

Terms & Conditions – Purchase Orders

Offer and Acceptance. This purchase order expressly limits acceptance by Seller to the terms, conditions and specifications contained herein and shall become a binding contract upon acceptance thereof either by acknowledgment or performance. Buyer expressly rejects any additional or different terms, conditions or specifications proposed by Seller, whether stated in Seller's form of acknowledgment to this purchase order or elsewhere, except as expressly agreed to in writing by Buyer.

UCC - Rights and Remedies. Buyer reserves all rights, protections and privileges as accorded by the Uniform Commercial Code, MCL 440.1101 et seq., including all warranties and remedies set forth therein.

Transportation; Delivery. All goods, products or materials (referred to interchangeably in this purchase order as "goods") shall be packed, loaded, stored, marked and shipped in a manner so as to secure lowest transportation costs and meet Buyer and carrier requirements. Transportation costs, if prepaid, must be shown on Seller's invoice and a receipted expense bill attached thereto. Any expenses incurred due to Seller's failure to follow shipping instructions will be borne by Seller and may be deducted by Buyer from Seller's invoice. Time is of the essence for all deliveries of goods, and Seller shall promptly notify Buyer if Seller will be unable to meet Buyer's delivery requirements. If Seller fails to meet delivery requirements for any reason including, without limitation, reasons beyond Seller's control, then Buyer may, at its option, cancel this purchase order in whole or in part and obtain elsewhere all or any part of the goods and then charge to Seller all costs of such substitution or "cover" in excess of what Buyer would have paid Seller had this purchase order not been cancelled. If transportation terms are F.O.B. Seller's shipping point, then Seller shall assist Buyer in filing any necessary freight claims.

Inspection; Acceptance of Goods. All goods shall be subject to Buyer's final inspection and acceptance, but such inspection or acceptance shall not relieve Seller from any obligations or liability under this purchase order. Because goods may be received and put in inventory or storage without examination until such goods are to be used or resold, inspection and acceptance shall not be deemed to have occurred prior to actual inspection and acceptance by Buyer. Title and risk of loss for goods shall pass from Seller to Buyer upon actual acceptance by Buyer. No reasonable delay in rejection or return of goods, nor payment for goods, shall be considered acceptance or waiver of Buyer's rights to reject, return or retain such goods as provided herein or by law. Any goods not in precise conformity with Buyer's specifications, ordered quantities or delivery requirements, or Seller's warranties, may be rejected, returned or retained by Buyer at Seller's risk and expense, including without limitation the cost of substitution or "cover," transportation both ways, labor and administrative expenses, reloading and trucking. If Buyer elects to retain nonconforming or defective goods, then Seller shall pay Buyer for all necessary costs and expenses incurred in correcting such nonconforming or defective goods.

Force Majeure. Buyer may delay delivery and/or acceptance for causes beyond its control including, without limitation, governmental action, strikes or other labor disputes, fire, unusually severe weather and other contingencies or circumstances.

Price. Seller warrants that the prices for goods under this purchase order (1) are not less favorable than those currently extended to any other comparable customer of Seller for the same or substantially similar goods in similar quantities and (2) are complete and include all applicable taxes, transportation, delivery, packaging, labeling, customs duties, storage, boxing, crating, insurance and other charges, unless otherwise expressly agreed to in writing by Buyer. If Buyer is offered material of equal quality by a responsible manufacturer, for delivery to the same destination, in similar quantities and on like terms as provided herein, at a delivered cost to Buyer lower than the delivered cost hereunder, Seller, upon receipt of written evidence of same, shall either meet such lower delivered cost or permit Buyer to purchase elsewhere at said cost the quantity offered, which quantity if so purchased from others, shall be deducted from the quantity covered by this purchase order.

Warranties. Seller warrants to Buyer that all goods furnished under this purchase order: (1) are new, merchantable and free from defects in design, materials, workmanship and construction; (2) are fit and safe for any foreseeable purpose for which they are to be used by Buyer, by Buyer's customers and by the ultimate consumers of such goods; (3) conform in all respects to all specifications, drawings, samples or other descriptions provided or agreed to in writing by Buyer; (4) are adequately contained, packaged, marked and labeled; and (5) conform to all representations made by Seller on containers, labels or advertisements for such goods and are equivalent in materials, quality, fit, finish, workmanship, performance and design to any samples submitted by Seller and approved by Buyer. Seller's warranties shall run to Buyer, Buyer's customers and the ultimate consumers of the goods, and their respective successors and assigns.

