

## **TERMS AND CONDITIONS OF PURCHASE**

**ACCEPTANCE.** Seller will be deemed to have accepted this order when Seller acknowledges this order or begins performance under this order. Seller's acceptance is limited to acceptance of Buyer's Terms. Buyer hereby objects to and rejects any proposal by Seller for additional or different terms. If this order is deemed an acceptance of Seller's prior offer, Buyer's acceptance is expressly conditional on Seller's assent to Buyer's Terms. Buyer and Seller agree that they are contracting solely on the basis of this order, which contains the entire understanding of the parties and is intended as a final expression of their agreement and a complete statement of the terms thereof, and may not be amended, modified or otherwise supplemented unless such amendments, modifications or supplements are in writing and signed by Buyer's authorized representative. A provision contained in any order form, invoice or other document used by Seller (whether prior or subsequent to the date hereof) which is inconsistent with this subparagraph will have no force or effect and will not be binding on the Buyer.

**DELIVERY.** Time is of the essence on this order. Seller will make deliveries in the quantities and at the times specified herein or in releases issued hereunder. If Seller's deliveries fail to meet Buyer's delivery schedule, Buyer, in addition to its other rights, (i) may direct expedited routing and charge Seller for any excess costs incurred as a result and (ii) may charge Seller for any costs and expenses incurred by Buyer and/or Buyer's customers for production delays caused by Seller's failure to meet such schedules. Buyer will not be liable for Seller's commitments or production arrangements in excess of the amount or in advance of the time required under Buyer's delivery schedule. If Seller delivers Goods in advance of Buyer's delivery schedule, Buyer may either (i) return such Goods to Seller and Seller shall pay Buyer for all packaging, handling, sorting and transportation costs incurred in connection with such shipments, or (ii) withhold payment for such Goods until the scheduled delivery date and place such Goods in storage for Seller's account until the scheduled delivery date. While the Goods are being returned in accordance with (i) of the preceding sentence or being retained in accordance with (ii) of such sentence, the Goods will be at Seller's risk.

**QUALITY.** Seller will maintain an inspection and quality system acceptable to Buyer and in conformity with any drawings, specifications and data which are part of this order and with any quality program of Buyer described in materials referenced on the face of this order and incorporated herein by such reference, any additional quality materials referenced in any releases of Buyer, and any amendments, modifications or replacements of all such quality materials. Seller will execute, and maintain for a period of twelve (12) years after completion of this order, adequate authenticated inspection and test reports, affidavits, and certifications relating to the work performed under this order, and make such records available to Buyer upon request. Upon request, Seller will certify to Buyer and Buyer's customers compliance with this paragraph.

**INSPECTION AND ACCEPTANCE OF GOODS; CHARGEBACKS.** Buyer may inspect all Goods ordered hereunder at all times and places, including during the period of manufacture. Seller will permit Buyer and/or its designees access to Seller's facilities at all reasonable times and will provide all tools, facilities and assistance reasonably necessary for such inspection and/or confirmation at no additional cost to Buyer. All Goods are subject to final inspection and acceptance anytime after delivery to Buyer. Notwithstanding any acts of Buyer which may be deemed under applicable law to constitute acceptance of the Goods, payment for delivered Goods will not constitute acceptance thereof. Buyer may reject any Goods which do not meet the specifications set forth in this order or which are otherwise defective in material or workmanship. Buyer may return any such Goods to Seller for reimbursement, credit, replacement or correction as Buyer may direct, or Buyer may correct and/or replace such Goods at Seller's cost and expense. Any Goods rejected by Buyer will be at Seller's risk and expense and Seller will not thereafter tender such Goods for acceptance unless the former rejection or requirement of correction is disclosed to Buyer. Seller will reimburse Buyer for all costs and expenses incurred by Buyer to meet its obligations to Buyer's customers with respect to rejected Goods. Buyer may revoke its acceptance of Goods at any time, whether or not a substantial modification to the Goods has been made, if a defect in the Goods which could not have been discovered during Buyer's normal inspection procedures or which is not normally discoverable until the Goods are used substantially impairs the value of the Goods to Buyer. Neither Buyer's exercise of, nor its failure to exercise, any rights provided hereunder will relieve Seller from responsibility for such Goods which are not in accordance with the requirements of this order or which otherwise impose any liability on Buyer.

