

January 3, 2017

**SUR-FLO PLASTICS & ENGINEERING LLC,  
A CROWNE GROUP COMPANY  
TERMS AND CONDITIONS**

**1. OFFER and ACCEPTANCE:**

Each Purchase Order or Purchase Order Amendment and these Terms and Conditions (Terms) is an offer of Buyer to Seller to enter into a contract and shall be the exclusive offer of Buyer. Seller has read and understands this contract and agrees that Seller's written acceptance or commencement or preparation for commencement of any work or services under this contract shall constitute Seller's acceptance of these Terms only. Buyer expressly rejects any Terms which purportedly modify, supersede or alter these Terms.

**2. EFFECT, EFFECTIVE DATE and WEB GUIDES:**

Each Purchase Order and Purchase Order Amendment issued by Buyer to Seller after February 4, 2017 incorporates these Terms which shall apply to each such contract, as amended, in its entirety. Buyer reserves the right to amend the Terms in part or entirely at any time and for any reason to be applied prospectively to any future actions. In addition, Buyer's Tooling Audit Guidelines, and other manuals, guidelines and requirements available from time to time under the heading "Web Guides" through links provided on the Buyer's web site under Supplier Matters are incorporated by reference. In the event of a conflict between any Web Guides and these Terms, these Terms shall govern. Buyer may modify any Web Guides or add additional Web guides at any time, by posting notice of such modified or new Web Guides through links provided on the web site under Supplier Matters at least ten days prior to any modified or new Web Guides becoming effective. Seller shall review the web site and the Web Guides periodically. Seller's continued performance under the contract without providing written notice to Buyer detailing Seller's objections to any modified or new Web Guide prior to the effective date of such modified or new Web Guide will be subject to and will constitute Seller's acceptance of such modified or new Web Guide.

The Terms and Web Guides that are applicable to each contract are those that are in effect on the Issue Date shown on the later of the applicable Purchase Order or any Purchase Order Amendment.

No exception to, deviation from, or waiver of these Terms shall be valid or binding on Buyer unless specified on the face of a Purchase Order or in writing by Buyer's Vice President – Purchasing.

**3. SHIPPING AND BILLING:**

Seller agrees: (a) to properly pack, mark and ship goods in accordance with the requirements of Buyer, the involved carriers, and, if applicable, the country of destination; (b) to route shipments in accordance with Buyer's instructions; (c) to make no charge for handling, packaging or storage of goods, (d) to make no charge for transportation of goods unless otherwise stated as an item on this contract; (e) to provide with each shipment packing slips with Buyer's contract and/or release number and date of shipment marked thereon; (f) to properly mark each package with a label/tag according to Buyer's instructions; (g) to promptly forward the original bill of lading or other shipping receipt for

### **3. SHIPPING AND BILLING: (continued)**

each shipment in accordance with Buyer's instructions. Seller will include on bills of lading or other shipping receipts correct classification identification of the goods shipped in accordance with Buyer's instructions and the carrier's requirements. The marks on each package and identification of the goods on packing slips, bills of lading and invoices (when required) shall be sufficient to enable Buyer to easily identify the goods purchased. Seller shall deliver goods in accordance with the delivery term set forth in the Line Item Detail, or if not stated, shall be delivered FCA Seller's facility (Incoterms 2010), duties paid. Upon delivery, Buyer assumes the risk of loss or damage to the goods; however, title to the goods does not transfer to Buyer until the goods are received at Buyer's plant. Seller further agrees: (a) to accept payment based upon Buyer's Evaluated Receipt Record/Self Billed Invoice or similar system or procedure, unless an invoice is requested by Buyer; and (b) to accept payment by electronic funds transfer or check. Any packaging made of wood (including pallets) must conform to the International Softwood Standards, including USDA regulation on wood packaging material imports. In the event Seller fails to comply with such standards, Seller shall be liable for all related replacement and transportation costs.