Compliance with Laws. Seller, and any goods, supplies, or services supplied or provided by Seller, shall comply with all applicable industry standards, laws, rules, regulations, orders, conventions, and ordinances of the country(ies) of origin and destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the goods, supplies or services, including, but not limited to, those relating to the safety of persons and property, discrimination, labor and employment, weights and measures, sources, content, labeling and origin disclosure, trademarks and copyrights, environmental matters, and subcontractor selection. Neither Seller nor any of its subcontractors will utilize slave, prisoner or any other form of forced or involuntary labor in the supply or provision of goods, supplies or services under this purchase order. Upon Buyer's request, Seller will certify in writing its compliance with the foregoing. Seller will defend, hold harmless and indemnify Buyer from and against any and all liability, claims, demands, damages or expenses (including reasonable attorney or other professional fees and disbursements) arising from or relating to Seller's noncompliance with this paragraph.

Customs; Related Matters. Credits or benefits resulting from the purchase order, including trade credits, export credits or the refund of duties, taxes, or fees, belong to Buyer. Seller will provide all information and certificates (including NAFTA certificates of origin) necessary to permit Buyer (or Buyer's customers) to receive these benefits or credits. Seller agrees to fulfill any customs or NAFTA related obligations, origin marking or labeling requirements, and local content origin requirements. Seller will furnish any documentation and information necessary to establish the country of origin or to comply with the applicable country's rules of origin requirements. Seller

warrants to Buyer that unless otherwise specifically agreed, all goods constituting materials, parts, components or supplies to be used by Buyer in the production of its manufactured products shall originate in the territory of one or more of the parties to NAFTA and comply with the origin requirements specified for those goods in NAFTA.. If requested by Buyer, Seller shall participate and cooperate in any review or audit of the origin of the goods supplied hereunder by the customs authority of any NAFTA country. Seller shall hold harmless, indemnify and reimburse Buyer for any duties, taxes, penalties, interest, costs, claims or demands, attorneys' or other legal fees or any amounts incurred Buyer which may become payable by Buyer as a result of a false or invalid NAFTA Certificate of Origin in respect of the goods or Seller's failure to abide by any of the requirements contained in this paragraph.

Indemnification. Seller hereby agrees to indemnify, defend and hold harmless Buyer and Buyer's customers (including any of their respective affiliates, employees, officers and agents) from and against any and all liabilities, claims, losses, damages, costs and expenses of any kind (including without limitation consequential and incidental damages and reasonable attorney fees and court costs) incurred by any of them (collectively, "losses") relating to or arising out of: (1) any breach or alleged breach of any of the warranties set forth herein or any other representations or covenants of Seller to Buyer; (2) any actual or alleged patent, trademark or copyright infringement or violation of other proprietary right or other litigation or threatened litigation of any kind in connection with any of the goods; (3) any actual or alleged injury to persons (including death) or property resulting from the contemplated or foreseeable handling or use of the goods; and (4) any other negligence, willful misconduct or other wrongdoing by Seller. Buyer shall have the right to reasonably control the defense or settlement of any litigation actually brought or threatened against it without reducing Buyer's rights to be indemnified by Seller. All claims for sums due to Seller from Buyer under this purchase order shall be subject to deduction or setoff by Buyer until all losses giving rise to Seller's indemnification obligations hereunder are satisfied by Seller or otherwise resolved to the reasonable satisfaction of Buyer. Seller's indemnification obligations hereunder shall survive delivery and acceptance of goods.

Insurance. Seller will maintain insurance policies with such coverage and in such minimum amounts as may be reasonably requested by Buyer or (to the extent directed by Buyer) Buyer's customers, in each case naming Buyer and its affiliates and Customers as "additional insured" as requested by Buyer. Seller will furnish to Buyer a certificate showing compliance with this requirement or certified copies of all insurance policies within 10 days of Buyer's written request. The certificate will provide that Buyer (and, if applicable, Buyer's customers) will receive 30 days advance written notice from the insurer of any termination or reduction in the amount or scope of coverage. The existence of insurance does not release Seller of any of its obligations or liabilities under the purchase order.