**PRODUCT WARRANTIES AND INDEMNIFICATION.** Seller warrants that the Goods (i) will be fit and sufficient for the purpose(s) intended (if Seller knows or has reason to know the particular purpose(s) for which Buyer intends to use the Goods); (ii) will be of merchantable quality and free from all defects, including defects in material and workmanship, and design if provided by Seller; and (iii) will conform with all representations, descriptions, samples, drawings, plans, specifications, designs and other data supplied by Seller or listed on the face of this order. The foregoing warranties are in addition to those available to Buyer by law. All warranties hereunder will survive Buyer's acceptance, use and/or payment and will run to Buyer, Buyer's customers and users of its products. Buyer's review or approval of any samples, drawings, specifications or other data developed by Seller in connection with this order will not limit Seller's responsibility under the warranties contained herein or alter the cost, rate of output or delivery requirements of this order. Buyer's specifications and requirements take precedence over industry standards. Seller will advise Buyer in writing if Buyer's specifications or requirements are not as extensive as industry standards. Seller will indemnify, defend and hold harmless Buyer, its officers, directors, employees, agents, successors, assigns, customers, and users of its products from and against any and all losses, expenses, damages, claims, suits and liabilities (including recall, repair and replacement expenses and other incidental and consequential damages, court costs and attorneys' fees) arising as a result of actual or alleged breach of any warranties or other terms contained herein or arising under any strict tort or negligence claims premised on either an actual or alleged defect in the Goods. At Buyer's request, Seller will assume promptly full responsibility for the defense of any action described in this paragraph which may be brought or threatened by a third party against Seller and/or Buyer.

**INFRINGEMENT; INDEMNIFICATION.** Seller warrants that the Goods specified herein and their sale or use, alone or in combination, according to Seller's specifications or recommendations, if any, will not infringe any United States or foreign patents, trademarks, copyrights, industrial design rights or other proprietary rights of any other person or entity. Seller will indemnify and hold harmless Buyer, its officers, directors, employees, agents, successors, assigns, customers and users of its products from and against any and all losses, expenses, damages, claims, suits and liabilities (including incidental and consequential damages, court costs and attorneys' fees) arising as a result of any claim that the manufacture, use, sale or resale of any Goods infringes any patent, utility model, industrial design, copyright, or other intellectual property right in any country. Seller will, if requested by Buyer, defend any action or claim of such infringement at its own expense. Seller's obligations under the preceding two sentences will apply even though Buyer furnishes all or any portion of the design of or specifies all or any portion of the processing for the Goods. If the sale and/or use of the Goods is enjoined or, in Buyer's sole judgment, is likely to be enjoined, Seller will at Buyer's election and Seller's sole expense, (a) procure for Buyer the right to continue using such Goods, (b) replace same with equivalent non-infringing Goods, (c) modify such Goods so they become non-infringing, or (d) remove same and refund the purchase price, including transportation, installation, removal and other charges incidental thereto.

**CHANGES.** Buyer may at any time by a written change order but without notice to sureties change drawings, designs, specifications, materials, packing, time and place of delivery or method of transportation. If any such change increases or decreases the cost or time required for Seller's performance hereunder, an equitable adjustment will be made and this order will be modified in writing accordingly. Any claim by Seller for any adjustment hereunder must be made within ten (10) business days of the date Seller is first notified of the change. If Seller's claim includes any cost for property made obsolete as a result of the change, the claim must be supported by releases (or other forms of authorization) provided by Buyer authorizing Seller to procure or manufacture the property, and Buyer may prescribe the manner in which such property will be disposed. Pending the resolution of any dispute regarding any such adjustment, Seller will diligently pursue the order as changed. No change to design, material, process, procedures or practice is to be made by Seller without written authorization by Buyer.

