

AVON AUTOMOTIVE / AKWEL AUTOMOTIVE

STANDARD TERMS OF PURCHASE

These Standard Terms and Conditions of Purchase (“**Standard Terms**”) are part of each purchase order issued by Avon Automotive (including, without limitation, Avon Automotive Holdings, Inc., Petrol Automotive Holdings, Inc., Cadillac Rubber & Plastics, Inc., CT Rubber & Plastics, Inc.) or Akwel (including, without limitation, Akwel USA, Inc., Akwel Automotive USA, Inc., Akwel Cadillac USA, Inc., and Akwel Mexico USA, Inc.), including any of their current or subsequent parents, subsidiaries, or affiliates. “**Buyer**” means the Avon and/or Akwel entity identified on the face of this order. In these Standard Terms, “**goods**” and “**services**” refer to the goods or services described on the face of this order to be purchased by Buyer from the seller named on the face of this order (“**Seller**”), and “**Contract**” refers to the contract formed pursuant to this order.

1. **Agreement.** This order is an offer to buy by Buyer, and Buyer rejects any prior offers to sell made by Seller. If this order nevertheless is in legal effect an acceptance of a prior offer by Seller, then Buyer’s acceptance is conditional upon Seller’s assent to all terms of this order that are additional to or different from the terms of Seller’s offer. By signing and returning a copy of this order, by shipping the goods or performing the services, or by any other conduct that recognizes the existence of a contract, Seller accepts and agrees and assents to all of the terms contained in this order. Any acceptance by Seller is limited to acceptance of these express terms. Any reference in the order to any proposal made by Seller is solely to incorporate the description or specifications for the goods or materials in the proposal, but only to the extent that the description or specifications do not conflict with the description or specifications in the order. Additional or different terms in Seller’s proposal or any attempt by Seller to vary any of the order terms shall be deemed material and are objected to and rejected by Buyer.

2. **Term.** The Program covered by the order has an estimated life (the “Life of the Program”). Unless a specific term is otherwise set forth on the order, the term of the order shall be for the Life of the Program. Seller acknowledges and agrees that the Life of the Program is an estimate only, that the Life of the Program may be terminated or extended at any time by Buyer or Buyer’s Customer(s) (whether direct or indirect), and that any termination or extension of the Life of the Program shall serve to modify the time period of the order, related to that Program, to end the order on the expiration of the Life of the Program.

3. **Price and Payment.** Unless Buyer agrees otherwise in writing, (i) Buyer shall not be required to pay any sales, use or other taxes, including tariffs, arising because of Buyer’s purchase from Seller and (ii) prices shall include storage, handling, packaging and all other expenses and charges of Seller. Buyer shall not be required to pay any late charge, interest, finance charge or similar charge. Buyer’s payment of the purchase price does not indicate its acceptance of the goods or services. Payment terms, including discount periods, shall run from the latest of (i) the scheduled date for delivery or performance, (ii) the actual date of delivery of conforming goods or performance of conforming services, (iii) the date of Seller’s invoice, (iv) in the case of capital equipment,

completion of Buyer’s final inspection and acceptance after installation, and (v) in the case of tooling, approval by Buyer of production pieces produced by the tooling. Seller shall issue invoices for tooling and capital equipment upon Buyer’s approval. Buyer may withhold payment until it receives proof that no liens or encumbrances exist on the goods. Payment shall be made in US Dollars. The price stated in the order shall not be increased unless specifically authorized in a revised order signed by Buyer.

4. **Delivery and Force Majeure.** Unless otherwise specified by Buyer in writing, Seller shall deliver the goods DDP (“delivered duty paid”) (Incoterms 2000) at Buyer’s facility identified in the order, except that if Buyer’s facility and Seller’s facility (from which the goods will be shipped) are both located in the United States, then Seller shall deliver the goods F.O.B. (Uniform Commercial Code term) Buyer’s facility identified in the order, and except that Buyer may at its option take delivery of all or any part of the goods at Seller’s facility. Time and quantities of delivery or performance is of the essence, and Buyer’s stated delivery or performance date, and performance of any other obligations of Seller, shall not be extended or excused for any reason, including anything that Seller cannot control. Seller will pay premium freight costs to meet the delivery dates stated in the order or Buyer’s Releases. Seller will pay any costs incurred by Buyer that result from Seller’s failure to comply with shipping or delivery requirements, including any premium freight costs or charges from Buyer’s Customer(s).

5. **Excess, Installment and Early Deliveries.** If Seller delivers more goods than Buyer ordered, then, unless Buyer agrees otherwise in writing, Buyer shall not have to pay for the excess. Unless Buyer agrees otherwise in writing, Seller shall deliver all of the goods in a single delivery and not in installments. Buyer’s acceptance of a delivery containing less than the required quantity shall not relieve Seller of its obligation to deliver the balance of the ordered goods at the price and on the other terms specified in this order. If Seller delivers the goods before the scheduled delivery date, then Buyer may, at Seller’s expense and risk, either store them or return them to Seller. Buyer’s acceptance of an early delivery shall not change the payment terms.

