shall furnish promptly to Buyer certificates of local value added and certificates of origin in accordance with applicable government regulations.

(d) **Duties and Drawback Rights.** The price for Goods includes, and Buyer shall own, all related export and import customs duties 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. Buyer shall include such provisions in all its subcontracts.

(e) **Customs and Country of Origin.** For customs purposes, Seller shall prepare and expedite any and all required forms and submit them to Buyer or Buyer's representative, within 14 days of Seller's receipt of the forms. Seller shall attach to the shipping documents a commercial invoice in duplicate that complies with all export and import regulations. Seller shall provide a declaration of origin for the Goods being supplied. In the event the Goods being supplied are eligible to receive preferential treatment in the import country, Seller shall provide with each shipment a declaration of origin suitable to the items being supplied. For Goods delivered from any point within the USMC territory (Canada,



Mexico and the United States of America), Seller shall provide, with its invoice, a USMCA Certificate of Origin on the appropriate U.S. Customs Form or the corresponding Canadian or Mexican form. Unless otherwise agreed, all customs duty and import drawback will be credited to Buyer and Seller shall transfer to Buyer all customs duty and import drawback rights, if any (including rights developed by substitution and rights which may be acquired from Seller's suppliers), related to the Goods and which Seller can transfer to Buyer. Seller agrees to inform Buyer promptly of any such rights. Seller shall mark the Goods with their country of origin unless otherwise instructed in writing by Buyer. Seller shall inform Buyer immediately in writing of any change of origin of Goods. Unless otherwise agreed upon, customs clearance shall be the responsibility of the Seller. Seller has no authority to bind Buyer with respect to liability for duties, fees, penalties or other payments or to make representations to customs authorities on its behalf without prior written approval from Buyer. Seller shall indemnify Buyer against liability for, and hold Buyer harmless from, any and all customs duties, fees, penalties or other amounts due with respect to the exportation of materials or components furnished by Buyer from the United States to the country of assembly and subsequent importation into the United States of products assembled in whole or in part with Buyer's materials or components.

24. **Applicable Law, Jurisdiction, Waiver of Liens and Sovereignty.**

(a) **Applicable Law and Jurisdiction.** An Order is to be construed according to the laws of the United States of America and the State of Michigan, including the Uniform Commercial Code and excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any choice of law provisions that require application of any other law. The forum and venue for any legal or equitable action or proceeding arising out of, or in connection with, an Order shall lie in the appropriate federal or state courts in the State of Michigan, County of Oakland and specifically waives any and all objections to such jurisdiction and venue.

(b) **Liens.** Seller warrants that no lien shall be filed by Seller or anyone claiming under or through Seller against Buyer, the Goods, the Furnished Property, the site for delivery or installation of the Goods, or Buyer's customer, for materials, labor, services, equipment or goods furnished as part of the Goods or Furnished Property. Seller waives any right it may have pertaining to, and agrees not to file or otherwise assert or prosecute or suffer or permit, any mechanic's, storage, materialman's, or other type of liens to be filed or continued against any property of Buyer. 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 Seller's direct subcontractor, or any of its lower tier subcontractors, Seller shall take any and all steps necessary for the immediate release and discharge of such lien, in the manner required by applicable law, upon demand by Buyer. Seller shall secure and furnish to Buyer and its customer, upon request, a waiver of lien from each subcontractor under it.

(c) **Joinder.** If a Claim arises under or related to an Order or the furnishing of Goods by Seller to Buyer, by or against Seller, which is related to a similar claim by or against Seller in another litigation or in an arbitration, Seller irrevocably consents on the request of Buyer to the resolution of such claims arising under or related to an Order by or against Seller in such litigation or arbitration, which shall be binding on the parties and enforceable in a court of record.

(d) **Service of Process.** If Seller does not maintain a registered agent or office in the United States, Buyer hereby irrevocably appoints the Secretary of State of the state whose law applies and/or CT Corporation as Seller's agent to receive process in any proceeding arising under or related to the agreement.

(e) **Limitations of Actions.** No claims against Buyer can be brought as maintained unless filed in the court of competent jurisdiction as identified in an Order within one year of the date in which the claim accrued as determined under the UCC.

25. **Arbitration.** If both parties agree in writing, or if Buyer elects, any controversy or Claim arising out of or relating to these Terms or an Order, shall be settled by arbitration before three arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be held in Southfield, Michigan. In rendering an award, the arbitrators are bound by the terms of an Order and must apply the substantive law of Michigan other than its principles of choice of law. If the controversy or Claim involves a common issue of fact or law in another arbitration procedure involving the same or different parties, Seller consents to a joinder of all relevant proceedings if requested by Buyer. Each party has the right before or during the arbitration to seek and obtain from the appropriate court provisional remedies such as attachment, claim and delivery, preliminary injunction, replevin, etc., to avoid irreparable harm, maintain the status quo or preserve the subject matter of the arbitration. All expenses and fees of the arbitration shall be borne equally by the parties, and each party shall pay its own attorney fees. The award may be enforced in any circuit court or other court of competent jurisdiction. The arbitration proceedings and award shall be confidential.

26. **Publicity.** 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 trade name of Buyer (or Buyer's customers) in Seller's advertising or promotional materials. Seller shall not disclose or imply in its marketing that any of Seller's other products are equivalent to the Goods purchased by Buyer. If Seller breaches this Section, Buyer shall have the right, among its other remedies, 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.

27. **Payments to Third Party Representatives.** Seller represents and warrants that Seller has not and will not pay any third parties any commissions, fees, or other compensation for acquiring or attempting to acquire an Order without providing Buyer with written notice thereof at the time an Order is solicited and all such payments shall not violate the United States Federal Corrupt Practices Act, the United Kingdom Anti-Bribery Act, the Canadian Corruption of Foreign Public Officials Act, and other similar applicable law.

28. **Entire Agreement and Modifications.** An Order is intended by the parties as a complete and exclusive statement of the terms of their agreement. It supersedes all prior agreements, written or oral. There are no understandings, inducements, commitments, conditions, representations or warranties of any kind, whether direct, indirect, collateral, express or implied, oral or written, to Seller from or on behalf of Buyer other than as contained in these Terms or otherwise in an Order. No course of prior dealings between the parties and no usage of the trade may be used by Seller to supplement or explain any term used in an Order. All modifications must be in a writing signed by Seller and Buyer, except as otherwise provided in an Order.

29. **Waiver.** 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. Payment or performance by Buyer shall not constitute a waiver of any breach, right or remedy.

30. **Relationship of Parties.** 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. Although third parties may be referenced, there are no third party beneficiaries to an Order, except as specifically provided.

31. **Severability.** If any of these Terms or another term in any Order is invalid or unenforceable under any statute, regulation, ordinance/by-law, 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/by-law, order or rule, and the remaining provisions of an Order shall remain in full force and effect. Any declaration of unenforceability of a provision hereof shall be as narrow as possible and shall not void an Order or any other provision.