**FORCE MAJEURE.** If due to forces beyond its control, Buyer determines to alter Buyer's delivery schedule to delay delivery, the provisions of this paragraph (rather than the preceding paragraph) will control. Seller will hold any such delayed Goods at the direction of Buyer and will deliver them when the cause affecting the delay has been removed. Buyer will be responsible only for Seller's direct additional costs (excluding interest on the purchase price) incurred in holding the Goods or delaying performance at Buyer's request. Any delay or failure of either Buyer or Seller to perform its obligations hereunder shall be excused if, and to the extent that, it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence. During the period of such delay or failure to perform by Seller, Seller shall provide Buyer with prompt written notice of such delay (including a description of the cause of the event or circumstance, an estimate of the duration of the delay and a statement regarding the remedial steps that are being undertaken to resume performance and Seller's interim allocation plans, if any, for the supply of Goods during the delay). During

such period, Buyer, at its option, may purchase Goods from other sources and reduce its schedules to Seller by such quantities without liability to Seller, or have Seller provide the Goods from other sources in the quantities and at the delivery times requested by Buyer and at the prices set forth in this order. If requested by Buyer, Seller shall, within ten (10) days of the request, provide adequate assurances that the delay shall not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurance that the delay will cease within thirty (30) days, Buyer may immediately cancel this order without liability.

**TERMINATION FOR CONVENIENCE.** Buyer may at any time terminate this order or any part of it for its convenience by written notice to Seller. Upon receipt of the termination notice, Seller will immediately stop all work hereunder and cause any of its suppliers or subcontractors to immediately cease such work. Buyer will pay Seller for all Goods which are (i) ready for shipment in accordance with this order's delivery schedule prior to Seller's receipt of the termination notice, (ii) conform to all requirements of this order, and (iii) are free and clear of all encumbrances. Notwithstanding the foregoing, in the event that this order relates to Buyer's purchase of equipment (as that term is defined under Article 9 of the Uniform Commercial Code), Buyer's obligation to pay Seller will be limited to: (a) the lesser of: (i) Seller's actual cost for direct labor and other expenses directly and reasonably incurred pursuant to this order prior to receipt of the termination notice, or (ii) the percentage of the original purchase price as the work done by Seller prior to receipt of the termination notice bears to the entire work covered by this order; (b) less any previous payments made by Buyer to Seller under this order. In no event will Buyer be liable for amounts in respect of anticipated profits, lost profits, interest expense or other incidental or consequential damages. Buyer will not pay for any work done after Seller's receipt of the termination notice, nor for any costs incurred by Seller's suppliers or subcontractors. In no event shall the total amount paid under this paragraph exceed the aggregate prices set forth in this order for the work terminated.

**TERMINATION FOR CAUSE.** Buyer may terminate this order or any part hereof without liability to Seller in the event of a Default by Seller. "Default" means (a) Seller's failure to comply with any of Buyer's Terms; (b) Seller's failure to give Buyer, upon request, reasonable assurances of Seller's future performance; (c) insolvency, bankruptcy, liquidation or dissolution of Seller; or (iv) any other event or circumstance which causes Buyer reasonable doubt as to Seller's ability to render due performance hereunder. In the event of a Default, Buyer may, upon written notice to Seller but without further liability to Seller, (a) waive all or any part of the Default, (b) agree in writing to any change in or modification of this order as Buyer may in its judgment deem advisable, (c) cancel this order in whole or in part, (d) purchase Goods in substitution for those to be supplied by Seller hereunder and charge Seller for any excess cost resulting therefrom, and/or (e) exercise any other rights or remedies Buyer may have under applicable law. Seller's liability for a Default will include Buyer's incidental and consequential damages.