Installation. In addition to Seller's indemnification obligations immediately above, if goods are to be fabricated, assembled or installed, in whole or in part, by Seller on Buyer's premises, Seller shall indemnify, defend and hold harmless Buyer from and against any and all losses resulting directly or indirectly from any actual or alleged injury to persons (including death) or property which occurs in connection with such work by Seller; provided, however, that Seller's obligation

in this regard shall not apply to the extent that such losses are caused by Buyer's negligence or willful misconduct. If goods are to be fabricated, assembled or installed by Seller on Buyer's premises, Seller shall keep such premises free and clear of all mechanics' and other liens or encumbrances and shall furnish or cause to be furnished such lien waivers, guarantees and related forms as may be reasonably requested by Buyer.

Confidentiality; Proprietary Information. Any and all data, drawings, patterns, designs, specifications and other technical or proprietary information of Buyer (collectively, "proprietary information") directly or indirectly furnished to Seller in writing or otherwise and relating to the goods or this purchase order shall remain the property of Buyer, shall in no event become the property of Seller and shall be used only in fulfilling the obligations imposed by this purchase order. Seller shall consider all such proprietary information to be confidential and shall not duplicate or disclose it to others, except as required by law. The provision by Buyer to Seller of any proprietary information shall not be construed as, and in no event shall constitute, a grant or transfer of any express or implied rights, title or interest in, to or under any of Buyer's proprietary information. Any confidential information of Seller disclosed to Buyer in connection with this purchase order shall be clearly marked or otherwise identified as such at the time of disclosure, and Buyer shall not duplicate or disclose any such confidential information to others, except as required by law or agreed to in writing by Seller.

Buyer's Property. Any and all molds, tools, dies, jigs, fixtures or similar items ordered herein or delivered to Seller by Buyer shall become and remain the property of Buyer, shall be used in the manufacture of articles for Buyer exclusively and shall be promptly delivered to Buyer upon Buyer's request at no additional cost, unless otherwise expressly provided herein. Such property, and whenever practical, each individual item thereof, shall be plainly marked or otherwise adequately identified as Buyer's property. While Buyer's property is in possession of Seller and until Seller delivers Buyer's property to Buyer, Seller bears any and all risk of loss and damage thereto. Seller will be responsible for the cost of repairing or replacing Buyer's property if damaged or destroyed regardless of cause or fault. Seller shall not substitute any property for Buyer's property, and shall not use such property except in filling Buyer's orders. Any special tooling, the full cost or a substantial portion of the cost of which is included in the price of this purchase order, shall constitute the property of Buyer and shall be returned to Buyer, or otherwise disposed of at Buyer's request, at Seller's expense upon completion of this purchase order.

Changes; Cancellation. Buyer shall have the right, in its sole discretion, to change: (1) design, materials and specifications; (2) packaging and methods of shipment or transportation; and (3) time and place of delivery. If any such change causes an increase or decrease in the costs or the time required for performance or delivery by Seller, then Buyer and Seller shall make equitable adjustments in the prices and delivery requirements under this purchase order to reflect the results of any such change, and such adjustments shall be promptly confirmed by Buyer and Seller in writing. Buyer shall have the right to cancel at any time any undelivered portion of the goods in whole or in part by written notice to Seller. Upon receipt of such notice, Seller shall immediately discontinue all work on the cancelled portion, except such work as may be necessary to preserve and protect the goods and materials then in process, and use its best efforts to cancel and terminate

all existing orders which are chargeable and relate to the cancelled portion. In the event of any such cancellation, Buyer shall make payments to Seller in full settlement of all justified claims arising out of such cancellation. Seller shall retain any goods and materials to which any such claim relates for disposition in accordance with Buyer's instructions.

Services. To the extent the parties intend for this purchase order to address, in whole or in part, the performance of services by Seller for Buyer, the terms, conditions and specifications herein shall be read to govern such services by substituting the word "services" for "goods" wherever applicable.

Entire Agreement. This purchase order constitutes the entire agreement between the parties with respect to the subject matter hereof. If any provision of this purchase order is held to be invalid, illegal or otherwise unenforceable, then such provision shall be deemed modified to the extent necessary to make such provision enforceable, or, if not practicable, then deleted. The unenforceability of any portion of this purchase order shall not impair or affect the validity and enforceability of the remainder.

Waiver. Either party's failure to insist upon full performance of any of the terms, conditions or specifications hereof or to exercise any rights or remedies hereunder shall not thereafter be deemed a waiver of the same or of any other provisions or privileges hereunder.