### **4. PAYMENT TERMS**

The payment date is set forth in the Line Item Detail, or similar provision of this contract, or if not stated, shall be established that the payment shall be made fifty five days following the date the services are performed or the date the goods are received at Buyer's plant. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absence of any liens, encumbrances and claims on the goods or services under this contract. For tooling, Seller will be paid when Buyer is paid by the customer for such tooling. Directed suppliers shall be paid when Buyer is paid by the customer for the goods. Buyer shall have the right to change its payment terms for Seller's goods if the Buyer's customer changes its payment terms to Buyer for products incorporating such goods.

### **5. DELIVERY SCHEDULES:**

Time is of the essence, and deliveries shall be made both in quantities and at times specified in Buyer's schedules. Buyer shall not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer's delivery schedules. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this contract.

### **6. PRICES**

Prices shown in this contract shall remain firm throughout the term of the contract and are not subject to adjustment except as shown on the applicable Purchase Order or as approved in writing by Buyer's Vice President – Purchasing or his/her authorized representative. Seller warrants that the prices for the goods under the contract are no less favorable than those extended to its other customers for the same or similar good in similar quantities. No invoice may reference any term separate from or different than the provisions of these Terms.

## **7. QUANTITY**

Any estimates or forecasts of production volumes or program durations, whether from Buyer or its customer are subject to change from time to time, with or without notice to Seller, and shall not be binding up Buyer. Unless otherwise expressly stated in the contract, Buyer makes no representation, warranty, guaranty or commitment of any kind or nature, whether express or implied to Seller with respect to Buyer's quantitative requirements for the goods or the term of supply of the goods. Buyer shall issue Purchase Orders which are either Spot Buy Orders, a Blanket Order or a Requirements Contract Order depending on the quantity or duration specified on the face of the Purchase Order. A Spot Buy Order is a one-time order for a given quantity of goods. A Blanket Order is an order for goods in accordance with the firm quantities and delivery schedules specified in Releases issued by Buyer pursuant to the Purchase Order. A Requirements Contract Order is a Purchase Order for all or a designated portion of Buyer's requirements for goods for a specified period of time in accordance with the firm quantities and delivery schedules specified in Releases issued by Buyer pursuant to the Purchase Order. A Release issued by Buyer specifies the firm quantity of goods that Seller is to deliver to Buyer by the date set forth; and authorizes fabrication of material and the purchase of a firm quantity of raw materials and/or components for a specified period. Buyer is liable to Seller, for such amounts and Seller is obligated to provide those firm quantities. The Release also may provide a non-binding forecast of the quantity of goods that may be ordered by Buyer beyond the firm quantity amount.

Buyer may require Seller to participate in electronic data exchanges or a similar inventory management program, at Seller's expense, for notification of Releases, shipping confirmation and other information. Releases are part of the Purchase Order, are governed by these Terms and are not independent contracts. Seller accepts the risk associated with lead times of various raw materials and/or components if they are beyond those provided in Releases.

## **8. PREMIUM SHIPMENTS:**

If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by Buyer, Seller shall ship the goods as expeditiously as possible and Seller shall be liable for the shipping expense and all other related expenses.

## **9. CHANGES:**

Buyer reserves the right at any time to direct changes, or cause Seller to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by this contract and Seller agrees to promptly make such changes. Any difference in price (up or down) or time for performance directly resulting from such changes shall be equitably adjusted by Buyer after receipt of documentation in such form and detail as Buyer may direct. Seller must provide such documentation within 10 days of Buyer's notice. Any changes to this contract shall be made in accordance with Section 39. Without the prior approval of Buyer, Seller shall not make any changes to goods covered by the Contract, including, without limitation, changing (i) any third party supplier to Seller

## **9. CHANGES: (continued)**

of services, raw materials or goods used by Seller in connection with its performance under the contract, (ii) the facility from which Seller or such supplier operates, (iii) the price of any of the goods covered by the contract, (iv) the nature, type or quality of any services, raw materials or goods used by Seller or its suppliers in connection with the contract; (v) the fit, form, function, appearance, performance of any goods covered by the contract; or (vi) the production method, or any process or software used in the production or provisions of any goods under the contract. Any changes by Seller to the goods covered by the contract without the prior approval by Buyer shall constitute a breach of the contract.

