

## ADAC AUTOMOTIVE PURCHASE ORDER TERMS AND CONDITIONS

**1. Acceptance.** Each purchase order or purchase price agreement ADAC Plastics, Inc. dba ADAC Automotive (“Purchaser”) issues (“Purchase Order”) is Purchaser’s offer to purchase the goods (the “Supplies”) and/or services (the “Services”) identified in and by the terms of that Purchase Order. The entity providing the Supplies and/or Services subject to the Purchase Order (“Seller”) acknowledges that written acceptance of the Purchase Order or the commencement of any work, performance of any Services, or the shipment of Supplies pursuant to the Purchase Order by Seller will constitute acceptance of the Purchase Order subject to these Purchase Order Terms and Conditions (“Terms and Conditions”), irrespective of whether Seller will have returned the acceptance copy. For the avoidance of doubt, these Terms and Conditions of Purchase automatically apply to and are a part of all written and oral purchase orders and amendments and any request for quotation, releases, Purchase Orders, purchase agreements, supply agreements or similar documents issued to Seller by Purchaser. Purchaser specifically objects to the inclusion of any different, additional or inconsistent terms or conditions by Seller; whether by quotation, invoice, or otherwise; in acknowledging and accepting the Purchase Order. If Seller attempts to expressly condition its acceptance of the Purchase Order upon Purchaser’s acceptance of different, additional or inconsistent terms and conditions, neither Purchaser’s acceptance of delivery of any part of the Supplies or performance of Services or payment therefor will constitute acceptance of such different, additional or inconsistent terms and conditions. However, additional or different terms proposed by Seller shall not operate as a rejection of this Order if Seller commences work or otherwise accepts Purchaser’s offer, in which case this Purchase Order shall be deemed accepted by Seller without any additional or different terms or variations whatsoever. Upon acceptance, the Purchase Order together with these Terms and Conditions, Purchaser’s Supplier Requirements Manual, Customer’s terms or requirements, any documents specifically incorporated by reference into the Purchase Order, documents separately agreed to in writing, specifications, drawings, requirements of Purchaser’s customers, Purchase Price Agreements, Statements of Work, quality requirements, applicable terms and conditions from Purchaser’s request for quotation (“RFQ”), and any terms and conditions or requirements of Purchaser’s customer, including, but not limited to, Purchaser’s customer’s capacity and quality requirements, are a binding contract between Purchaser and Seller (collectively, the “Contract”). No modification of the terms and conditions of the Contract will be binding upon Purchaser unless made in writing and signed by Purchaser’s authorized representative. Specific terms and conditions on the Purchase Order and the other documents comprising the Contract will take priority over any inconsistent general provisions on the same subject matter in these Terms and Conditions.

**2. Prices.** (a) The prices shown on the Purchase Order or other Contract document issued by Purchaser specifying price will be the total price payable by Purchaser for the Supplies and/or Services shown thereon, and no change will be made by Seller for the life of the program or any extension to the duration. For the avoidance of doubt, written agreement of the Purchaser is required for any change in pricing. In addition to any right of setoff or recoupment by law, Purchaser will be entitled to set off any amount owing or to become owing at any time from Seller to Purchaser or any of Purchaser’s affiliated companies against any amount payable at any time by Purchaser in connection with the Contract. Purchaser may do so without notice to the Seller. Upon Purchaser’s request, Seller must provide a full cost breakdown for the total piece price

payable by Purchaser for the Supplies and/or Services subject to any Contract. Prices will be fixed for service and replacement part requirements for a period of three (3) years after any applicable product program ends. Prices for service and replacement parts required after the initial three (3) year term will be adjusted only for actual material and packaging cost fluctuations. Seller shall provide detailed documentation supporting any such cost fluctuations. Any price changes, other than as provided in Subsections 2(b) and (c), will not take effect until agreed upon by Purchaser in writing.

(b) Seller must undertake continued efforts to increase efficiency and otherwise reduce costs for the Supplies and/or Services during the term of the supply relationship. Seller and Purchaser will conduct an annual price review to determine an appropriate decrease in price for the coming year. In anticipation of such review, Seller shall provide to Purchaser a price report by October 1 of each calendar year detailing how the price may be decreased in the coming calendar year (the "Price Report"). Purchaser will review Seller's Price Report and, if necessary, the parties shall meet to discuss the price decrease options for the coming calendar year. Otherwise, Purchaser may set the new price based on Seller's Price Report.

(c) Purchaser has the option during the term of the supply relationship to obtain an offer, in writing, from a third party, for delivery of the same or similar goods as the Supplies or same or similar services as the Services provided by Seller pursuant to the Purchase Order ("Third Party Offer"). Purchaser shall provide written notification of such Third Party Offer to Seller, setting out the conditions of the Third-Party Offer, including but not limited to, duration and quantity, but excluding the identity of the third party. The Seller shall then have thirty (30) days from receipt of the written notification to advise the Purchaser, in writing, whether it will match or decline to match the Third-Party Offer. If the Seller agrees to match the terms of the Third-Party Offer, then the applicable terms of the Contract shall be changed accordingly. If Seller decides not to match the Third Party Offer, then Purchaser shall have the right, but not the obligation, to purchase from the third party any portion of its requirements provided by Seller, and Purchaser's obligations to Seller and Seller's obligations to Purchaser shall be amended accordingly. If the Seller fails to provide written notice as set forth herein, it shall be deemed to have declined its right to match the Third-Party Offer. If Seller declines to match and Purchaser does not exercise its option to purchase from the third party, the Contract shall remain in effect without any amendments. If Seller declines to match the Third-Party Offer, and Purchaser exercises its right to purchase from the third-party, Purchaser shall have no further obligation or liability whatsoever to Seller for the portions that will no longer be purchased from Seller.

(d) Seller shall not at any time sell the same Supplies or provide the same Services to a different purchaser at prices below those applicable to Purchaser or under terms better than those applicable to Purchaser. Seller shall immediately disclose all such price changes to Purchaser. If Seller charges a different purchaser a lower price or provides better terms for the Supplies or Services, Seller shall immediately apply the lower price and/or better terms for the Supplies and Services under the Purchase Order. If the Seller reduces its prices to third parties during the term of the Contract, the Seller will correspondingly reduce the prices charged to Purchaser and reimburse Purchaser for any cost reduction from the date of the price change. If Seller fails to do so, Purchaser, at its option, may terminate the Purchase Order without any further liability.

(e) Credits or benefits resulting from the Contract, including trade credits, export credits or the refund of duties, taxes, or fees, belong to Purchaser. Seller will provide all information and certificates (including Certificates of Origin) necessary to permit Purchaser (or its Customers) to receive these benefits or credits.

**3. Quantities.** (a) Unless specifically stated otherwise on face of the Purchase Order and subject to Purchaser's termination rights, this Purchase Order is a requirements contract under which Purchaser will purchase all of its requirements (or, if multiple sourced, a specified percentage or range of Purchaser's requirements as stated on the face of the Purchase Order or otherwise conveyed to Seller) for the length of the applicable vehicle manufacturer's program production life (including extensions and model refreshes as determined by the vehicle manufacturer). If the preceding sentence is deemed insufficient by a Court to set a definitive term, the term of the Purchase Order shall be the anticipated time period for the program as set forth in Purchaser's RFQ documents together with an option granted to Purchaser to extend the term for any extension of the vehicle platform announced by the vehicle manufacturer. Accordingly, Seller must perform pursuant to the Purchase Order and may not reject a Material Release (as defined below) if the releases are within the quantities required by Purchaser plus a reasonable safety stock, as determined by Purchaser in its sole discretion. Seller agrees that it will be fully responsible for meeting all of Purchaser's requirements regardless of any quantity fluctuations. Seller must also provide, on an annual basis, verification, in a form acceptable to Purchaser, of its capacity to meet Purchaser's requirements for the following year of supply.