**PROPRIETARY INFORMATION; CONFIDENTIALITY.** Seller will keep all information and documentation furnished by Buyer hereunder (including drawings, specifications, or other documents prepared by Seller for Buyer in connection with this order) confidential and will not disclose any such information or documentation to any other person, or use such information itself for any purpose other than performing this order, unless Seller obtains Buyer's prior written permission. Upon the request of Buyer, Seller will immediately return to Buyer all information and documentation furnished by Buyer to Seller hereunder. Unless otherwise agreed in writing, no information disclosed in any manner or at any time by Seller to Buyer will be deemed secret or confidential, and Seller will have no rights against Buyer with respect thereto except such rights as may exist under applicable laws and regulations.

**LICENSE TO REPAIR; USE OF COPYRIGHTED MATERIALS.** Seller hereby grants to Buyer a nonexclusive, royalty-free, irrevocable, worldwide license to repair, rebuild, reconstruct, relocate, distribute and sell the Goods and to use all copyrighted materials of Seller which relate to any Goods.

**INDEMNITY; INSURANCE.** Seller will indemnify, defend and hold Buyer, its officers, directors, employees, agents, successors and assigns harmless from and against any and all losses, expenses, damages, claims, suits, and liabilities (including incidental and consequential damages, court costs and attorneys' fees) arising out of any act or omission of Seller, its agents, employees or subcontractors. Seller will maintain and will require its subcontractors to maintain (a) public liability and property damage insurance, including contractual liability (both general and vehicle) in amounts sufficient to cover the obligations set forth above, and (b) workers' compensation and employer's liability insurance covering all employees engaged in the performance of this order for claims arising under any applicable workers' compensation, occupation disease or health and safety laws and/or regulations. Seller will furnish certificates evidencing such insurance which will expressly provide that no expiration, termination or modification will take place without thirty (30) days' prior written notice to Buyer. Any property of Buyer used by Seller in the performance of this order will be deemed to have been under the sole custody and control of Seller during the period of such use by Seller.

**BUYER'S PROPERTY.** Buyer will retain title to any property Buyer furnishes to Seller. Seller will not alter or use such property for any purpose other than that specified by Buyer in writing. Seller will store, protect, preserve, repair and maintain such property in accordance with sound industrial practice, all at Seller's expense. If Buyer's property becomes lost or damaged while in Seller's possession, Seller will either (i) pay Buyer the full replacement cost of such property or (ii) replace such property at Seller's expense, in accordance with Buyer's request and in the manner directed by Buyer. In addition, Seller will indemnify Buyer and its officer, directors, employees, agents, successors and assigns from and against any and all losses, expenses, damages, claims, suits and liabilities (including incidental and consequential damages, court costs and attorneys' fees) arising out of such loss or damage of Buyer's property. At the completion, cancellation or termination of this order, Seller will request disposition instructions from Buyer for all such property (whether in its original form or in semi-processed form). Seller will make such property available to Buyer in the manner directed by Buyer, including preparation, packaging and shipping as directed. Expenses for preparation for shipment, including packaging, will be at Seller's expense and shipment will be made EXW Seller's plant.

**TOOLING.** Unless otherwise specified in this order, all tooling and/or all other articles required for the performance hereof will be furnished by Seller and Seller will maintain such articles in good condition and replace them when necessary at Seller's expense. Tooling purchased by Buyer under this order shall be the property of Buyer and shall be marked by Seller as such. Seller shall bear all risk of loss and damage to Buyer's tooling and shall maintain such tooling in first class condition and replace worn out tooling at Seller's expense to the extent necessary to produce acceptable parts. Such repaired or replaced tooling shall also be the property of Buyer. Buyer's tooling shall not be (i) commingled with Seller's property or that of a third person (ii) used except for the manufacture of parts for Buyer, or (iii) moved from Seller's premises without prior authorization from Buyer. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect Buyer's tooling and Seller's records pertaining to such tooling. At Buyer's request, Seller shall promptly deliver Buyer's tooling to Buyer at any location designated by Buyer. Seller's obligation to deliver Buyer's tooling shall not be subject to any set off or counterclaim arising from this or any other transaction with Seller.