## **10. SUPPLIER QUALITY AND DEVELOPMENT; INSPECTION:**

Seller agrees to participate in supplier quality and development program(s) of Buyer and its customer and to comply with all quality requirements and procedures specified by Buyer, and its customer as revised from time to time, including ISO 14001, TS16949, and ELV or their successors. In addition, Buyer shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of Buyer covered by this contract. Buyer's inspection of the goods, whether during manufacture, prior to delivery or after delivery, shall not constitute acceptance of any work-in-process or finished goods. Seller agrees to meet the full requirements of industry production part and approval process (PPAP) as specified by Buyer and the applicable customer at the level requested.

## **11. NONCONFORMING GOODS:**

Seller acknowledges that Buyer will not perform incoming inspections of the goods, and waives any rights to require Buyer to conduct such inspections. To the extent Buyer rejects goods as nonconforming, the quantities under this contract will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without a new contractor schedule from Buyer. Nonconforming goods will be held by Buyer in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within 10 days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling or to dispose of the goods without liability to Seller. Seller shall be liable for the cost of inspections, sorting, testing, evaluations and rework associated with such nonconforming goods. Payment for nonconforming goods shall not constitute an acceptance of them, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for defects.

## **12. FORCE MAJEURE:**

Any delay or failure of either party to perform its obligations shall be excused if Seller is unable to produce, sell or deliver, or Buyer is unable to accept delivery, buy or use, the goods or services covered by this contract, as the result of an event or occurrence beyond the reasonable control of the party and without its fault or negligence, including, but not limited to, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, inability to obtain power, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party

## **12. FORCE MAJEURE: (continued)**

to the other party as soon as possible after the event or occurrence (but in no event more than 1 day thereafter). During the period of such delay or failure to perform by Seller, Buyer, at its option, may purchase goods and services from other sources and reduce its schedules to Seller by such quantities, without liability to Seller, or have Seller provide the goods and services from other sources in quantities and at times requested by Buyer, and at the price set forth in this contract. In addition, Seller at its expense shall take such actions as are necessary to ensure the uninterrupted supply of goods and services to Buyer for a period of at least 30 days during any anticipated labor disruption or resulting from the expiration of Seller's labor contract(s). If requested by Buyer, Seller shall, within 10 days, provide adequate assurances that the delay shall not exceed 30 days. If the delay lasts more than 30 days or Seller does not provide adequate assurance that the delay will cease within 30 days, Buyer may immediately terminate this contract without liability. Seller agrees that a change in cost or availability of materials because of market conditions, supplier actions, or any labor strike or labor disruption, or other disputes applicable to Seller or its subcontractors, will not excuse its performance.

## **13. WARRANTY:**

Seller warrants/guarantees that the goods covered by this contract will conform to the specifications, drawings, samples, or descriptions furnished to or by Buyer, and will be merchantable, of good material and workmanship and free from defect. In addition, Seller acknowledges that Seller knows of Buyer's intended use and warrants/guarantees that all goods covered by this contract that have been selected, designed, manufactured or assembled by Seller based upon Buyer's stated use will be fit and sufficient for the particular purposes intended by Buyer. The warranty period shall be that provided by applicable law, except that if Buyer offers a longer warranty to its customers, such longer period shall apply. If Buyer or any 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 or to address a defect or condition that relates to motor vehicle safety or the failure of a vehicle to comply with any applicable law, safety standard or corrective service action, or other customer satisfaction or corrective service actions, ("remedial action"), the warranty shall continue for such period of time as may be dictated by Customer(s) or the federal, state, or foreign government where the goods are used or provided.