(b) Purchaser is required to purchase only those quantities identified as firm orders in subsequent material authorization releases, manifests, broadcasts, similar communications of required quantities to Seller, or other instructions delivered by Purchaser to Seller in connection with a Purchase Order ("Material Release"). Material Releases are an integral part of the Purchase Order, are governed by these Terms and Conditions, and are not independent contracts.

(c) Purchaser may provide Seller with volume or quantity forecasts or projections for the Supplies or Services, as identified on the face of the Purchase Order, or the anticipated duration of the program for which the Supplies are being produced. Seller acknowledges that the volume/duration projections, unlike a Material Release, are not binding on Purchaser. All such information is subject to change. Seller acknowledges that the volume/duration projections are based upon information supplied to Purchaser by Purchaser's customer and contain business variables and assumptions, some or all of which may change over time or may not have been accurate at the time that they were made or later. Purchaser makes no representation, warranty or guaranty of any kind or nature as to the accuracy of the volume/duration projections and Seller acknowledges: (i) it relies upon the volume estimate or projection at its own risk; and (ii) that the actual volumes/duration could be significantly less or more than what was projected and that no price adjustment will be made as a result of the differences between actual and projected volumes. Purchaser may purchase additional quantities of the listed Supplies at the prices set forth in this Purchase Order, including to bank or inventory Supplies, pursuant to Material Releases. Seller bears all risk with respect to such changes.

(d) If not otherwise specified in this Purchase Order, delivery of the Supplies shall be Ex Works (Incoterms 2010) Purchaser's designated facility. The risk of loss passes from Seller to Purchaser

upon delivery to Purchaser's designated facility in accordance with Incoterms, unless otherwise agreed to in writing by Purchaser.

(e) Time, quality, and quantities are of the essence under this Purchase Order. Seller agrees to 100% on-time delivery of the quantities, quality, and at the times specified by Purchaser, as set forth in this Purchase Order and related Material Releases, unless otherwise negotiated and agreed in writing by the parties. Failure to meet agreed delivery time, quality, and quantities shall be considered a material breach of this Purchase Order and Seller shall pay to Purchaser any damages or expenses imposed upon or incurred by Purchaser as a result of such breach. Seller agrees to meet all quality requirements set forth in any supplier quality manual, other applicable quality documentation, and quality control standards.

**4. Deliveries.** (a) Deliveries are to be made to Purchaser's plant in Michigan unless otherwise designated in the release. Deliveries will be made only on the dates and in the quantities and manner specified on schedules furnished by Purchaser. Purchaser will have no liability for payment for, nor will Purchaser be required to accept delivery of, Supplies delivered to Purchaser which are in excess of quantities specified in the delivery schedules or otherwise fail to meet delivery requirements. Seller has no authority to fabricate raw material releases. Purchaser may from time to time change or temporarily suspend shipping schedules, change means of transportation or otherwise temporarily suspend Seller's performance hereunder, by notifying Seller within a reasonable time in advance. Seller will pay whatever additional costs, expenses, consequential losses or damages Purchaser sustains due to Seller's untimely delivery or delivery of improper quantities. Purchaser shall be entitled to reject and return any improper deliveries, whether improper in quality or quantity, at any time, at Seller's sole expense.

(b) Seller will mail or provide by electronic means invoices with packing list and bill of lading or express receipt on day of shipment.

(c) Seller shall pay all premium freight costs over normal freight costs if expedited shipping methods are used to meet agreed upon delivery dates due to Seller's acts or omissions. Unless otherwise provided in the Purchase Order, Seller shall pay any costs incurred by Purchaser, including costs charged by Purchaser's customer(s) to Purchaser, as a result of Seller's failure to comply with shipping or delivery requirements. Purchaser shall not be liable for premium freight costs, unless specifically agreed to in advance, in writing, by Purchaser.

(d) Subject to Section 4, if Seller fails to timely make one or more deliveries, delivers or provides fewer or more goods than specified by Purchaser, fails to perform in accordance with a Purchase Order (including as to time) or otherwise fails in any aspect of a delivery, all damages and losses of every type (direct and indirect) suffered or incurred by Purchaser and their customers as a result, including but not limited to any premium or extra transportation costs, special damages, cost to obtain replacement goods or services, the impact on Purchaser's operations and overall business, and costs and expenses in efforts to mitigate the impact on Purchaser or its customers' business, will be immediately paid or, for expenses paid by Purchaser, reimbursed by Seller to Purchaser.

(e) Seller shall, in good faith, resolve any dispute, including, but not limited to, pricing, quality, design or delivery, without stopping, ceasing, or withholding any deliveries as required under the Agreement. For clarification, Seller shall continue deliveries during the discussion or resolution of any issues with Purchaser and shall not knowingly cause any supply disruption.

**5. Packaging and Labeling.** All Supplies must be packaged in the manner specified by Purchaser and shipped in the manner and by the route and carrier designated by Purchaser. Purchaser will not be obligated to accept delivery of Supplies unless it is tagged or marked with Purchaser's part number and quantity on each package. Packing slips should be enclosed with all shipments showing order number, part number and quantity, and any other information requested by Purchaser. If Purchaser does not specify the manner in which the Supplies must be packaged, Seller will package the Supplies so as to avoid any damage in transit. If Purchaser does not specify the manner of shipment, route or carrier, Seller will ship the Supplies at the lowest possible transportation rates. Any additional freight, cartage or other costs incurred directly or indirectly as a result of Seller's failure to observe the conditions set forth in this Section will be for Seller's account. If the Supplies are not accompanied by a packing slip, Purchaser's count or weight will be conclusive. Seller will promptly provide Purchaser with, in the form requested by Purchaser, the identity and amount of all ingredients (and any changes in the ingredients) of the Supplies.

**6. Warranties.** (a) Seller expressly warrants and guarantees to Purchaser, to Purchaser's successors, assigns and Purchaser's customers, and to users of Purchaser's products, that all Supplies delivered to Purchaser will: (i) strictly comply with and conform to the specifications, standards, drawings, samples, descriptions, performance requirements, and revisions as furnished to or by Purchaser; (ii) conform to all applicable laws, orders, regulations, or standards in countries where the Supplies or vehicles or other products incorporating the Supplies are to be sold, including without limitation the National Traffic and Motor Vehicle Safety Act (and the Federal Motor Vehicle Safety Standards); (iii) be merchantable and free of defects in design, materials and workmanship and be of the highest quality; (iv) be selected, designed, manufactured, and assembled by Seller based upon Purchaser's intended use and be fit, safe, and sufficient for the purposes intended by Purchaser; (v) be free and clear of all liens and encumbrances; and (vi) to the extent that the Supplies contain software delivered to Purchaser, not contain any undisclosed features or any "back door," "time bomb," "Trojan horse," "worm," "drop dead device," "virus," or other computer software routines or hardware components designed to (1) permit access or unauthorized use of either the Software or Buyer's computer systems, (2) disable, damage or erase the software or data, or (3) perform any other such actions, and the software shall not contain preprogrammed preventative routines or similar devices which prevent Purchaser from exercising the rights granted under Contract and/or from utilizing the software for the purpose for which it was designed. The foregoing warranties are in addition to those available to Purchaser in law or equity.

(b) The warranty period is the longest of: (i) the warranty period offered by Purchaser to Purchaser's customer accruing from the date Purchaser delivers the Supplies to its customer; (ii) the warranty period provided by applicable law; (iii) the warranty period offered by Purchaser's customer to end-users for the products into which the Supplies are incorporated, regardless of the time of acceptance of the Supplies; or (iv) the expiration of any specific warranty period or performance standard provided in any document incorporated by reference into the Contract, including in Purchaser's specifications or quality standards.

(c) At Purchaser's request, Seller shall fully participate at its own expense in any root cause investigation or analysis conducted by Purchaser and/or Purchaser's customer relating in any manner to the failure of the Supplies and shall provide all information requested by Purchaser concerning the Supplies. In the event that the root cause analysis of a warranty failure is

inconclusive but implicates the Supplies, the extent of Seller's liability to Purchaser will be based upon a good faith allocation by Purchaser of the responsibility for the warranty failure.