6. **Export and Import Requirements; Drawback and Refund Rights.** Seller shall prepare, maintain and, to the

extent that that applicable law, regulation or customs authority requires it to do so, submit to the applicable customs authorities, all information and documentation that is necessary to comply with the applicable customs and export and import requirements of each country from which the goods will be exported and each country into which they will be imported, and Seller shall comply with all other applicable customs requirements. Whenever Buyer requests it to do so, Seller shall promptly furnish to Buyer copies of that information and documentation. Seller is solely responsible for complying with all technical compliance and country of origin requirements of each country into which the goods are to be imported. Seller is responsible for obtaining all export licenses or authorizations. Seller will notify Buyer in writing of (i) any material or components used by Seller in filling the order that Seller purchases in a country other than the county in which the supplies are delivered and (ii) any duty included in the purchase price of the goods. Where the goods are manufactured in another country, Seller will mark goods "Made in [country of origin]." Seller warrants that any information that is supplied to Buyer about the import or export of goods is true and that all sales covered by the Contract will be made at not less than fair value under the anti-dumping laws of the countries to which the goods are exported. Seller assigns and transfers to Buyer all transferable customs duty and tax drawback or refund rights relating to the goods, including rights developed by substitution and rights that Seller acquires from its suppliers. Seller shall promptly inform Buyer of each such right and, upon Buyer's request, shall promptly provide to Buyer all documents and information that are required for Buyer to obtain each such drawback and refund. Seller at all times shall maintain, and shall cause each of Seller's suppliers and logistics providers to maintain, at each facility where the goods are manufactured or located, strict security measures that are reasonably calculated to prevent acts of terrorism with respect to the goods.

7. Quantities; Material Releases. Periodically during the Life of the Program, Seller will provide goods or services to Buyer, pursuant to individual releases (each a "Release") issued by Buyer to Seller. Each Release shall set forth the quantity of goods or services, the required delivery date, the delivery point, and any other pertinent details or instructions as Buyer may deem appropriate. Seller is authorized both to produce and deliver goods or services marked as "Fabrication" on the applicable Release. Buyer is not bound to reimburse the Seller for material purchases in excess of the authorized quantity marked as "Fabrication" in the applicable Release for any reason. The quantities and delivery dates set forth in a Release that does not contain any such mark, shall constitute a non-binding supply forecast only. If a Release does not include any authorized approval for fabricating parts, then the Release shall be binding for Buyer and the Seller as follows: For delivery dates and related quantities set within the first 3 weeks from the date of issue, the Release shall be considered as a definite order. For any period beyond that time period, the

Release shall constitute a non-binding supply forecast only. As time is of the essence, any and all timing and processes specified by Buyer in relation to deliveries are legally binding. In the event that Seller fails to deliver fully conforming goods or services by the required delivery date in any Release, Buyer, at its option and in addition to any of its other rights or remedies contained in the Order, may: (a) purchase the goods or services from another supplier, and Seller shall be responsible for any resulting increased costs to Buyer; (b) require Seller to expedite delivery of goods or services at Seller's sole expense; (c) extend the required delivery date; or (d) cancel the applicable Release. References to estimated production volume or tooling capacity are not to be construed as representations of the quantity of goods to be purchased. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which entitles Seller to modify the price for Products. Buyer is not obligated to accept early deliveries, late deliveries or excess deliveries.

8. Open Orders. If no quantity is specifically stated in the order, or if the order contains the term "blanket," "open order" or similar language, then this order is a requirements contract under which Seller is obligated to supply Buyer's requirements of the goods or services specified in the order. Buyer is required to purchase no more than those quantities identified in the Releases that are transmitted to Seller during the term of the Contract. Buyer may purchase any or all of the goods or services from others.

9. Packaging; Marking; Shipping; Disclosure. Seller will (i) properly pack, mark, and ship the goods according to the requirements of Buyer, the carriers and the country of destination, (ii) route the shipments and label each package according to Buyer's instructions, (iii) provide documentation with each shipment showing Buyer's purchase order number, amendment or Release number, Buyer's and Seller's part number, number of pieces and containers in the shipment, Seller's name and number and the bill of lading number, (iv) forward the original bill of lading or other shipment receipt for each shipment according to Buyer's instructions and carrier requirements. Seller will promptly provide Buyer with the following information (a) a list of all materials in the goods, (b) the amount of all materials, (c) information regarding any changes to the materials. Seller will warn Buyer in writing (including appropriate labels) of any hazardous or restricted material that is a part of the goods and any special handling instructions that are need to advise the carriers, Buyer and their employees how to take appropriate measures when handling, transporting, processing, using or disposing of the goods, containers and packing. Seller agrees to comply with all foreign and domestic laws and regulations regarding product content and warning labels. Seller will reimburse Buyer for any expenses incurred as a result of improper packing, marking, routing or shipping.

10. Representations, Warranties and Agreements Concerning Seller. Seller represents and warrants to Buyer that (i) Seller has all necessary experience, qualifications, expertise, authority, licenses and permits to enable it to perform its obligations under the Contract, (ii) the Contract is the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, (iii) Seller is solvent, (iv) Seller has not offered or given, and shall not offer or give, any gratuity or thing of value to any employee of Buyer or of any affiliate of Buyer (v) Seller is and shall continue to be in compliance with all equal employment and affirmative action provisions of Executive Order 11246, the Vietnam Era Veterans' Readjustment Assistance Act ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973 and all implementing regulations under that Order, VEVRAA and Section 503, and (vi) Seller's performance of the Contract does not and will not conflict with any interests or obligations of Seller or its employees or contractors.