To mitigate its damages, Buyer may fully defend any claim from any Customer that any goods supplied by Seller are defective, in breach of warranty, or otherwise did not meet applicable legal or contractual requirements because such Customer 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 argue that the fact 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. At Buyer's request, Seller shall participate in any such discussions with Buyer's customer. Moreover, Seller may make a request to Buyer to participate in such discussions with Buyer's customer, and Buyer shall not unreasonably withhold consent to such a request.

#### **14. FINANCIAL REVIEW AND OBSERVATION OF OPERATIONS:**

Buyer or a third party designated by Buyer has the right at any time to review the financial condition of Seller and its affiliates, and Seller will fully cooperate in such review and will promptly provide copies of or access to requested documents, including without limitation financial records and statements, forecasts, business plans, banking contacts and loan documents, and will make its financial managers available for discussions during reasonable business hours. Buyer and any designated third party will keep confidential any non-public information about Seller obtained in a financial review and use such information only for purposes of the review, except as needed to enforce the Contract.

Seller agrees that if Seller experiences any delivery or operational problems, Buyer may designate any representative to be present in Seller's applicable facility to observe Seller's operations.

#### **15. INGREDIENTS DISCLOSURE; SPECIAL WARNINGS AND INSTRUCTIONS:**

If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients in the goods; (b) the amount of all ingredients; and (c) information concerning any changes in or additions to such ingredients. Prior to and with the shipment of the goods, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, and their respective employees of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Buyer. Seller shall comply with all applicable federal, state, local, and foreign laws and regulations associated with the product and warning labels.

#### **16. INSOLVENCY:**

Buyer may immediately terminate this contract without liability to Seller in any of the following or any other comparable events: (a) insolvency of Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing of any involuntary petition in bankruptcy against Seller; (d) appointment of a receiver or trustee for Seller; or (e) execution of an assignment for the benefit of creditors by Seller. Seller shall reimburse Buyer for all fees and costs (including reasonable attorneys and/or other professional fees) incurred by Buyer arising from or related to the above. When permitted by law, in the event this contract is issued or renewed after Seller becomes a debtor in bankruptcy, Buyer shall be entitled to all of its attorneys or other professional fees arising from or related to the bankruptcy case, including for monitoring the case.

#### **17. TERMINATION FOR BREACH OR NONPERFORMANCE; SALE OF ASSETS OR CHANGE IN CONTROL:**

Buyer reserves the right to immediately terminate all or any part of this contract, without liability to Seller, if Seller: (a) repudiates, breaches, or threatens to breach any of the terms of this contract, including Seller's warranties; (b) fails, or threatens not to perform services or deliver goods as specified by Buyer; (c) fails to provide adequate assurance of its ability to provide timely and proper completion of services or delivery of goods. In

## **17. TERMINATION FOR BREACH OR NONPERFORMANCE; SALE OF ASSETS OR CHANGE IN CONTROL: (continued)**

in addition, Buyer may terminate this contract upon giving at least 10 days notice to Seller, without liability to Seller, if Seller (i) sells, or offers to sell, a material portion of its assets, or (ii) sells or exchanges, or offers to sell or exchange, or causes to be sold or exchanged, a sufficient amount of its stock that effects a change in the control of Seller.

In addition, Seller acknowledges that shutting down a plant creates issues for which money damages are not a sufficient remedy. While the cost of a plant shutdown may easily generate substantial costs, the damages to Buyer's relationship with Buyer's customer through potential loss of business, and other damages which are equally difficult to calculate, are far worse. Because of these risks, in the event of a breach of threatened breach by Seller of any of the representations, warranties, or covenants of Seller, Buyer may, without notice to Seller, resource the production of goods from Seller to another supplier or dual source any of the goods covered hereby (i.e., have another supplier produce or be prepared to produce goods being produced by Seller), to protect Buyer and its customers. This process of moving business may take a considerable amount of time and Seller understands that, given the risks posed by the possible shutdown of Buyer's customer, Buyer is justified in initiating and transferring business without prior notice to Seller.