(d) In the event that Purchaser or Purchaser's customer (or ultimately the vehicle manufacturer) voluntarily or pursuant to a government mandate, makes an offer to end-users to provide remedial action to address a defect or non-conforming condition of the Supplies (or any of Purchaser's products incorporating the Supplies), in connection with a recall campaign, service action or other corrective action, the warranty shall continue for such time period as may be dictated by Purchaser's customer, the government unit, or related law or regulation.

(e) Seller warrants that it will conform to all quality control, validation, testing and other industry standards and inspection systems as established or directed by Purchaser and its Customer with no change Price. To the extent any industry standards, Purchaser's standards, policies or systems are amended, supplemented or replaced, Seller's obligations under this Contract shall automatically be amended.

**7. Seller Quality and Development; PPAP; Parts Identification.** (a) Seller will conform to the quality control standards and inspection systems that are established or requested by Purchaser, including standards and requirements set forth in Purchaser's quality manual or Supplier Requirements Manual, and (to the extent directed or requested by Purchaser), those established by Purchaser's customer. Moreover, unless otherwise agreed in writing, Seller shall conduct its operations in compliance with the latest edition of International Automotive Task Force (IATF) 16949 "Quality management system requirements for automotive production and relevant service parts organizations" or equivalent industry standard.

(b) Seller will also participate in supplier quality and development programs of Purchaser, and (to the extent directed by Purchaser) Purchaser's customer that apply to the Supplies described in the Purchase Order. (c) Seller agrees to meet the full requirements of industry Production Part Approval Processes ("PPAP") as specified by Purchaser and (as applicable) Purchaser's customer, and agrees to present this information to Purchaser upon request, at Level 3 or the level expressly requested, unless otherwise specifically agreed by Purchaser in writing.

(d) Upon PPAP approval for the Supplies, Seller must continue to manufacture the Supplies in strict compliance with the PPAP approval and may not change or alter design or manufacture in any manner, including but not limited to: (i) any third party supplier to Seller of the Services, raw materials or Supplies used by Seller in connection with its performance under the Purchase Order, (ii) any facility from which Seller and/or any such third party supplier operates and that relates in any way to the Supplies, or to Services, raw materials or Supplies used by Seller in connection with performance under the Purchase Order, (iii) the price of any Supplies covered by the Purchase Order, (iv) the nature, type or quality of any Services, raw materials or Supplies used by Seller or its suppliers in connection with the Purchase Order, (v) the fit, form, function, appearance or performance of any Supplies covered by the Purchase Order, or (vi) any production method, or any process or software, or any production equipment used in the production or provision of, or as part of, any Supplies under the Purchase Order. Seller acknowledges that any change in the Supplies from the approved PPAP level may materially and detrimentally affect the functionality of Purchaser's products which incorporate the Supplies and may also affect the safe or required operation of the vehicle in which the Supplies are ultimately installed.

(e) Seller must seek approval from Purchaser for changes in the materials, process or manufacture of the Supplies after PPAP approval. Purchaser may deny approval for any such change for any reason. As a condition precedent to seeking any change or PPAP deviation from Purchaser, Seller must: (i) agree to pay all of the costs involved in re-PPAPing the Supplies, including any testing which may reasonably be requested by Purchaser and/or Purchaser's customer; (ii) agree not to charge more than the price on the Purchase Order or, if the manufacturing costs decrease as a result of the changes, pass through the decreased price to Purchaser; (iii) agree that all future price decreases previously agreed to by Seller will be implemented; (iv) manufacture a bank of already PPAPed Supplies in such quantities as Purchaser may require for a successful transition; (v) support Purchaser in re-PPAPing the Supplies; (vi) abide by the decision of the vehicle manufacturer whether to allow deviation from PPAP as final and binding; and (vii) fulfill all of the requirements imposed by the vehicle manufacturer and/or Purchaser's customer on Purchaser including, without limitation, payment and/or reimbursement to Purchaser for any cost reductions.

(f) All Supplies shall permanently bear Purchaser's part number and name or code name, Seller's part number, and Seller's date of manufacture, unless otherwise agreed by Purchaser in writing. 8. Remedies. Nothing herein will exclude any other rights or remedies to which Purchaser is otherwise entitled by law. Seller will pay all costs, including reasonable attorney's fees, incurred by Purchaser in enforcing the terms of the Contract.

**8. Non-Conforming Supplies.** (a) Payment for Supplies shall not constitute acceptance of non-conforming Supplies and will not limit or affect any rights or remedies of Purchaser.

(b) If Supplies are rejected by Purchaser, or if acceptance is revoked, the quantities under the Purchase Order will be reduced unless Purchaser otherwise notifies Seller. Following rejection, Seller shall, without prejudice to any other right or remedy of Purchaser, at Purchaser's sole discretion and at Seller's sole expense: accept return of the Supplies to Seller or repair or replace the Supplies with conforming Supplies.

(c) Promptly upon learning of defective or non-conforming Supplies, Seller will develop, document and implement corrective actions in accordance with all applicable quality control policies and standards of Purchaser and its Customers, and subject to the satisfaction of the Purchaser.

(d) Seller will immediately notify Purchaser in writing when it becomes aware of any ingredient, component, design or defect in the Supplies that is or may become harmful to persons or property. In the case of software, Seller will notify Purchaser of any software flaw, defect, vulnerability, or related risk of exploit within twenty-four (24) hours.

(e) The Seller is liable for all direct, incidental and consequential damages, losses, costs, and expenses incurred by the Purchaser resulting from Seller's failure to deliver conforming Supplies, even if the Seller has cured the failure. This includes but is not limited to compensating Purchaser for any amounts charged by Customer(s) to Purchaser; all costs of containment, sorting, repair, replacement, cure or cover, in such amount as reasonably determined by Purchaser; and all costs of any recall campaign, corrective service action, or other voluntary or involuntary action in which Purchaser or any Customer participates related to the non-conformity.

(f) If Purchaser, within the Warranty Period, notifies Seller of any software defect, nonconformance, or breach of the foregoing warranty, Seller will, at Purchaser's option, repair, reflash, or replace the defective Software at its sole expense. The Warranty Period will extend by a period equal to any periods during which the Software fails to conform to the foregoing warranty.

**9. Changes.** (a) Purchaser reserves the right to change the Supplies, including the design, specifications, engineering level, materials, packaging or testing requirements. Seller will promptly make any such change without regard to whether Purchaser and Seller have reached agreement on an adjustment of the price or other terms.

(b) Seller will not make any change to the Supplies except at Purchaser's written instruction or with Purchaser's written approval. If Seller learns of a possible change to the Supplies that may reduce costs, improve quality, or otherwise be beneficial to Purchaser, Seller shall inform Purchaser of the possible change.

(c) Seller may request a change-based price adjustment, not to exceed the change in Seller's actual and reasonable costs incurred or to be incurred as a result of the change. Seller shall timely provide Purchaser with detailed information regarding reasonable price changes to manufacture products. Seller's request shall be submitted within thirty days of Purchaser's direction of a change and shall be supported by necessary documentation and analyses. The Purchaser and the Seller will negotiate in good faith on an equitable adjustment of price (up or down) or other relevant terms.

**10. Inspections, Audits and Review.** (a) All Supplies and/or Services supplied hereunder will be subject to Purchaser's rights of inspection and rejection. Rejected Supplies will be held for Seller's instruction and at Seller's risk and, if requested by Seller, will be returned for credit or refund at Seller's expense. Rejected Supplies will not be replaced except when specifically ordered by Purchaser in writing. Purchaser reserves the right, upon request, to inspect the Supplies on Seller's premises. Purchaser will have the right to make use of defective Supplies in such manner as it deems advisable when necessary to meet Purchaser's contractual obligations to its customers, without waiving any right or remedy which Purchaser may have with respect to such materials. Payment prior to inspection will not be deemed a waiver of Purchaser's right to inspect and reject or revoke acceptance. Neither inspection, testing, acceptance nor use of material (or the absence thereof) will be deemed a waiver of Purchaser's right to revoke acceptance with respect to Supplies containing latent defects or otherwise affect Seller's warranties for the Supplies.