11. Representations, Warranties and Agreements Concerning the Goods and Services. Seller represents, warrants and agrees that (i) the goods shall be new, (ii) the goods and services shall be merchantable, of good material, workmanship and quality, fit for the purposes for which Buyer intends them and free from faults and defects, (iii) the goods and services shall conform to any samples, drawings, specifications, performance criteria standards or other requirements that are referred to on the face of this order or that Buyer has otherwise specified or agreed to in writing, (iv) the goods, their manufacture and sale and the services shall comply with all applicable foreign and domestic federal, state and local laws, regulations, rules, standards and orders, including, without limitation, the Fair Labor Standards Act of 1938, the Occupational Safety and Health Act of 1970, and the Michigan Occupational Safety and Health Act of 1974, as amended, and (v) the prices and other terms on which Seller is selling the goods or services to Buyer are not less favorable to Buyer than the prices and other terms on which Seller is currently selling comparable goods or services to others. If Buyer requests it, Seller shall give Buyer certificates of compliance with applicable laws and regulations. Seller agrees, upon Buyer's request, to furnish to Buyer any and all information regarding the ingredients or composition of goods sold or furnished to Buyer by Seller and to comply with any other reasonable request made by Buyer in connection with Buyer's or Seller's compliance with applicable laws, regulations, rules, standards and orders. Buyer's approval of a sample, drawing, specification or standard shall not relieve Seller of any of its warranties under this paragraph, including, without limitation, its warranties of merchantability, fitness for a particular purpose and compliance with laws. Buyer's inspection of or payment for the goods does not constitute acceptance. Seller's warranties extend to future performance of the goods and services and survive inspection, tests, acceptance and payment. The warranty period shall be the

longer of the warranty period provided by law or the warranty period offered by Buyer or its Customer to the end-user of the product in which the goods are installed. Seller's contracts with its subcontractors shall provide Buyer and Buyer's Customers with all of the rights that they have under the Contract.

12. Seller's Quality Control; Inspection of Seller. Seller agrees to participate in all Buyer Supplier and Development Program(s) and to comply with all quality requirements and procedures specified by Buyer, as revised from time to time. In addition, Seller agrees to establish and maintain quality control procedures to satisfy the requirements of Buyer and Buyer's Customers, including, but not limited to, all applicable automotive manufacturer and other automotive industry standards. Buyer has the right to periodically inspect Seller's facility, goods, materials, and property covered by the order to determine Seller's compliance with applicable quality control standards, upon reasonable advance notice to Seller. Buyer's inspection, whether during manufacture, prior to delivery, or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods or services. Further, Seller shall continuously monitor the goods and services and promptly report to Buyer any goods and services that do not comply with specifications, drawings, and all other specifications applicable to the order. The warranties required of Seller in the order shall apply to all goods and services provided by Seller for Buyer. Seller shall promptly notify Buyer of any defects or deficiencies in design (including if Seller has reason to believe that any specification provided by Buyer are not adequate to provide the goods and services that will function throughout the greater of the expected life of the goods or services or the applicable warranty period), manufacture, or in use-performance of the goods relating to the order.

13. Customer Requirements. Seller agrees to comply with the applicable terms and conditions of any agreements ("Customer Agreements") received by Buyer from a third party (each a "Customer"), in which Buyer agrees to supply to Customer, or incorporate into goods supplied to Customer, goods purchased by Buyer from Seller. Buyer may provide Seller with information regarding the Customer Agreements, but Seller shall be responsible for ascertaining any terms and conditions contained in the Customer Agreements that may affect Seller's obligations under the order. Seller will do everything within its control to enable Buyer to meet the terms and conditions of the Customer Agreements. If this section conflicts with any other paragraph in the order, Buyer has the right to elect to have the provisions of this section prevail.

14. Competitiveness. It is agreed and understood between Buyer and Seller that maintaining the competitiveness of the goods is critical for the parties' commercial relationship. "Competitiveness of the goods" is ensured if the goods correspond to comparable goods of competitors in terms of

prices and technology. If a comparable product is offered to Buyer at competitive conditions, Buyer will notify Seller thereof in writing and will set a reasonable period of time for Seller to restore full competitiveness of the goods. Seller will promptly prepare a catalogue of actions that Seller will take to restore competitiveness of the goods, and will furnish Buyer with such catalogue, together with a corrected offer. By means of such corrected offer, Seller shall restore competitiveness of the goods within the period of time set by Buyer. The obligation to maintain competitiveness shall be a material contractual obligation. In the event of any violation of such obligation, Buyer may demand adjustment or terminate the agreement in whole or in part for cause.

15. Material Identification. Seller shall cause all goods delivered to Buyer to be accompanied by a packing list, and Seller shall provide to Buyer at the time Seller performs any service a work order, that specifies (i) the number of this purchase order, (ii) any applicable item number of Buyer, and (iii) the quantity of goods delivered or a description of the services being performed.