Seller understands that the resourcing of the business, including to a Buyer's facility, during a program, while not desirable, is a part of the automotive business and is an acknowledged risk to Seller in the industry. Even the risk of Seller's financial or operational uncertainty, in light of the huge risks to Buyer and Buyer's customer, is an example of justified reason to move production, without notice, and that any incidental or related activity by Buyer is understandable and reasonable.

## **18. TERMINATION FOR CONVENIENCE OF BUYER:**

In addition to any other rights of Buyer to terminate this contract, Buyer may, at its option, immediately terminate all or any part of this contract, at any time and for any reason, by giving written notice to Seller at least 14 calendar days prior to such termination. Upon such termination, Buyer shall pay to Seller the following amounts without duplication: (a) the contract price for all useable and merchantable goods or services that have been completed in accordance with releases under this contract and not previously paid for; and (b) the actual costs of usable and merchantable work-in-process and raw materials incurred by Seller pursuant to releases in furnishing the goods or services under this contract 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 contract; less, however, the sum of the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent, and the cost of any damaged or destroyed goods or material. Buyer will make no payments for finished goods, services, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in releases nor for any undelivered goods that are in Seller's standard stock or that are readily marketable. Payments made under this Section shall not exceed the aggregate price payable by Buyer for finished goods or services that would be produced or performed by Seller under release schedules outstanding at the date of termination. Within 30 days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer, with

**18. TERMINATION FOR CONVENIENCE OF BUYER: (continued)**

sufficient supporting data to permit Buyer's audit, and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agents shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of Seller. Seller agrees to assist Buyer in its activities associated with the transfer of the responsibility for producing the products to another supplier, including Buyer's plant or plants.

**19. NO TERMINATION RIGHT BY SELLER:**

Except as set forth in this Section, Seller agrees that it does not have the right to terminate any contract with Buyer. Seller may terminate the contract only for non-payment price for which are 30 or more days past due and material in amount, and then only if: (i) Seller first provides Buyer written notice specifying the amounts past due (including the relevant contract and invoice numbers and dates) and Seller's intent to terminate the contract if the past due amount is not paid; and (ii) Buyer, within 30 days of such notice, does not either; (A) pay the amounts, or (B) notify Seller that the amounts claimed to be unpaid are disputed by Buyer. Seller shall terminate under this Section by delivering a Termination Notice to Buyer. Seller may not terminate or cancel the contract for any reason except as permitted under this Section. Seller may not suspend performance of the contract for any reason.

**20. INTELLECTUAL PROPERTY:**

Seller agrees: (a) to defend, hold harmless and indemnify Buyer, its successors and customers against any claims of infringement (including patent, trademark, copyright, industrial design right, or other proprietary right, or misuse or misappropriation of trade secret) and resulting damages and expenses (including attorney's and other professional fees) arising in any way in relation to the goods or services contracted, including such claims where Seller has provided only part of the goods or services; Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specification; (b) that Buyer or Buyer's subcontractor has the right to repair, reconstruct, or rebuild the specific goods delivered under this contract without payment of any royalty to Seller; (c) that parts manufactured based on Buyer's drawings and/or specifications may not be used for its own use or sold to third parties without Buyer's express written authorization; and (d) to the extent that this contract is issued for the creation of copyrightable works, the works shall be considered "works made for hire;" to the extent that the works do not qualify as "works made for hire," Seller hereby assigns to Buyer all right, title and interest in all copyrights and moral rights therein.

**21. TECHNICAL INFORMATION DISCLOSED TO BUYER:**

Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information that Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this contract.

**22. INDEMNIFICATION:**

If Seller performs any work on Buyer's premises or utilizes the property of Buyer, whether on or off Buyer's premises, Seller shall indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including actual reasonable attorney's and other professional fees, settlement costs, and judgements) for damages



**22. INDEMNIFICATION: (continued)**

to the property of or injuries (including death) to Buyer, its employees or any other person arising from or in connection with Seller's performance of work or use of Buyer's property, except for such liability, claim, or demand arising solely out of the gross negligence of Buyer.