(b) Purchaser may enter Seller's facility, or any facility of Seller's suppliers, at any time to inspect the facility, systems, Supplies, materials, documents, papers, records and any of Purchaser's property related to the Purchase Order. Purchaser's inspection does not relieve Seller of any of its responsibilities or warranties. Purchaser's right to conduct any inspection, audit or review under this section or otherwise is at its sole discretion. Purchaser has no obligation to Seller to conduct any inspection, audit or review and Purchaser's decisions as to whether, how and when to conduct any inspection, audit or review does not modify or relieve Seller of any obligations under the Purchase Order, does not give rise to any liability of Purchaser to Seller and is without prejudice to any rights or remedies available to Purchaser.

(c) Upon reasonable notice to Seller, either Purchaser or its Customers (or a third party designee) may audit Seller's production facility, Supplies and any other Purchaser property (including all

pertinent documents, data and other information) related to the Purchase Order at facility for the purpose of verifying Seller's costs and its compliance with its obligations under the Purchase Order. Seller shall provide, without additional charge, all reasonable facilities and assistance.

(d) Purchaser may, in its sole discretion, determine that it is necessary to perform remedial work or rework, and shall notify Seller of that requirement. If Seller elects to perform the remedial work, at its expense, Seller must promptly notify the Purchaser of its election (but in no event later than 48 hours following the Purchaser's notice), subject to the Purchaser's determination that Seller is capable of performing the remedial work. If Seller does not elect to perform, or the Purchaser determines Seller is not capable of performing the remedial work, or if additional third-party inspection is necessary, the Purchaser may elect to have the remedial work or inspection performed by a third party, at Seller's expense. Purchaser, at its election, may set off the expense of such remedial work or inspection against the amounts otherwise due to Seller or charge Seller separately. The Purchaser is not deemed to have accepted any rejected item unless and until such item is fully repaired in accordance with the requirements and the Agreement and such item is specifically accepted in writing after completion of all remedial work.

(e) Upon reasonable notice to Seller, Purchaser or a third party designated by Purchaser may review the financial condition of Seller and its affiliates. 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. Purchaser and any designated third party will keep confidential any nonpublic information about Seller obtained in a financial review and use such information only for purposes of the review, except as needed to enforce the Purchase Order.

**11. Termination for Breach or Nonperformance.** Purchaser reserves the right to terminate all or any part of the Contract, without liability to Purchaser, if Seller: (a) repudiates or breaches any of the terms of the Contract, including Seller's warranties; (b) fails to perform Services or deliver Supplies as specified by Purchaser; or (c) fails to make progress so as to endanger timely and proper completion of Services or delivery of Supplies; and, Seller does not correct such failure or breach within ten (10) days (or such shorter period of time if commercially reasonable under the circumstances) after the receipt of notice from Purchaser specifying such failure or breach. Seller will be liable to Purchaser for damages resulting from Seller's breach or nonperformance, including consequential and incidental damages and reasonable attorney's fees.

**12. Termination for Convenience.** (a) In addition to any other rights of Purchaser to cancel or terminate the Contract, Purchaser may, at its option, immediately terminate all or any part of the Contract at any time by giving written notice to Seller, notwithstanding the existence of any event of force majeure as defined in this Contract.

(b) Upon receipt of notice of termination, and unless otherwise directed by Purchaser, Seller will: (i) terminate promptly, but in no case longer than three days from receipt of the notice of termination, all work under the Purchase Order; (ii) transfer title and deliver to Purchaser the finished Supplies, the work in process, and the parts and materials that Seller produced or acquired in accordance with the terms and conditions of this Purchase Order and which Seller cannot use in producing Supplies for itself or for others; (iii) verify and settle any claims by subcontractors for

actual costs made unrecoverable by the termination and ensure the recovery of materials in subcontractor's possession; (iv) take actions reasonably necessary to protect property in Seller's possession in which Purchaser has an interest until disposal instruction from Purchaser has been received; and (v) upon Purchaser's reasonable request, cooperate with Purchaser in transferring the production of the Supplies to a different supplier.

(c) Upon termination by Purchaser under this Section, Purchaser's obligation to Seller will be limited solely to the following: (i) the Purchase Order price for all finished Supplies that conform to the requirements of the Contract and were not previously paid for; and (ii) Seller's reasonable actual cost of work-in-process and the parts and materials transferred to Purchaser in accordance with Subsection (b)(ii) above that were acquired based on Material Releases. NOTWITHSTANDING ANYTHING TO THE CONTRARY, PURCHASER SHALL HAVE NO OBLIGATION FOR AND SHALL NOT BE REQUIRED TO MAKE PAYMENTS TO SELLER, DIRECTLY OR ON ACCOUNT OF CLAIMS BY SELLER'S SUBCONTRACTORS, FOR LOSS OF ANTICIPATED PROFIT, FAILURE TO REALIZE ANTICIPATED PRODUCTION VOLUMES, REVENUES ON SAVINGS, UNABSORBED OVERHEAD, INTEREST ON CLAIMS, PRODUCT DEVELOPMENT AND ENGINEERING COSTS, TOOLING, FACILITIES AND EQUIPMENT REARRANGEMENT COSTS OR RENTAL, UNAMORTIZED DEPRECIATION COSTS, FINISHED GOODS, WORKIN-PROCESS OR RAW MATERIALS THAT SELLER FABRICATES OR PROCURES IN AMOUNTS THAT EXCEED THOSE AUTHORIZED IN THE MATERIAL RELEASES, AND GENERAL ADMINISTRATIVE BURDEN CHARGES FROM TERMINATION OF THE PURCHASE ORDER, UNLESS OTHERWISE EXPRESSLY AGREED TO ON THE FACE OF A PURCHASE ORDER OR IN A DOCUMENT EXPRESSLY INCORPORATED INTO THE PURCHASE ORDER BY REFERENCE AND SIGNED BY PURCHASER.

(d) Purchaser's obligation upon termination under this Section shall not exceed the obligation Purchaser would have had to Seller in the absence of termination.

(e) Seller will furnish to Purchaser, within thirty (30) days after the date of termination (or such shorter period as may be required by Purchaser's customer), its termination claim, which shall consist exclusively of the items of Purchaser's obligation to Seller that are listed in this Section. Purchaser may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

(f) Purchaser will not have any obligation to make any payments to Seller if Purchaser terminates Purchaser's obligations under the Purchase Order because of a default or breach by Seller, or if Purchaser's customer takes action that leads to either an end to the program life or an end to the need for the Supplies.

**13. Limitation on Purchaser's Liability – Statute of Limitations.** IN NO EVENT WILL PURCHASER BE LIABLE FOR LOSSES BASED UPON ANTICIPATED PROFITS OR DIMINUTION IN VALUE OR FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES. Purchaser's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from the Contract or from the performance or breach thereof will in no case exceed the price allocable to the Supplies or Services or unit thereof, which gives rise to the claim. Purchaser will not be liable for penalties

of any description. Any action resulting from any alleged breach on the part of Purchaser as to the Supplies or Services delivered hereunder must be commenced within one (1) year after the cause of action has accrued. Any action not commenced within such one (1) year period will be barred.