**COMPLIANCE WITH LAWS.** In the performance of this order, Seller will fully comply with all applicable laws and regulations, and will hold Buyer and its officers, directors, employees, agents, successors, assigns, customers and users of its products harmless from and against any and all losses, expenses, damages, claims, suits and liabilities (including incidental and consequential damages, court costs and attorneys' fees) arising out of or resulting from Seller's failure to so comply. This order incorporates by reference (a) all provisions of 41 CFR 60-1.4, as amended, pertaining to the equal opportunity clause in government contracts; (b) all provisions of 41 CFR 60-250, as amended, pertaining to affirmative action for disabled veterans and veterans of the Vietnam Era; and (c) all provisions of 41 CFR 60-741, as amended, pertaining to affirmative action for handicapped workers. Seller certifies that it is in compliance with all applicable provisions of 41 CFR 60-1, including, but not limited to: (i) developing and presently having in full force and effect a written affirmative action compliance program for each of its establishments as required by 41 CFR 60-1.40, as amended; (ii) filing EEO-1 Reports as required by 41 CFR 60-1.7, as amended; and (iii) neither maintaining segregated facilities nor permitting its employees to perform services at segregated facilities as prohibited by 41 CFR 60-1.8, as amended. Buyer requests that Seller adopt and implement a policy to extend employment opportunities to qualified applicants and employees on an equal basis regardless of an individual's age, race, color, sex, religion or national origin.

**TAXES.** Seller's prices will be exclusive of any federal, state or local sales, use or excise taxes levied upon, or measured by, the sale, the sales price, or use of the Goods. Seller will list separately on its invoice any such tax lawfully applicable to the Goods and payable by Buyer with respect to which Buyer does not furnish to Seller evidence of exemption.

**PAYMENTS.** Buyer will pay the prices stipulated on this order for Goods delivered and accepted, less deductions, if any, as herein provided, but only (a) upon submission by Seller of an invoice in form and content acceptable to Buyer, or (b) pursuant to arrangements mutually agreed upon in writing. The prices for Goods will not be subject to any variation without the prior written consent of Buyer. Any claims for money due or to become due from Buyer to Seller under this order will be subject to deduction or set off by Buyer against any amounts due or owing to Seller from Buyer pursuant to this order or any other transaction between Buyer and Seller.

**MISCELLANEOUS.** (a) The rights and remedies provided Buyer herein will be cumulative and in addition to any other rights and remedies provided by law or equity. Buyer's waiver of a breach of any provision hereof will not constitute a waiver of any other breach. (b) Any provision of this order which is finally determined by a court of competent jurisdiction to be invalid or unenforceable for any reason will be deemed severed from this order and every other provision of this order will remain in full force and effect. (c) No part of this order may be assigned or subcontracted by Seller without the prior written approval of Buyer. If Seller is authorized to use subcontractors, Seller will obtain from each such subcontractor rights and obligations no less favorable to Buyer than the provisions of this order. (d) All indemnification and confidentiality obligations of Seller pursuant to this order shall survive the completion, termination or cancellation of this order. (e) This order will be governed by and construed in accordance with the laws of the state of Michigan, and the Convention on Contracts for the International Sale of Goods shall not apply. The parties hereby irrevocably and unconditionally submit to the jurisdiction of the courts of the state of Michigan over any suit, action or proceeding arising out of or relating to this order. The parties agree that service of process, summons, notice or document by U.S. registered mail shall be effective service of process for any suit, action or proceeding brought against such party in any such court. The parties further irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. The parties agree that a final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon the parties and may be enforced in any other courts to whose jurisdictions the parties are or may be subject, by suit upon such judgment.