16. Indemnity. Seller shall indemnify and hold Buyer and its directors, officers, employees, direct and indirect Customers, and end-users of the goods (“**representatives**”) harmless (and defend Buyer and its representatives if it requests) as to any claims, liabilities, losses, damages and expenses (including, without limitation, actual attorneys’ fees and other legal expenses) brought against or incurred by Buyer or its representatives because of (i) any breach by Seller of any of its warranties to, or agreements with, Buyer, (ii) any claim that any of the goods or services infringes any patent, trademark, copyright or other intellectual property right, anywhere in the world or (iii) any death, injury or damage to any person or property alleged to have been caused by the goods or services or by Seller’s manufacture of the goods or performance of the services.

17. Changes and Inspections. Buyer may at any time, by written notice to Seller, change this order or the Contract as to (i) designs or drawings of or specifications for the goods or services, (ii) time or place of delivery or performance, (iii) supply of raw materials or other components, (iv) method of packing or shipment or (v) quantity of the goods or extent of the services. If this causes a change in Seller’s cost or time of performance, then an equitable adjustment shall be made in the price or time for delivery or performance, or both, if Seller gives Buyer a written request for an adjustment within 10 days after Buyer notifies Seller of the change. Seller will not change the design, specifications, packing, marking, shipping, price or date of delivery of the goods without Buyer’s prior written approval. Buyer’s employees, agents and direct or indirect Customers may at any time enter Seller’s premises to (i) conduct a routine audit for quality, cost or delivery verification and (ii) inspect and test the goods, Seller’s process of manufacture of them and any materials, components or work-in-process that are to be used in their manufacture.

18. Directed Buy Status. In the event Buyer’s Customer requires Buyer to source production of certain goods or services to Seller (each, a “Directed Buy”), Seller acknowledges that, notwithstanding Seller’s negotiations with Buyer’s Customer, these terms shall apply to all production of such Directed Buy goods or services as between Buyer and Seller. Further, Seller acknowledges and agrees that it shall indemnify and hold Buyer harmless from any commercial issue that arises out of the supply of Directed Buy goods or services, which shall be resolved between Seller and Buyer’s Customer directly. Seller shall not be entitled to cease or withhold the timely supply of any goods or services under any circumstances, including, but not limited to, any unresolved commercial issue, including an unresolved commercial issue between Seller and Buyer’s Customer on a Directed Buy good or service.

19. Seller’s Default. Seller will be in default if any of the following occurs (each, a “Seller Default”):

i. Seller breaches, repudiates, or threatens to breach any term in the order, in the Contract, or in any Customer Agreement, including, but not limited to, failing to deliver goods or services in accordance with Buyer’s required quality and quantity terms;

ii. Insolvency of Seller or filing of a voluntary or involuntary petition in bankruptcy with respect to Seller;

iii. Appointment of a receiver or trustee for Seller; or

iv. Execution of an assignment for the benefit of creditors of Seller.

20. Buyer’s Remedies. In the event of a Seller Default, Buyer may exercise any remedies available under applicable law, including, but not limited to:

i. Seller’s immediate correction, repair, or replacement of the goods and services at Seller’s expense;

ii. Suspending payments or performance or canceling all or any part of the balance of any order with Seller; and

iii. Requiring Seller to reimburse Buyer, through debits or otherwise, for all damages suffered due to Seller’s breach, including, but not limited to, incidental, consequential, and other damages, as well as lost profits, actual attorney fees, and court costs.

The remedies in this order shall be cumulative and in addition to any other remedies allowed to Buyer under applicable law, including, but not limited to, the Uniform Commercial Code. No waiver by Buyer of any breach or remedy shall be a waiver of any other breach or remedy.

21. Limitation on Seller’s Remedies. If Buyer breaches any term in the order or in any Customer Agreement, Buyer shall not be liable for any incidental, consequential, indirect, or any other special damages of Seller, including, but not limited to, Seller’s lost profits, attorney fees, and any and all costs of any litigation. Any action against Buyer arising out of the order must be filed within one (1) year after Seller’s claim accrues.

22. Termination.

i. The order is terminable as follows:

1) Breach. Buyer may immediately terminate the order without further obligation in the event of Seller's breach of or Default under the order or any breach of or default under any Customer Agreement. Either party may terminate the order without further obligation in the event the other party fails to perform any material obligation under the order, through no fault of the non-breaching party, which remains uncured after giving twenty (20) calendar days written notice of such material breach. Delays in delivery or repeated deliveries of non-conforming goods or services, which result in Seller's failure to meet its delivery time or goods or services conformity obligations for all goods or services shipped, shall automatically be deemed a failure to perform a material obligation for the purposes of the order.

2) Insolvency, Bankruptcy, or Liquidation. Buyer may terminate the order if Seller: (a) becomes insolvent; (b) makes an assignment immediately or the benefit of creditors; (c) files or has filed against it a petition in bankruptcy; (d) has a receiver appointed for its assets; or (e) is dissolved or liquidated.