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

**15. Purchaser's Property.** All drawings, specifications, supplies, materials, tools, jigs, dies, gauges, molds, templates, patterns, equipment and other items furnished by Purchaser, either directly or indirectly, to Seller to perform the Contract, or for which Seller has been reimbursed by Purchaser, will be and remain the property of Purchaser or Purchaser's customers, as the case may be, and held by Seller on a bailment basis ("Purchaser's Property"). Seller will bear the risk of loss of and damage to Purchaser's Property. Purchaser's Property will at all times be properly housed and maintained by Seller, at its expense, will not be used by Seller for any other purpose other than the performance of the Contract, will be deemed to be personal property; will be conspicuously marked by Seller as the property of Purchaser or of Purchaser's customers; will not be commingled with the property of Seller or with that of a third person; and will not be moved from Seller's premises without Purchaser's prior written approval. Purchaser has the right to enter Seller's premises at all reasonable times to inspect Purchaser's Property and Seller's records with respect thereto. Upon the request by Purchaser, Purchaser's Property will be immediately released to Purchaser or delivered to Purchaser by Seller, either (a) FOB the carrier selected by Purchaser to transport such property, or (b) to any location specified by Purchaser, in which event Purchaser will pay to Seller the reasonable costs of delivering Purchaser's Property to such location. When permitted by law, Seller waives any lien or other rights that Seller might otherwise have on any of Purchaser's Property for work performed on such property or otherwise.

**16. Confidentiality.** (a) All specifications, documents, and prototype articles delivered by Purchaser to Seller are the property of Purchaser or its Customer. They are delivered solely for the purpose of Seller's performance of the Contract and on the express condition that neither they nor the information contained therein will be disclosed to others nor used for any purpose other than in connection with the Contract without the prior express written consent of the Purchaser. Seller agrees to safeguard and shall use all reasonable efforts to protect, secure and prevent disclosure of all such specifications, documents and articles (including implementation of policies and procedures to prevent hacking of its information systems and databases), consistent with those used in the protection of its own proprietary information of a similar nature but not less than industry standard. Such specifications, documents, and articles are to be returned to Purchaser promptly upon its written request. Such request may be made at any time during or after

completion of Seller's performance. The obligations under this Section will survive the cancellation, termination, or completion of the Contract.

(b) The restrictions and obligations of this Section will not apply to information that: (a) is already publicly known at the time of its disclosure by Purchaser; (b) after disclosure by Purchaser it becomes publicly known through no fault of Seller; or (c) Seller can establish by written documentation was properly in its possession prior to disclosure by Purchaser or was independently developed by Seller without use of or reference to Purchaser's information. Notwithstanding anything to the contrary in the Purchase Order, any confidentiality or non-disclosure agreement between the parties that predates the Contract will remain in effect except as expressly modified by the Purchase Order or this Contract, and to the extent of a conflict between the express terms of such an agreement and this Section, the terms of that agreement will control.

(c) All documents provided by Purchaser containing confidential or proprietary information under the Contract will belong to Purchaser or its Customer. All drawings, pricing, know-how, and confidential information supplied to Seller by Purchaser and all rights therein will remain the property of Purchaser or its Customer and will be kept confidential by Seller in accordance with Paragraph (a) above.

**17. Cybersecurity.** (a) 1.1 Enterprise Cybersecurity. Seller must: (1) maintain reasonable, risk-based cybersecurity programs, supported by appropriate technical and operational measures including policies and procedures, to protect the confidentiality, integrity, and availability of Confidential Information, prevent disruption of the supply of goods, and respond in a timely and effective manner to any cybersecurity incident that may compromise any Confidential Information or disrupt supply of goods; (2) promptly, but in no case more than 48 hours subsequent to the Seller's first knowledge of the incident, notify the Purchaser of any attempted or actual unauthorized possession, access, use, or knowledge of the Purchaser's Confidential Information by any person or entity that may become known or suspected by Seller; (3) promptly furnish full details of the attempted or actual unauthorized possession, access, use, or knowledge; (4) assist the Purchaser in investigating or preventing the recurrence of any attempted or actual unauthorized possession, access, use, or knowledge of Confidential Information; (5) adopt other reasonable cybersecurity measures identified by Purchaser; and (6) upon request, at Seller's expense, demonstrate compliance through a third-party audit or other reasonable measure agreed upon by the Purchaser.

(b) Product Cybersecurity. Seller must maintain a reasonable, risk-based program, supported by appropriate technical and operational measures including policies and procedures, to ensure the cybersecurity of any Item that includes software, hardware, or other electrical components. Seller's product cybersecurity program must provide for security by design, vulnerability management, governance, and any other elements identified by Purchaser in a manner consistent with industry best practices, including but not limited to ISO/SAE 21434.

(c) Supply Chain Cybersecurity. Seller shall ensure its subcontractors are contractually bound to comply with the provisions of this Section.

**18. Compliance with Laws and Standards.** (a) Seller represents and warrants that all Supplies supplied and/or Services provided hereunder will be manufactured, transported, delivered, and

performed in compliance with all applicable Federal, state, local and foreign statutes, ordinances, and regulations, as amended from time to time, including, without limitation, the Fair Labor Standards Act, the Occupational Safety and Health act, the Vietnam Era Veterans Readjustment Act, the Rehabilitation Act of 1973, 41 C.F.R. Section 1.13 relating to the Utilization of Minority Business Enterprises and all statutes, executive orders and regulations relative to equal employment opportunity and product safety, including those specifically stated below. Seller specifically agrees not to discriminate against any employee or applicant for employment based on race, religion, sex, age or natural origin. Seller further represents that neither it, nor its subcontractors, will utilize slave, prisoner or any other form of forced or involuntary labor in the supply of Supplies and performance of Services under the Contract. At Purchaser's request, Seller will certify in writing its compliance with the foregoing.

(b) *Environmental Laws.* Seller shall comply with all laws and standards adopted by Purchaser and its customers relating to the environment, including these, for example: (i) requiring design and materials to maximize the recycling of Supplies and end products; (ii) requiring marking of Supplies with material composition; (iii) applicable to handling waste and chemicals; (iv) applicable to reacting to environmental emergencies; (v) applicable to use of reusable packaging; and (vi) requiring compliance with regulatory emission requirements for manufacturing or importing vehicles and engines in the United States. Seller shall obtain and retain third party certificates of compliance with ISO 14001 for all of Seller's facilities that produce Goods or have a significant impact on the environment.

(c) *Conflict Minerals Reporting.* Seller warrants that, to its knowledge, no tantalum, tin, tungsten and/or gold ("Conflict Minerals"), contained in any good subject to this order, 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 abide by any additional terms and conditions in Purchaser's Conflict Minerals Policy or guidance, and 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 Purchaser upon request.

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

(e) *Controlled Substances.* Seller warrants that each chemical substance constituting or contained in the Goods sold is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et. seq.) as amended, and any similar laws of the jurisdiction of production or destination of the Supplies and that the Supplies are not hazardous under any national, state/provincial, and/or local law of the jurisdiction of production or destination, except as clearly stated on the shipping and storage containers.

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

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

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

(i) *Ethical Standards.* Seller shall not: (i) give or offer to give any gift or benefit to Purchaser's employees; (ii) solicit or accept any information, data, services, equipment or commitment from Purchaser's employees unless it is specifically authorized in writing by Purchaser; (iii) solicit or accept favoritism from Purchaser's employees; (iv) enter into any outside business relationship with Purchaser's employees or suppliers without full disclosure to and prior approval of Purchaser's management; or (v) provide to or accept from suppliers any information regarding Purchaser or its business. For the purposes of this Section: "employee" includes members of the employee's immediate family and household, plus any other person who is attempting to benefit from his or her relationship to the employee; "Seller" includes all employees and agents of Seller; "gift or benefit" includes money, goods, services, discounts, favors and the like in any form but excluding items with a value of \$25.00 or less; "supplier" includes prospective, current and past suppliers; and "favoritism" means partiality in promoting the interest of Seller over that of other suppliers.

(j) *Diversity and Inclusion*. Seller is encouraged to use its reasonable commercial efforts to increase purchases of goods and services from a diverse supply chain. Seller shall, in sourcing and its hiring practices, be open to any and all candidates, regardless of nationality or, for sourcing, the scale of the company, and evaluate them based on their overall strengths.