Seller shall defend, indemnify and hold harmless Buyer against all damages, claims, or liabilities and expenses (including reasonable attorney's fees) arising out of or resulting in any way from any defect in the goods or services purchased hereunder, any breach of the terms of the contract, or from any act or omission of Seller, its agents, employees or its subcontractors. This indemnification shall be in addition to the warranty obligations of Seller.

**23. INSURANCE:**

Seller shall maintain insurance coverage as required by law or requested by Buyer, with carriers acceptable to Buyer and in the amounts as reasonably requested by Buyer. Seller shall furnish to Buyer either a certificate showing compliance with these insurance requirements or certified copies of all insurance policies within 10 days of Buyer's written request. All insurance policies shall name Buyer as loss payee and additional insured. The certificate will provide that Buyer will receive 30 days prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance shall not release Seller of its obligations or liabilities under this contract.

In the event that Seller's obligation hereunder require or contemplate performance of services by Seller's employees, or persons under contract to Seller, to be done on Buyer's property, or property of Buyer's customers, the Seller agrees that all such work shall be done as an independent contractor and that the persons doing such work shall not be considered employees of the Buyer. Seller shall maintain all necessary insurance coverages, including public liability and Worker's Compensation Insurance. Seller shall indemnify and save harmless and defend Buyer from any and all claims or liabilities arising out of the work covered by this section.

Absent a specific request by Buyer to the contrary, Seller agrees to maintain liability insurance coverage of at least \$5,000,000 per occurrence together with all applicable Worker's Compensation Coverage.

**24. SELLER'S PROPERTY:**

Unless otherwise agreed to by Buyer, Seller, at its expense, shall furnish, keep in good condition, and replace when necessary all machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns and other items ("Seller's Property") necessary for the production of the goods. The cost of changes to Seller's Property necessary to make design and specification changes authorized by Buyer shall be paid for by Buyer. Seller shall insure Seller's Property with full fire and extended coverage insurance for its replacement value. Seller grants Buyer an irrevocable option to buy Seller's Property that is special for the production of the goods upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of such items; provided, however, that this option shall not apply if Seller's Property is used to produce goods that are the standard stock of Seller or if a substantial quantity of like goods are being sold by Seller to others. Buyer's right to exercise this option is not conditioned upon a breach by Seller.

**25. BUYER'S PROPERTY:**

All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller to perform this contract, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer and held by Seller on a bailment basis ("Buyer's Property"). Seller shall bear the risk of loss of and damage to Buyer's Property. Buyer's Property shall at all times be properly insured, housed, maintained, and repaired by Seller, at its expense, shall not be used by Seller for any purpose other than the performance of this contract; shall be deemed to be personalty; shall be conspicuously marked by Seller as the property of Buyer; shall not be commingled with the property of Seller or with that of a third person; and shall not be moved from Seller's premises without Buyer's prior written approval. Buyer shall have the right to enter Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto. Upon the request of Buyer, Buyer's Property shall be immediately released to Buyer or delivered to Buyer by Seller, either (i) F.O.B. transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer shall pay to Seller the reasonable costs of delivering such property to such location. When permitted by law, Seller waives any lien or other rights that Seller might otherwise have, including, but not limited to, any right of setoff, recoupment or counterclaim arising from this or any other transaction with Buyer.

All replacement parts, additions, improvements, and accessories for the Buyer's property shall automatically become Buyer's property upon their incorporation into or attachment to the Buyer's property.

**26. SERVICE AND REPLACEMENT PARTS:**

Seller will sell to Buyer goods necessary for it to fulfill its current model service and replacement parts requirements at the price(s) set forth in this contract. If the goods are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that shall not, in the aggregate, exceed the price of the system or module less assembly costs. During the 15-year period after Buyer completes current model purchases, Seller will sell goods to Buyer to fulfill Buyer's past model service and replacement parts requirements. Unless otherwise agreed to by Buyer, the price(s) during the first 5 years of this period shall be those in effect at the conclusion of current model purchases, and any associated packaging. For the remainder of this period, the price(s) for goods shall be as agreed to by the parties but consistent with general market conditions. When requested by Buyer, Seller shall make existing service literature and other materials available at no additional charge to support Buyer's service part sales activities. In the event the parties cannot agree on pricing following the expiration of the first 5 years after Buyer completes its current model purchases, at Buyer's election, Buyer may obtain the parts from an alternate supplier or the matter of price to be paid by Buyer to Seller shall be submitted to binding arbitration by a single arbitrator selected by the parties or failing such selection, as directed by a Court of competent jurisdiction.