3) Termination for Convenience by Buyer. Seller acknowledges and agrees that, in addition to any other rights of Buyer to terminate this order, Buyer may, at its option, immediately terminate all or part of the order or any other agreement between Buyer and Seller, at any time and for any reason, by giving written notice to Seller. Buyer may elect to terminate some, but not all, orders or other agreements between Buyer and Seller, at Buyer's sole discretion. However, upon such termination, Buyer shall pay to Seller the following amounts, without duplication:

a. The contract price for all goods or services that have been completed and delivered in accordance with the terminated order, or in accordance with any other agreement between Buyer and Seller that is terminated, and not previously paid for; and

b. The actual costs of work-in-process and raw materials incurred by Seller in furnishing the goods and services under the terminated order, or under any other agreement between Buyer and Seller that is terminated, to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted commercial accounting principles to the terminated portion of the order, or to any other agreement between Buyer and Seller that is terminated, if any; 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 materials. Buyer will make no payments for finished goods or services, work-in-process, or raw materials fabricated or produced by Seller in amounts in excess of those authorized by Releases, issued by Buyer prior to the date of termination of the order, nor will Buyer make any payments for any undelivered goods or services 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 Releases issued by Buyer prior to the date of termination. Except as provided in this section, Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by others, including, but not limited to, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, or general and administrative burden charges from termination of this or any Releases. Within sixty (60) days from the effective date of termination of the order, or any other agreement between Buyer and Seller that is terminated, if any, Seller shall submit a comprehensive termination claim to Buyer, with sufficient supporting data to permit Buyer's audit, and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer 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;

ii. If a Program is terminated before the conclusion of the estimated Life of the Program, the order for the Program shall terminate effective immediately;

iii. If any competitor of the Seller offers lower goods or services prices and/or payment or delivery conditions, or if the competitive nature of the Seller no longer exists in terms of price, quality, or time schedule for goods and services under the order, or if Buyer's Customer cancels a Customer Agreement, Buyer may terminate the impacted order or any other impacted agreement between Buyer and Seller, without notice. The same shall apply if other technological prerequisites become necessary or there is no further need for the goods or services;

iv. No termination of the order, regardless of the basis for such termination, shall serve to terminate any other order or any other agreement between Buyer and Seller in effect at the time of such termination. Further, the termination of the order or of any other agreement between Buyer and Seller, regardless of the basis for such termination, shall not impact, in any way, the enforceability of all other outstanding

orders or other agreements between Buyer and Seller, each of which shall remain in full force and effect; and

v. The Parties agree that *Paragraphs 10, 11, 16, 19, 20, 21, 22, 23, 24, 25, 27, 31, 32, 33, 35, and 37* of these Standard Terms shall survive and continue to apply following the conclusion of the Life of the Program or an earlier termination of the order or Customer Agreement.

23. Transition of Supply. Upon the expiration or earlier termination of any order for whatever reason, Seller agrees to take such action as may reasonably be required by Buyer to accomplish the transition from Seller to an alternative seller, including, without limitation, the actions set forth below. The term “alternative seller” expressly includes, but is not limited to, a Buyer-owned facility.

i. Seller shall provide all notices necessary or desirable for Buyer to resource the order to an alternative seller;

ii. Seller shall provide a sufficient bank of goods covered by the order to ensure that the transition to any alternative seller chosen by Buyer will proceed with an uninterrupted supply of goods. Unless otherwise specified by Buyer on the face of an order amendment or in a signed writing by Buyer’s designated representatives, a six-week goods inventory bank will be deemed sufficient to accomplish the transition. Such “six-week goods bank” will be calculated using the Releases of Buyer from the six weeks immediately preceding the termination/expiration of this order, not including any temporary interruptions, plant or industry shutdowns, or other reduced schedules;

iii. Seller shall provide to Buyer all Buyer’s Items and any other property furnished by or belonging to Buyer or any of Buyer’s Customers in as good of condition as when received, purchased, or fabricated by or for Seller;

iv. Seller shall, at Buyer’s option: (1) assign to Buyer any or all supply contracts or orders for raw materials or components relating to the order; (2) sell to Buyer, at Seller’s cost, any or all inventory or work-in-process relating to the order; and (3) sell to Buyer, at the unamortized portion of the cost of such items, less any amounts Buyer previously paid to Seller for the cost of such items, any or all property owned by Seller (except for Buyer’s Items, which are or will be, as detailed, above, Buyer’s property) related to production under the order.

24. Buyer’s Property. The right, title, and interest to all supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, designs, drawings, specifications, spare parts, trial parts, ancillary products, items owned by Buyer, and other items (“Tools”) for use in manufacturing goods under the order shall be and remain the property of Buyer or Buyer’s Customer. Seller shall bear the costs of maintaining or repairing and the risk of loss of and damage to the Tools. Seller will: (a) properly house and maintain the Tools on Seller’s premises; (b) not use the Tools for any purpose other than for performance under the order; (c) mark the Tools as property of Buyer or Buyer’s Customer, as appropriate; (d)