(k) *Corporate Responsibility and Sustainability*. Seller shall endeavor to promote and engage, both individually and with partners, in social contribution activities that help strengthen communities and contribute to the enrichment of society

**19. Intellectual Property.** (a) “Intellectual Property Rights,” “IP Rights,” or “Intellectual Property” means any patent, patented articles, patent applications, designs, industrial designs, copyrights, software, source code, algorithms, database rights, moral rights, inventions whether or not capable of protection by patent or registration, techniques, technical data, trade secrets, know-how, and any other proprietary right, whether registered or unregistered, including applications and registrations thereof, all related and continuing rights, and all similar or equivalent forms of protection anywhere in the world.

(b) "Background IP" means any Intellectual Property Rights of either Party relating to the inventions, trade secrets, copyrights, know-how, designs, information, data, processes, methods, techniques, drawings, component board models, layouts, schematics, diagrams, functional blocks, cells, design rules, simulation models, software, test protocols, methods and patterns and other technology existing prior to this agreement. Background IP also includes modifications and improvements to Background IP developed outside of this agreement and Intellectual Property independently developed outside of this agreement.

(c) “Foreground IP” means any Intellectual Property Rights individually and independently developed by a Party under or in connection with this agreement. Foreground IP does not include: Background IP.

(d) Purchaser and Seller will each retain ownership of any Foreground Intellectual Property Rights that are solely created or made by their respective employees, agents or subcontractors (“Personnel”). Purchaser and Seller will jointly own any Foreground Intellectual Property Rights that are jointly created or made by Personnel of both Purchaser and Seller with the ability to grant licenses without consultation and no duty of accounting to each other for any use or purpose. Seller grants to Purchaser and causes its affiliates and Personnel to grant to Purchaser, an irrevocable, worldwide, nonexclusive, perpetual to the maximum extent permitted by law, royalty free, fully paid-up license, with right to sublicense, to all Foreground Intellectual Property Rights to make, have made, use, reproduce, modify, improve, prepare derivative works of, distribute, display, perform, offer to sell, sell and import, without limitation.

(e) Purchaser and Seller will each retain ownership of their respective Background Intellectual Property Rights. Seller hereby grants to Purchaser and causes its affiliates and Personnel to grant to Purchaser, an irrevocable, worldwide, nonexclusive, royalty free, fully paid-up license, with right to sublicense, to all Background Intellectual Property Rights to make, have made, use, reproduce, modify, improve, prepare derivative works of, distribute, display, perform, offer to sell,

sell and import the goods or services that are the subject of this agreement (the “Limited License”), provided that Purchaser, its affiliates or its Customer will only use this Limited License in the event that (i) Seller breaches or repudiates its obligations by being unable or unwilling to deliver goods or services, or (ii) in the event Seller is unable to supply goods or services as a result of a force majeure event or an inability to supply due to production issues, but in such event only for the duration of Seller’s inability to supply. In no event will the term of the Limited License extend beyond the expiration date of this agreement.

(f) For the avoidance of doubt, Purchaser, its Customer, dealers, end users, and subcontractors have the right to repair, reconstruct, remanufacture, reflash, or rebuild the specific goods delivered under this agreement without payment of any royalty to Seller.

(g) When Supplies include computer programs, including, where applicable, object code (including microcode) and source code, and any enhancements, modifications, updates or releases relating thereto (“Software”), Seller shall obtain and provide to Purchaser unrestricted usage rights, which shall be freely transferable, and shall provide Purchaser with all documentation related to the Software, including a Software Bill of Materials, user manuals, training materials, product descriptions and applicable specifications, technical manuals and supporting materials, developed documents, and other printed or electronic information. No Software will contain copyleft materials or materials subject to any license that requires as a condition of use, modification, or distribution thereof, that such materials, or materials combined or distributed with such materials, be (1) disclosed or distributed in source code or similar form, (2) licensed for the purpose of making derivative works, or (3) redistributable at no charge.

**20. Intellectual Property Infringement.** Seller will indemnify Purchaser and its customers against and hold them harmless from all demands, claims, suits, liabilities, damages, judgments, costs and expenses, including attorney’s fees resulting from any alleged infringement of any United States or foreign patent or any other intellectual property rights with respect to the Supplies provided or Services performed under the Contract.

**21. Title and Security Interests.** If full or partial payment is made to Seller prior to the delivery of all Supplies or the performance of all Services under the Contract, title to all Supplies identified to the Contract at the time of such payment or thereafter will pass to Purchaser, and Seller will be deemed a bailee of all Supplies remaining in its possession, but in no event will the risk of loss pass to Purchaser until the Supplies are delivered to the destination specified on the Purchase Order and accepted by Purchaser. Seller agrees to maintain insurance coverage in types and amount satisfactory to Purchaser for all Supplies that are or become so identified at any time to the Contract. Additionally, Seller grants to Purchaser a security interest in all Supplies that are or may become so identified, which security interest will be in addition to all other rights of Purchaser under the Contract or under applicable laws, and Seller agrees to execute financing statements or such other documents as Purchaser may reasonably require to perfect and protect that interest.

**22. Country of Origin.** Upon request, Seller shall promptly furnish to Purchaser all certificates of origin or domestic value-added and all other information relating to the costs and places of origin of the Supplies as may be required by Purchaser to comply with all customs, tariffs and other applicable Laws, including but not limited to Conflict Minerals. Seller shall comply with all such Laws and warrants that any such information that is supplied to Purchaser is true and that all

sales covered by the Order will be made at not less than fair value under the anti-dumping laws of the countries to which the Supplies are exported.

**23. Subcontracts and Resales.** If the Contract indicates that it is being issued pursuant to the terms and conditions of a specific obligation between Purchaser (as a vendor) and another party, Seller will be subject to such terms and conditions to the same extent as Purchaser, including, without limitation, the matters of delivery time, specifications, capacity, liquidated damages, payment and warranties. If the Supplies are completed products which are to be resold by Purchaser in the condition purchased, without further processing, assembly or other manufacture, Seller will indemnify, defend and hold Purchaser harmless from all demands, claims, suits, liabilities, damages, judgments, costs and expenses, including attorney's fees, with respect to any injury to or death of any person or property damage based upon an allegation that such Supplies are defective in materials, workmanship or design, or Seller's failure to comply with the terms of the Contract in any other respect.

**24. Indemnification.** (a) Seller hereby assumes the entire, sole responsibility for any injury to person, including death, or damage to property of any kind or nature caused by, resulting from or in connection with the furnishing of Supplies or Services by Seller, its subcontractors, officers, agents, or employees. Purchaser shall not be responsible for any injury to person or damage to property resulting from use, misuse or failure of any equipment, materials, or apparatus ("Apparatus") furnished to Seller by Purchaser, and the use of any such Apparatus by Seller shall constitute acceptance by Seller of all responsibility for any claims for such injury or damage.

(b) Seller will defend, indemnify, and hold harmless Purchaser, Purchaser's officers, directors, employees, agents, representatives, successors and assigns, Purchaser's customers (both direct and indirect, including manufacturers of vehicles in which the Supplies are incorporated), and dealers and users of the products sold by Purchaser (or the vehicles in which they are incorporated) and the officers, directors, members, managers, partners, shareholders, employees, agents, heirs, successors, assigns and representatives of each (collectively, "Purchaser Indemnified Parties), against all damages, claims, or liabilities and expenses (including attorney's fees and other professionals' fees, settlements, releases and judgments) (collectively, "Losses") to the extent such Losses arise out of or relate in any way to Seller's breach of any representations, warranties or covenants; lack of performance or default in any obligations under the Contract; any cyber theft or cyber breach related to the Supplies or Services; any defect or non-conformance in the Supplies; any negligence or fault of the Seller in connection with the design or manufacture of the Supplies; any recall campaign, corrective service action, or other voluntary or involuntary action in which Purchaser or any Customer participates with respect to the Supplies; any spill, discharge or emission of hazardous wastes or substances; infringement of any intellectual property right or under any other legal or equitable theory related to the Supplies or Services supplied by Seller. Unless Seller has timely notified Purchaser in writing of its desire to undertake the defense of any claim or action for which Purchaser Indemnified Parties may be indemnified, and Purchaser has consented (in its sole discretion and upon such terms and conditions as it may determine) to such defense, Purchaser shall undertake the defense with counsel acceptable to the Purchaser Indemnified Party at Seller's expense, and Seller shall promptly reimburse Purchaser for all Losses upon request, and Seller shall have forfeited the right to contest or otherwise object to the amount, reasonableness, or necessity of such costs and expenses. Seller shall be liable for all costs related to any claim for which Seller undertakes the defense, including, but not limited to, payment of any

judgment or settlement. Seller shall not settle any such claim without prior approval from the Purchaser Indemnified Party.