**27. BUYER'S REMEDIES:**

The rights and remedies reserved to Buyer in this contract shall be cumulative with, and additional to, all other or further remedies provided in law or equity. Without limiting the foregoing, should any goods fail to conform to the warranties set forth in this contractor

**27. BUYER'S REMEDIES: (continued)**

or if the goods cause personal injury, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any special, incidental, and consequential damages caused by such nonconforming goods, including, but not limited to, costs (including, but not limited to, all attorney's or other professional fees), expenses and losses incurred by Buyer (a) in inspecting, sorting, repairing or replacing such nonconforming goods; (b) resulting from production interruptions, (c) conducting recall campaigns or other corrective service actions, and (d) claims or litigation arising from personal injury (including death) or property damage caused by such nonconforming goods. If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty chargebacks for nonconforming goods at no cost to Buyer. In any action brought by Buyer to enforce Seller's obligations in connection with the production or delivery of goods or transition support, or for possession of property, Seller acknowledges and agrees that monetary damages are not a sufficient remedy for any actual, anticipatory or threatened breach of the contract and that, in addition to all other rights and remedies that Buyer may have, Buyer shall be entitled to specific performance and injunctive equitable relief as a remedy for any such breach, or threatened breach plus Buyer's reasonable attorney's fees.

**28. CUSTOMS; EXPORT CONTROLS:**

Credits or benefits resulting or arising from this contract, including trade credits, export credits or the refund of duties, taxes or fees, shall belong to Buyer. Seller shall provide all information necessary (including written documentation and electronic transaction records) to permit Buyer to receive such benefits or credits, as well as to fulfill its customs related obligations, origin marking or labelling requirements and local content origin requirements, if any. Export licenses or authorizations necessary for the export of the goods shall be the responsibility of Seller unless otherwise indicated in this contract, in which event Seller shall provide such information as may be necessary to enable Buyer to obtain such licenses or authorization(s). Seller shall undertake such arrangements as necessary for the goods to be covered by any duty deferral or free trade zone program(s) of the country of import.

Seller agrees to be responsible for any incorrect information provided by Seller or any non-compliance with U.S. Customs regulations by Seller that results in penalties, additional duties and/or additional costs incurred by Buyer. Seller agrees to comply with all security procedures required by the Customs-Trade Partnership Against Terrorism (C-TPAT).

**29. SETOFF/RECOUPMENT:**

In addition to any right of setoff or recoupment provided by law, all amounts due to Seller shall be considered net of indebtedness of Seller and its affiliates/subsidiaries to Buyer and its affiliates/subsidiaries; and Buyer shall have the right to setoff against or to recoup from any amounts due to Seller and its affiliates/subsidiaries from Buyer and its affiliates/subsidiaries. Buyer and its affiliates/ subsidiaries may withhold and recoup any amount which it reasonably believes is at risk of non-payment by Seller and its affiliates / subsidiaries. Buyer may defer payment of all or any portion of an amount due, even if the obligation is disputed, contingent or unliquidated.

**30. LIMIT OF BUYER’S LIABILITY; COMMENCEMENT OF ACTIONS:**

In no event shall Buyer be liable for anticipated profits or for special, incidental or consequential damages. Buyer’s liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this agreement or contract, or from the performance or breach thereof shall in no case exceed the price for the useable and merchantable finished goods; the useable and merchantable work in process or raw materials or components transferred to Buyer and covered by outstanding firm releases issued by Buyer; and the comparable amounts due subcontractors.