Remedies. The individual remedies reserved in this purchase order shall be cumulative and in addition to any other or further remedies provided at law or in equity.

Assignment and Subcontracting. Seller shall not assign or subcontract, in whole or in part, its rights or obligations under this purchase order without the prior written consent of Buyer.

Choice of Law: Jurisdiction. This purchase order shall be governed and construed according to the laws of the State of Michigan, excluding any conflict of law provisions; provided, however, neither the Convention on Contracts for the International Sale of Goods (CISG) nor the Convention on the Limitation Period in the International Sale of Goods shall apply to this purchase order. Any action or proceedings by Buyer against Seller may be brought by Buyer in any court(s) having jurisdiction over Seller or, at Buyer's option, in the court(s) having jurisdiction over the location of Buyer or its affiliate from which this purchase order is issued, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by Seller against Buyer may be brought by Seller only in the court(s) having jurisdiction over the location of Buyer or its affiliate from which this purchase order is issued.

Delivery Performance. Buyer requires 100% on time delivery performance.

Certification. Seller shall comply with any and all applicable Buyer quality and other procedures and shall be held responsible for having appropriate systems, processes and documentation in place to ensure compliance to the current standard. Seller must be TS-16949 and/or ISO-9001 certified. If required by Buyer, Seller shall be ISO-14001 certified.

Restricted Substances. Seller's goods, products, materials and processes shall comply with any and all governmental and safety constraints on restricted, toxic and hazardous substances. As

applicable, Seller shall comply with Ford Restricted Substance Standard WSS-M99P9999-A1 and/or GM Material Specification GMW3059.

Audit. Seller shall be subject to full process audit at any time during product development or manufacturing.

Termination for Convenience. In addition to any other rights of Buyer to terminate this Agreement, Buyer may immediately terminate all or any part of this Agreement, at any time and for any reason, by notifying Seller in writing. Upon such termination, Buyer may, at its option, purchase from Seller any or all raw materials, work-in-progress and finished goods inventory related to the goods under this Agreement and which are useable and in a merchantable condition. The purchase price for such finished goods, raw materials and work-in-progress on account of such termination, will be (a) the contract price for all previously unpaid for goods or services that have been completed in accordance with this Agreement as of the date of termination and have been delivered and accepted by Buyer, plus (b) the actual cost of work-in-progress and raw materials incurred by Seller in furnishing the goods or services under this Agreement to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this Agreement less (c) the reasonable value or costs (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent. In no event will Buyer be required to pay for finished goods, work-in-progress or raw materials which Seller fabricates or procures in amounts that exceed those Buyer authorizes in delivery releases nor will Buyer be required to pay for any goods or materials that are in Seller's standard stock or that are readily marketable. Payments made under this paragraph will not exceed the aggregate price for finished goods that would be produced by Seller under delivery or release schedules outstanding at the date of termination.

Additional provisions applicable to Canadian orders. The provisions of this paragraph apply to all purchase orders issued by or on behalf of a Buyer in Canada or directing delivery or shipment of the goods to a location of Buyer or its affiliate in Canada, and are in addition to, and not in substitution for, the provisions of the other paragraphs of these terms and conditions except to the extent that any provision of this paragraph conflicts with any provision of any other paragraph, in which event the provision of this paragraph shall prevail. If Seller is outside Canada, a Canada Customs Invoice must accompany all shipments of goods to Canada. Customs Clearance in respect of goods shipped to Buyer in Canada will be through the Canadian customs broker designated by Buyer. For purposes of the "Compliance with Laws" paragraph above, the country of destination of any goods, supplies or services provided by Seller for incorporation into products to be manufactured by Buyer for the US market shall be deemed to be both Canada and the United States. If this purchase order includes onsite activity by Seller at Buyer's Canadian site as contemplated by the "Installation" paragraph above, Seller shall comply with all applicable requirements of the Workplace Safety and Insurance Act of Ontario prior to entrance on Buyer's property. If Seller is supplying the goods from a location in Canada to Buyer's Canadian location, the reference to the Uniform Commercial Code in the paragraph "UCC - Rights and Remedies" above shall be read as a reference to the Sale of Goods Act, Ontario, as amended from time to time. If this purchase order is issued from a location of Buyer in Canada to a location of Seller in Canada, the reference to the laws of Michigan in the paragraph "Choice of Law: Jurisdiction" shall be read as a reference to the laws of Ontario.