(c) If Seller performs any work on Purchaser's or Purchaser's customer's premises or utilizes the property of Purchaser or Purchaser's customer, whether on or off Purchaser's or Purchaser's customer's premises: (i) Seller will examine the premises to determine whether they are safe for the requested services and will advise Purchaser promptly of any situation it deems to be unsafe; (ii) Seller's employees, contractors, and agents will comply with all regulations and policies (including safety policies) that apply to the premises; and (iii) to the fullest extent permitted by law, Seller will indemnify and hold Purchaser Indemnified Parties harmless from and against any liability, claims, demands, or expenses (including attorney's fees and other professionals' fees, settlements, releases and judgments) for damages to the property of or personal injuries to any Purchaser Indemnified Parties or any other person or entity to the extent such damages arise out of or relate in any way to Seller's work on the premises or Seller's use of Purchaser's or Purchaser's customer's property.

(d) Seller's obligation to defend and indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise. Purchaser has the right to be represented by and actively participate through its own counsel in the defense and resolution of any indemnification matters, at Seller's expense, even if Seller has undertaken and assumed the defense of any claim. The indemnification obligations of Seller set forth in this Contract, including this Section, are independent of and in addition to any insurance and warranty obligations of Seller. The indemnification obligation under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the benefit of Seller under Workers' Compensation Acts, occupational disease acts, disability benefits acts or other employee benefits acts.

**25. Installation.** In the event the Contract covers installation of Seller's products on Purchaser's premises or on the premises of Purchaser's customers or other work on such premises, Seller will indemnify and hold Purchaser harmless from all Losses with respect any injury or death of any person or property damage arising out of such work by Seller, its subcontractors and the employees, agents or representatives of any of them. Seller will furnish to Purchaser on demand an insurance carrier's certificate showing that Seller has worker's compensation, public liability and property damage insurance with coverages and limits satisfactory to Purchaser.

**26. Causes beyond Purchaser's Control.** The Contract is subject to modification or cancellation by Purchaser in the event of fires, natural disasters, pandemics, accidents, strikes, labor disputes, governmental acts, or any other conditions, whether of the class of causes enumerated below or otherwise beyond Purchaser's control. In such event, Purchaser will have no obligation or liability of any kind to Seller on account of such cancellation or modification.

**27. Force Majeure.** Any delay or failure of either party to perform its obligations 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. By way of example, this includes acts of God; restrictions, prohibitions, priorities or allocations imposed by or actions taken by any governmental authority (whether valid or invalid); embargoes; fires; floods; windstorms; explosions; riots; insurrection; natural disasters; wars; sabotage; inability to obtain power; or court injunction.

Written notice of such delay (including the anticipated duration of the delay) must be given to the other party as soon as possible after the occurrence (but no more than ten (10) days after). During the delay or failure to perform by Seller, Purchaser, at its option: (a) may purchase the Supplies from other sources and reduce its schedules to Seller by such quantities, without liability to Seller; (b) may ask Seller to deliver to Purchaser, at Seller's expense, all finished Supplies, work in process and parts and materials produced or acquired for work under the Contract; or (c) have Seller provide the Supplies from other sources in quantities and at a time requested by Purchaser and at the price set forth in the Contract. In addition, Seller, at its expense, shall take all necessary actions to ensure the supply of the Supplies to Purchaser during any anticipated labor disruption or slowdown resulting from the expiration of Seller's labor contracts. If Purchaser requests, Seller shall, within ten (10) days of Purchaser's request, provide adequate assurance that the delay will cease within 30 days of Purchaser's request. If the delay lasts more than 30 days or Seller does not provide adequate assurances that the delay will cease within 30 days, Purchaser may immediately terminate the Purchase Order and any funds previously paid by or on behalf of Purchaser shall be promptly returned to Purchaser. Strikes, labor disputes, or other foreseeable events affecting Seller's performance of its obligations shall not be considered an event of force majeure.

**28. Disaster Recovery.** Seller agrees to implement disaster recovery procedures and policies that conform to the best standards and practices of Seller's industry to the effect that Seller's performance of this Contract shall continue with no more than minimal interruption in the event of disaster, casualty and/or any other contingency, including labor strikes and other such foreseeable events, contemplated by such disaster recovery procedures and policies. Seller shall give Purchaser prompt notice of any disaster, casualty, potential labor strike, or other contingency which may delay or prevent Seller's performance of this Contract, and Seller shall use its best efforts to resume performance as soon as possible thereafter; provided, that no such disaster, casualty or other such contingency shall operate to limit, diminish, abrogate or delay the exercise of any rights or remedies of Purchaser in the event of any failure of Seller to perform this Contract in accordance with the terms, provisions and conditions thereof.

**29. Transition of Supply.** (a) In connection with the expiration, cancellation or termination of the Contract by either party, in whole or in part, for any or no cause (including, without limitation, Purchaser's decision to change to an alternate source for manufacture of the Supplies whether or not to a Purchaser-owned or operated facility), Seller shall fully cooperate in the transition of supply. Seller will continue production and delivery of all Supplies as ordered by Purchaser, at the prices and in compliance with the terms of the Purchase Order, without premium or other condition, during the entire period reasonably needed by Purchaser to complete the transition to the alternate source, but in no event will such reasonable time be less than thirty (30) days. Subject to Seller's reasonable capacity constraints, Seller will provide special overtime production, storage and/or management of extra inventory of Supplies, extraordinary packaging and transportation and other special services (collectively, "Transition Support") as expressly requested by Purchaser in writing.

(b) At no additional cost to Purchaser, Seller will promptly provide all requested information and documentation regarding, and access to, Seller's manufacturing process, including on-site inspections, bill-of material data, tooling and process detail and samples of Supplies and components. Seller shall provide all notices necessary or desirable for Purchaser to resource the Purchase Order to an alternative supplier.

(c) If and when requested by Purchaser, Seller will return to Purchaser all Purchaser's Property in as good condition as when received by Seller (reasonable wear and tear excepted) and will comply with Seller's obligations relating to Seller's Property in these terms and in relation to subcontracts.

(d) If resource of the Supplies occurs for reasons other than Seller's termination or breach, Purchaser will, at the end of the transition period, pay the reasonable, actual cost of Transition Support as requested and incurred, provided that, upon request, Seller has advised Purchaser prior to incurring such amounts of its estimate of such costs. If the parties disagree on the cost of Transition Support, Purchaser will pay the agreed portion to Seller and pay the disputed portion into third-party escrow for disbursement by arbitration.

(e) In the case of termination, Seller shall provide all reasonable cooperation and assistance to transition the business to Purchaser's designated successor Seller. Seller will timely and fully carry out all other actions necessary or helpful to ensure an orderly transition including, but not limited to bank builds or other actions as directed by Purchaser or Purchaser's customer, and full knowledge transfer to the successor Seller. Seller will act in a manner that is respectful of the successor Seller, and help to ensure continuity of, and minimizes any adverse impact on Purchaser and its customer. Seller will not be entitled to any additional or new compensation in connection with development or execution of the transfer. Seller's obligations under this Section shall be absolute and such obligations may not be withheld or conditioned by Seller for any reason whatsoever, including, but not limited to, any disputes among the parties for payments or otherwise.