Buyer shall not be liable for penalties of any description. Any action resulting from any breach on the part of Buyer as to the goods and services delivered hereunder must be commenced within one year after the cause of action has accrued.

Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller’s subcontractors, for alleged losses or cost, including loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, or general and administrative burden charges from termination of this contract.

**31. CONFLICT MINERALS:**

Seller warrants that, to its knowledge, no tantalum, tin, tungsten and/or gold (“conflict minerals”), contained in any good subject to this contract, originated from the Democratic Republic of the Congo or an adjoining country, unless the conflict minerals were processed by a facility listed as compliant pursuant to the CFSI, Conflict-Free Smelter Program. Seller agrees to communicate to its sub-suppliers its own commitment to responsible sourcing and legal compliance. Seller agrees to cooperate and work with its sub-suppliers in an attempt to ensure traceability of Conflict Minerals at least to smelter or refiner level, to maintain and record all Conflict Minerals traceability documentation for five years and to provide such documentation to Buyer upon request.

If Seller cannot so warrant, Seller will inform Buyer immediately. Seller will be liable for any loss or damage, including penalties, suffered by Buyer.

**32. NO ADVERTISING:**

Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services covered by this contract, or use any trademarks or trade names of Buyer in Seller’s advertising or promotional materials.

**33. COMPLIANCE WITH LAWS; EMPLOYMENT/BUSINESS PRACTICES:**

Seller, and any goods or services supplied by Seller, shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, labelling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including, but not limited to, those relating to environmental matters, data protection and privacy, wages, hours of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents that neither it nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services under this contract. At Buyer’s request, Seller shall certify

**33. COMPLIANCE WITH LAWS; EMPLOYMENT/BUSINESS PRACTICES:**

**(continued)**

in writing its compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's noncompliance.

**34. NO IMPLIED WAIVER:**

The failure of either party at any time to require performance by the other party of any provision of this contract shall in no way affect the right to require such performance at any time thereafter. Nor shall the waiver of either party of a breach of any provision of this contract constitute a waiver of any succeeding breach of the same or any other provision.

**35. NON-ASSIGNMENT:**

Unless otherwise specifically prohibited by applicable law, Seller may not assign or delegate its rights or obligations under this contract without Buyer's prior written consent. Seller may assign its claims for receivables due, or to become due, under any contract as collateral/ security for indebtedness but Buyer must receive notice of the assignment, a true copy of the assignment, and a release from Seller reasonably acceptable to Buyer. Buyer may freely reassign its rights and obligations under the contract to a third party without the consent of the Seller.

**36. RELATIONSHIP OF PARTIES:**

Seller and Buyer are independent contracting parties and nothing in this contract shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

**37. GOVERNING LAW; JURISDICTION:**

This contract is to be construed according to the internal laws of the United States of America without regard to any conflicts of law provisions. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded. Seller consents to the exclusive jurisdiction of the appropriate federal court in the U.S. District court for the Eastern District of Michigan or the state court in Macomb County, Michigan for any legal or equitable action or proceeding arising out of/ or in connection with the Contract. Seller specifically waives any and all objection to venue in such courts.

**38. SEVERABILITY:**

If any term(s) of this contract is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term(s) shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this contract shall remain in full force and effect.

**39. ENTIRE AGREEMENT; MODIFICATION:**

This contract, together with the attachments, exhibits, supplements or other terms of Buyer specifically referenced in this contract, constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this contract and supersedes all prior oral or written representations and agreements. This contract may only be modified by a contract Amendment issued by Buyer.

Buyer may modify the Terms at any time by posting notice of such modified Terms on the Buyer's website under Supplier Matters at least thirty days prior to the modified Terms becoming effective. Seller agrees to review Buyer's website under Supplier Matters periodically. Seller's continued performance under the Contract without providing written notice of Supplier's objections shall constitute Seller's acceptance of the modified Terms. Seller's written notice shall provide specific objections to the modified Terms and be delivered before the effect date of such modifications.