refrain from commingling the Tools with property of Seller or with that of a third party; (e) adequately insure the Tools against loss or damage, including, but not limited to, maintaining full fire and extended coverage insurance for replacement value, and naming Buyer as an additional insured; (f) ensure that the Tools do not become subject to any liens or other claims; and (g) not move the Tools to another location, whether owned by Seller or a third party, without the prior written consent of Buyer (except, in the case of an emergency, Seller may move the Tools provided that it gives Buyer notice that the Tools have been moved and the location of the Tools as soon as practicable). Buyer will have the right to enter Seller’s premises at reasonable times to inspect the Tools and Seller’s records pertaining thereto. Seller expressly waives and Releases any and all statutory, equitable, or other liens, including, but not limited to, any molder liens, special tool liens, builder liens, and the like, that Seller has or might have on or in connection with the Tools for any and all work, including, but not limited to, designing, manufacturing, improving, maintaining, servicing, using, assembling, fabricating, or developing the Tools. Seller hereby agrees to indemnify, defend, and hold Buyer harmless from and against any loss, liabilities, costs, expenses, suits, actions, claims, and all other obligations and proceedings, including, without limitation, all attorneys’ fees and any other costs of litigation that are in any way related to releasing, terminating, or otherwise removing any such liens placed on the Tools. Seller will assign to Buyer any claims Seller has against third parties with respect to the Tools. Upon written request, Seller, at its expense, shall immediately deliver the Tools, at Buyer’s option, F.O.B. Carrier Seller’s facility (Ex Works Loaded) or F.O.B. Buyer’s premises (CIF Buyer Plant/Delivered Buyer Plant). The Tools shall be properly packed and marked in accordance with the requirements of the carrier and Buyer. Seller will cooperate fully with Buyer’s removal of the Tools from Seller’s premises. Seller shall assume all risk of death or injury to persons or damage to property arising from the use, maintenance, repair, and shipment of the Tools. Unless otherwise agreed to in writing by Buyer, Seller, at its own expense, shall keep the Tools in good condition and repair, including repair necessitated by wear and tear and other usage by Seller. In the event that it becomes necessary, as determined by either Buyer or Seller, to replace the Tools due to normal use by Seller, or otherwise, said replacement tools shall be at the sole expense of Seller and said replacement tools shall be the property of Buyer. Buyer does not guarantee the accuracy of any Tools or the availability or suitability of any supplies or material furnished by Buyer. Seller assumes sole responsibility for inspecting, testing, and approving all Tools or other materials supplied by Buyer prior to any use by Seller. Seller shall assume all risk of death or injury to persons or damage to property arising from the use, maintenance, repair, and shipment of the Tools or other materials supplied by Buyer and hereby agrees to indemnify Buyer against the same. If Buyer and Seller enter

into a specific tooling agreement with respect to certain Tools, to the extent there is any inconsistency between this section and the terms of the specific tooling agreement, the terms of the specific tooling agreement shall prevail.

25. **Service Parts.** To the extent the order relates to production of component parts (“Parts”) for Buyer, then, in addition to the number of Parts sold by Seller to Buyer to allow Buyer to meet its requirements to its Customer, Seller also agrees to sell to Buyer the number of Parts necessary to allow Buyer to fulfill its past model service and replacement parts requirements during the Life of the Program for which the Parts are produced and for fifteen (15) years following the conclusion of the Life of the Program. Unless otherwise agreed to in writing by Buyer, the per-Part price during the first five (5) years following the conclusion of the Life of the Program shall be the last price for such Part(s) prior to the expiration of the Life of the Program. For the remainder of the fifteen (15) year period, the per-Part price shall be increased only by mutual agreement of Buyer and Seller. Upon request by Buyer, Seller shall make service literature and other materials available at no additional charge to support Buyer’s Parts sales activities.

26. **Government Contracts.** If the goods or services covered by this order are to be used by Buyer in connection with a contract with the United States or other government, then all terms and conditions required by the government contract or by applicable law or regulation to be included in any contract formed pursuant to this order (“**Government Terms**”) are incorporated in this order by reference. If any provision of this order is inconsistent with any Government Term, the Government Term will control.

27. **Insurance.** Seller shall maintain insurance coverage that will fully protect both Seller and Buyer from any and all claims and liabilities of any kind or nature for property damage, personal injury, death and economic damage, to any person, that shall arise from the goods or their use or the performance of the services or any activities connected with the services. Seller shall maintain employee’s liability and compensation insurance that will protect Buyer from any and all claims and liabilities made by Seller or any employee or agent of Seller under any applicable worker’s compensation or occupational disease acts. All insurance required by this paragraph shall be in amounts and coverages, and shall be issued by insurers, that shall be satisfactory to Buyer in Buyer’s sole discretion. All policies shall name Buyer and (if requested by Buyer) Buyer’s Customer as additional insureds and loss payees and shall provide that Buyer shall receive 30 days prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. Upon request by Buyer at any time, Seller shall furnish Buyer with certificates evidencing required insurance.

28. **Prepayment.** If Buyer pays any part of the purchase price of the goods before delivery to Buyer, then (i) title (but not risk of loss) to each item of the goods shall pass to Buyer upon identification of the item to the Contract, (ii) to the

extent necessary to protect Buyer’s title to the goods, Seller grants Buyer a security interest in the goods to secure Seller’s obligation to deliver them to Buyer and all of Seller’s other present and future obligations to Buyer, (iii) Seller authorizes Buyer to file appropriate financing statements to evidence Buyer’s title to the goods and that security interest, and (iv) Seller shall obtain from each person holding a security interest in or lien upon the goods a written agreement releasing that security interest or lien or subordinating it to Buyer’s interest in the goods.