**30. Tooling and Equipment.** (a) Seller shall not purchase any tooling or equipment ("Tooling") for the account of Purchaser or charge Purchaser for any Tooling except as authorized in the Purchase Order or in a Tooling purchase order. Seller represents that the price in the Purchase Order or the Tooling purchase order for the tooling is Seller's cost and that there is no mark-up for profit (unless as authorized in this Section or otherwise authorized in writing by Purchaser).

(b) If Seller is responsible for fabricating or acquiring Tooling, such Tooling shall: (i) comply with any specifications provided by Purchaser (or, where directed by Purchaser, those of Purchaser's customer); and (ii) be capable of producing Supplies that satisfy the Purchase Order, including meeting any volume requirements or estimates provided to Seller during the life of the product as well as satisfying the requirements for service parts. Seller represents and warrants that the Tooling fabricated or acquired by Seller does not infringe on the intellectual property of a third-party. Seller shall defend, hold harmless and indemnify Purchaser Indemnified Parties against any suit, claim or action for actual or alleged direct or contributory infringement of or inducement to infringe any intellectual property and against any resulting Losses arising in any way to the Tooling including any claim against Purchaser that the infringement arose out of compliance with Purchaser's specifications. If the use of the Tooling for manufacture of the Supplies is enjoined or, in Purchaser's sole judgment, is likely to be enjoined, Seller will, at Purchaser's election and Seller's sole expense, procure for Purchaser to right to continue using the Supplies or modify the Tooling so it becomes non-infringing. Time is of the essence for Seller's acquisition or fabrication of Tooling. Seller shall provide Tooling progress reports on Purchaser's request and shall promptly notify Purchaser in writing if it believes that the Tooling might not be completed by the completion date specified on the Purchase Order.

(c) If all or part of the fabrication, modification, repair or refurbishment of Tooling will be subcontracted to a third-party toolmaker, the Seller will: (i) give Purchaser advance written notice of the identity of the toolmaker and the location of the Tooling; (ii) inform the toolmaker in writing that it is a bailee-at-will, through the Seller, of Tooling owned by the Purchaser; and (iii) be solely responsible for payments to the toolmaker. The Purchaser has no obligation to the Seller or subcontractor other than payment to the Seller of the Purchase Order. If a subcontractor brings an action against the Seller for payment of the Tooling, the Seller will not join the Purchaser in the action and Seller will take all actions necessary to resolve the action and avoid any disruption in Seller's obligations under the Contract.

(d) Seller shall be entitled to receive payment only after the Tooling is completed. Tooling is not complete until Seller, at its own expense, has successfully completed all required testing (including, for Tooling used in connection with motor vehicle parts production, completion of the PPAP process and signed approval of the PSW, Warrant, or similar documentation) and has submitted all necessary documentation. Seller shall be entitled to receive payment only after and to the extent of, and in proportion to, Purchaser's actual receipt of such reimbursement or other payment from Purchaser's customer.

(e) If Seller's primary business is to fabricate Tooling, Seller will be permitted a reasonable profit percentage as indicated by the Purchase Order. In the absence of a mutually accepted profit percentage, Purchaser will determine a reasonable profit percentage following the completion of its audit. Seller will invoice Purchaser for (and Purchaser will only be obligated to pay) the lower of Seller's actual cost plus such profit percentage or the amount set forth in the Purchase Order.

(f) Seller will provide to Purchaser, as requested, access to Seller's premises and all documentation relating to the Tooling, prior and subsequent to payment, to inspect work performed and to verify charges submitted by Seller against the Purchase Order. For any Tooling or parts thereof that Seller obtains from any third party, Seller will provide Purchaser with such access and documentation to the ultimate production source. Seller will have ninety (90) days from the date Purchaser notifies Seller of Purchaser's intention to audit Seller to provide the requested access and copies of requested documentation for Purchaser's exclusive use and records. Any information submitted following such ninety (90) day period need not be considered by Purchaser. The price set forth in the Purchase Order will be adjusted to credit Purchaser in the amount, if any, by which the price exceeds Seller's actual cost as verified. Seller will not disclose to any third party, except for its attorneys and professional advisors who are required to maintain confidentiality, the results of such Tooling audits or any adjustments made by Purchaser to the prices and amounts payable to Seller as a result of such audit. Seller will retain (and cause its Tooling sub-suppliers to retain) all cost records for a period of three (3) years after receiving final payment of the charges.

(g) To the extent permitted by applicable law, any payments made by Purchaser for Purchaser-owned Tooling that is manufactured by a third-party are expressly intended by Purchaser to be held in trust for the benefit of any subcontractor(s) used by Seller to produce the Purchaser-owned Tooling that are covered by such payments and Seller agrees to hold such payments as trustee in trust for such subcontractor(s) until Seller has paid the subcontractor(s) in full for the Purchaser-owned Tooling. Seller acknowledges and agrees that such subcontractor is an intended third party beneficiary of the terms of this Section relating to the trust and as such, such Tooling subcontractor

shall have the right to enforce these terms of this Section directly against Seller in subcontractor's own name.

**31. Assignment.** Seller may not delegate its duties nor assign its obligations hereunder without the prior written consent of Purchaser. Seller acknowledges that Purchaser has the right to assign this Agreement to its customer.

**32. Insurance.** Seller will maintain insurance coverage with insurance carriers acceptable to Purchaser and in the amounts set forth in Exhibit A. Seller will furnish to Purchaser either a certificate showing compliance with these insurance requirements or certified copies of all insurance policies within 10 days of Purchaser's written request. The certificate will provide that Purchaser will receive 30 days' prior written notice of any termination or reduction in the amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance will not release Seller of any of its obligations or liabilities under this Contract.

**33. Waiver.** Either party's failure to insist on the performance by the other party of any term or failure to exercise any right or remedy reserved in this Contract, or either party's waiver of any breach or default hereunder by the other party shall not, thereafter, waive any other terms, conditions, rights, remedies, breaches or defaults, whether of the same or a similar type or not.

**34. Severability.** If any provision of this Contract, or portion of any provision, is declared or found to be unenforceable, the balance of this Contract or such provision shall be interpreted and enforced to the greatest extent possible as if the unenforceable provision or portion had never been a part.

**35. Survival.** The obligations of Seller to Purchaser survive termination of the Contract, except as otherwise provided in the Contract.

**36. Interpretation.** No provision may be construed against the Purchaser as the drafting party. Section headings are for convenience or reference only, and do not effect the meaning of the Contract.

**37. No Publicity.** Seller will not advertise, publish or disclose to any third party (other than to Seller's professional advisors on a confidential and need-to-know basis) in any manner the fact that Seller has contracted to furnish Purchaser the Supplies covered by the Contract or any terms of the Contract (including prices), or use any trademarks or trade names of Purchaser or its Customer in any press release, advertising or promotional materials, without first obtaining Purchaser's written consent.

**38. Relationship of Parties.** Seller and Purchaser are independent contracting parties and nothing in the Contract will make either party the employee, agent or legal representative of the other for any purpose. The Contract does not grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

**39. Conflict of Interest.** Seller represents and warrants that its performance of the Contract will not in any way conflict with any continuing interests or obligations of Seller or its employees or contractors. Seller further warrants that while the Contract is in effect, Seller and those of its employees and contractors participating in the performance of the Contract will refrain from any

activities which could reasonably be expected to present a conflict of interest with respect to Seller's relationship with Purchaser or its performance of the Contract.

**40. Governing Law.** The Contract will be governed by and interpreted in accordance with the laws of the State of Michigan without regard to conflicts of laws principles. The United Nations Convention on the International Sale of Goods is expressly excluded. Any actions or proceedings by Seller against Purchaser may be brought by Seller only in the State court(s) located in Kent County, MI or any court within the jurisdiction of the United States District Court for the Western District of Michigan.