29. **Work on Premises.** If performance of services or delivery or installation of goods by Seller involves operations by its employees or subcontractors on the premises of Buyer or of a Customer of Buyer, then (i) Seller shall at all times enforce strict discipline and maintain good order among all persons engaged in the activity on the premises and shall cause them to comply with all fire prevention and safety rules and regulations in force at the premises and (ii) Seller shall keep the premises free from accumulation of waste materials and rubbish caused by its employees or subcontractors and upon completion shall promptly remove all of Seller’s equipment and surplus materials.

30. **Independent Contractor.** Seller is an independent contractor, and neither Seller nor any of Seller’s employees or agents shall be considered agents or employees of Buyer. Seller shall pay all taxes and furnish, at Seller’s expense, all labor, materials, equipment, transportation, facilities and other items necessary to perform the services.

31. **Confidentiality and Non-Use.** Seller shall not sell or offer to sell or otherwise provide to anyone other than Buyer any goods made in accordance with any drawings, designs or specifications that Buyer furnishes to Seller or that incorporate, embody or are made in accordance with any of Buyer’s intellectual property. Seller shall maintain the confidentiality of, and shall not disclose or use or permit to be disclosed or used or to be viewed by any third party (including any of Seller’s suppliers), the goods, any designs of or specifications for the goods, any Buyer Property or any information concerning Buyer’s business, operations or activities, including, without limitation, information concerning Buyer’s present or proposed products, the terms or existence of the Contract, product developments, plans, strategies, finances, know-how, sales, customers and marketing or sales techniques (“**Confidential Information**”), except that Seller may disclose Confidential Information to a third party (other than a competitor of Buyer or a subsidiary or affiliate of a competitor) to the extent disclosure is necessary in order for Seller to perform its obligations under the Contract. If Seller breaches or threatens to breach this paragraph or **Paragraphs 24 or 32**, then Seller agrees that Buyer’s remedies at law are inadequate. Therefore, Buyer shall have the right of specific performance or injunctive relief, or both, in addition to any and all other remedies and rights at law or in equity, and Buyer’s rights and remedies shall be

cumulative. Seller shall not assert any claim against Buyer or its Customers or suppliers with respect to any technical information that Seller discloses to Buyer in connection with the supply of the goods unless such information is expressly covered by a separate signed confidentiality agreement or license agreement between the parties.

32. Intellectual Property. All inventions (whether or not patentable), devices, technologies, ideas, improvements, processes, systems, copyrights in any copyrightable works, trademarks, trade names, trade dress, service marks, names, software and other works and matters created or developed by Seller in the course of Seller's performance of the services or Seller's design or development of the goods for Buyer, including all proprietary rights in the foregoing ("**Intellectual Property**") shall be the sole property of Buyer, and Seller assigns, and agrees to assign, to Buyer all right, title and interest that Seller now has or in the future acquires in the Intellectual Property. All copyrightable works shall be considered "works made for hire" within the meaning of the federal Copyright Act of 1976, as amended, and under the equivalent laws of any other country. To the extent that any such copyrightable work is not considered a "work made for hire," it shall be the sole property of Buyer, and Seller assigns, and agrees to assign, to Buyer all right, title and interest that Seller now has or in the future acquires in it and in all copyright rights in it. Seller shall sign and deliver to Buyer all assignments and other documents, and Seller shall take all other actions, that Buyer shall request for the purpose of perfecting Buyer's ownership of and title to the Intellectual Property. If the goods or their design are subject to any patent rights or other proprietary rights held by Seller, then Seller grants to Buyer an irrevocable, non-exclusive, royalty-free license of the patent rights and other proprietary rights to the extent necessary to enable Seller to modify, repair or rebuild any or all of the goods. This license is in addition to all licenses impliedly granted to Buyer as a purchaser of the goods.

33. Unsafe, Unfit, or Hazardous Materials. If a governmental agency declares that any of the goods or any ingredient of, or any material included in, any of the goods or any packaging or supplies used in connection with the goods, or if Buyer at any time believes in good faith that any of the goods or any such ingredient, material, packaging or supplies, (a) is or may be adulterated or misbranded (including, without limitation, situations in which a governmental agency determines there is "reason to believe" that there may be adulteration or misbranding) within the meaning of any other applicable federal, state, provincial, local or foreign law, rule or regulation, (b) fails or may fail to conform to an applicable standard or regulation issued, (c) is or may be a misbranded hazardous substance or a banned hazardous substance, (d) does not or may not conform with an applicable consumer product safety standard, or has been declared a banned hazardous product, (e) has a reasonable probability of causing serious adverse health consequences or death to humans or

animals, or (f) is or may be otherwise unsafe or unfit for the intended use of the goods, or, if Supplier receives any correspondence or other information that would reasonably lead Supplier to conclude that any of the declarations set forth as items (a) to (f) above are substantially likely to be forthcoming, then, without limiting other rights and remedies that are available to Buyer under these Standard Terms or applicable law, (i) Buyer or Supplier, as the case may be, shall give the other party written notice of any such declaration or potential declaration, as applicable, and shall furnish to such party copies of the declaration and of all relevant notices, documents and correspondence, (ii) if a declaration has been issued, Supplier shall stop including the ingredient or material in the goods, (iii) if Supplier has failed to produce the goods in accordance with the applicable specifications and such failure is the reason for the declaration or potential declaration, as applicable, Buyer may terminate the Agreement, without liability to Buyer, by giving written notice to Supplier, which shall be effective immediately or on any later date that the notice specifies, (iv) if Buyer does terminate, then (A) Buyer's obligations under the Agreement shall terminate immediately and Buyer shall not be obligated to pay Supplier damages or any other compensation by reason of the termination; and (B) Supplier shall, unless Buyer directs otherwise, stop work and acquisition of materials under the Agreement and protect property in Supplier's possession in which Buyer or Buyer's customer has or may acquire an interest, (v) Buyer shall have the right (A) to recall (i.e. purchase or repurchase) any or all of the goods, and any goods made with or produced by the goods, from its Customers and end-users and any others having possession of the goods, and Supplier shall reimburse Buyer for all reasonable costs that Buyer incurs in doing so and shall assist Buyer and any applicable governmental agency in all reasonable respects in the recall, to the extent that Buyer requires Supplier to do so; and (B) to return to Supplier, at Supplier's expense, all such goods, packaging or supplies that Supplier shall have previously delivered to Buyer and to require Supplier to refund the price to Buyer, whether or not Buyer would then have the right under applicable law to reject or to revoke acceptance of those goods, packaging or supplies; (vi) to the extent that Buyer requests, Supplier shall reasonably assist Buyer in any or all aspects of a recall, including, without limitation, developing a recall strategy and preparing and furnishing reports, records and other information; (vii) if Seller demonstrates to Buyer's satisfaction that there is a safe and fit substitute for any such material, packaging or supplies and that the substitute conforms to all of the requirements of the Contract and that Seller can and will use the substitute in or with respect to the goods, then Buyer shall have the right, but no obligation, in Buyer's sole discretion, to reinstate the Contract and to require Seller to perform in accordance with the Contract, except that Seller shall use the substitute goods or materials; and (viii) Supplier shall pay to Buyer an amount equal to all

reasonable costs that Buyer incurs by reason of the declaration by the governmental agency and/or such good faith belief by Buyer and any resulting recall or delay in performance or return of goods to Supplier and/or any termination of the Agreement by Buyer. Buyer shall have the right to cancel order or Contracts for goods that are (1) subject to a recall, (2) produced at a facility that has received an unacceptable plant audit report, or (3) produced at a facility whose FDA registration has been, or is reasonably expected to be, suspended. Buyer's right to cancel set forth in the immediately preceding sentence extends to all goods affected by the applicable event and to unrelated goods that come from the same facility.

34. Other Terms. Seller shall not have and waives any security interest in or lien (including any statutory or common law lien) upon any Buyer's Items or the goods. Seller may not delegate or subcontract any of its obligations under this order without Buyer's written consent. Buyer may deduct from, and set off against, any amounts at any time owing to Seller under this order any damages or other amounts then owing to Buyer by Seller, whether under this order or otherwise. If at any time Buyer has reasonable grounds for insecurity as to Seller's performance, Seller shall provide adequate assurance of due performance within 10 days after demand by Buyer, which shall be considered to be a reasonable time. Buyer shall continue to have all of its rights under the Contract even if it does not fully and promptly exercise them on all occasions. Buyer's failure to exercise, or Buyer's waiver of, a right or remedy on one occasion is not a waiver of that right or remedy with respect to any future occasion.

35. Governing Law and Venue. This order and the Contract shall be governed by, and interpreted according to, Michigan law, excluding its choice of law rules. Any action based upon or arising out of this order or the Contract must be brought in either a state court of competent subject matter jurisdiction located in Oakland County, Michigan, or a federal court of competent subject matter jurisdiction located in the Eastern District of Michigan. Seller irrevocably consents to personal jurisdiction in such courts and waives any objection that such courts are an inconvenient forum. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this order or any Contract.

36. Complete Agreement. This order, together with any and all Releases and these Standard Terms, contain all terms between Seller and Buyer with regard to the subject matter of the order or Contract and supersedes all prior oral or written representations, agreements, or other communications between Seller and Buyer. The Contract evidenced by the order may be amended only by a writing signed by Seller and an officer of Buyer. Buyer may modify these terms with respect to future orders and Contracts at any time by posting revised terms to its website and such revised terms will apply to all orders issued thereafter.

37. Buyer's Right to Attorney Fees. In the event that either Buyer or Seller brings any action against the other arising out of the sale of goods or services under the Order and Buyer prevails in the action, then Buyer, and Buyer only, shall have the right to recover from Seller, and Seller is obligated to pay to Buyer, Buyer's actual attorneys' fees and any and all costs incurred in or for such action.

REV. 1/31/2019