

# ACUMENT GLOBAL TECHNOLOGIES, INC. PURCHASING TERMS AND CONDITIONS

1. Parties. The Issuer of the attached Purchase Order ("Order") is either Acument Global Technologies, Inc., or one of its subsidiaries or affiliates and is hereafter referred to as "Buyer." The recipient of this Order, the supplier of Goods or Services under this Order is hereafter referred to as "Seller."
2. Terms. Buyer's Order, together with any Schedule, Exhibit, Document and any other Document attached to or referenced therein, along with these Purchasing Terms and Conditions ("Terms") and any documents incorporated by reference herein, shall constitute an offer by Buyer to the party to whom such Order is addressed to purchase the Goods and/or Services described therein and, if accepted according to these Terms, will constitute the exclusive terms of the contract of sale between Buyer and Seller (and may be referred to as the "Agreement"). Buyer's offer is expressly conditioned on Seller's acceptance of these Terms. Any variance from these Terms must be approved by Buyer in writing. Acceptance of this Agreement by acknowledgment, confirmation, shipment of all or a portion of the Goods, or commencing work, or any other conduct that recognizes the existence of a contract by Seller shall be deemed an unqualified, unconditional acceptance of the terms and conditions of this Agreement. Any additional or different terms contained in Seller's acceptance are rejected. All previous offers by Seller are hereby rejected. Buyer shall not be bound by terms additional to or different from those in this Agreement that may appear in Seller's quotations or bids, acknowledgments, invoices or in any other communications from Seller, unless such terms are expressly agreed to in a separate writing signed by Buyer. Any acceptance of any portion of this Agreement shall be deemed an acceptance by Seller of all of these terms as written, without alteration.
3. Prices and Payment. Prices charged for Goods or Services listed in the Agreement are not subject to increase, including specifically any increase based upon changes in currency fluctuations, raw material or component pricing, taxes, tariffs, duties, labor or overhead, unless specifically agreed to by Buyer on the face of a Purchase Order amendment or in a signed writing. Seller represents and warrants to Buyer that the price stated in the Order (which originates from Seller through a Quotation or by other means) is at least as low as the price charged by Seller to other buyers of a class similar to Buyer and under conditions similar to those specified in the Order, and that such prices comply with applicable governmental laws and regulations in effect at the time of such Quotation or price issuance by other means. Unless otherwise specified in the Order, the price stated therein includes any and all other charges for the Goods being ordered, including, but not limited to, any charges for boxing, packing, crating, cartage, taxes, tariffs, duties or any other charges Seller might incur in preparing the goods for delivery. Invoices issued by Seller shall be paid in accordance with any terms stated in the Order, and due dates for payment shall be computed from the date of receipt of both the Goods and invoices by Buyer. Seller agrees that any price reduction required as a result of this price representation regarding any Goods will be applied to all Purchase Orders for shipments of Goods following such price reduction. Additionally, any breach of this price representation and warranty shall authorize Buyer alone to implement a price reduction for this Order either before or after shipment, invoicing and payment.
4. Quantity and Duration.
  - A. The quantity applicable to each Purchase Order, and the duration applicable to each Purchase Order, are as specified on the face of the Purchase Order. If no quantity is specified in the Purchase Order or if the Purchase Order is designated as a "blanket" order, the quantity will be one hundred percent (100%) of Buyer's requirements for the Goods. Seller further acknowledges and agrees that Seller is obligated to provide Goods to Buyer in the quantity specified in any release issued by Buyer ("Release"). A Release will specify a firm quantity of Goods and/or a firm quantity of raw materials/components that Buyer will be responsible for in the event of termination. Releases may include projections regarding estimated needs beyond the firm quantity, but Releases are only binding upon Buyer for, and Buyer will have no obligation or liability beyond, the firm quantity specified in the Release. Seller acknowledges and agrees to accept the risk associated with the lead times of the various components if they are beyond the firm Release quantities provided by Buyer.
  - B. Unless the Purchase Order specifically provides that Seller shall produce one hundred percent (100%) of Buyer's requirements for the Goods, Buyer shall have the right to obtain a portion of such Goods from another third party source or from Buyer's internal sources.
  - C. Unless stated otherwise on the face of the Purchase Order, the duration of each Purchase Order shall be the life of the program(s) into which the Goods ultimately are incorporated, plus applicable service and replacement parts requirements. Buyer and Seller acknowledge, however, this does not affect or otherwise change Buyer's rights of termination set forth herein.
  - D. Upon the expiration of any Purchase Order, Seller shall cooperate with Buyer and provide all reasonably requested support and information required by Buyer to facilitate Buyer's sourcing of the Goods to a replacement supplier.
5. Conformity, Delivery, Title and Risk of Loss. Seller shall deliver Goods to the Buyer that conform to the Agreement, including but not limited, to any specifications provided by Buyer to Seller; and, no deviations from specifications are permitted without Buyer's prior written approval. Time is of the essence of this Agreement, and failure to make timely deliveries in the required quantities is a breach of this Agreement. Seller warrants to Buyer it has title to the Goods and they shall be delivered to Buyer free of all liens or other encumbrances. If requested, Seller shall deliver to Buyer releases of any liens or termination statements for any security interests satisfactory to Buyer prior to final payment on this Order. Title, and all risk of loss and damage to the Goods, shall remain with the Seller until such time as the Goods have been delivered at the DDP (Incoterms 2010) point specified in the Order; provided, however, Buyer and Seller may execute a consignment agreement by which Seller shall maintain title to the Goods following delivery to Buyer's facility until removed from consignment by Buyer, at which time, Buyer shall assume title and risk of loss. Further, title to Goods purchased by Buyer under this Agreement may immediately vest in Buyer at any point where Buyer tenders to Seller: (1) payment for the Goods and (2) written notice of Buyer's desire to take title to the Goods. If the Order for additional services including, but not limited to, unloading, installation, or testing, to be performed after delivery, Seller shall retain title (unless Buyer has paid the invoice) and risk of loss and damage to the material until the additional services have been performed. Acceptance of any part of the order shall not bind Buyer to accept future shipments nor deprive it of the right to return goods already accepted. Notwithstanding the foregoing, if Seller is expressly authorized in writing to invoice Buyer for material upon shipment or prior to the performance of additional services, title to such material shall vest in Buyer upon payment of the invoice, but risk of loss and damage shall not pass to Buyer until completion of the additional services by Seller.
6. Packing and Traceability. All correspondence must include the Order number, Release/Line number and Vendor Identification number. All shipments must include duplicate packing slips indicating contents, part number or description, Order number, Release/Line number and Vendor Identification number. When multiple packages comprise a single shipment, the package containing the packing slip must be marked, "Packing Slip Inside." Any transportation charges paid by Seller, to which Seller is entitled to reimbursement, shall be added to Seller's invoice as a separate item and the receipted freight bill shall be attached thereto. All returnable containers for which Buyer is to be invoiced shall be invoiced by Seller and full credit rendered to Buyer upon return, at Seller's expense. If Goods are shipped in returnable containers, Buyer shall take title only to the usable portion of such Goods and Seller shall retain title to any residue remaining in such containers. Buyer shall have no obligation to clean or otherwise restore returnable containers. Seller warrants that Seller's system of production and packaging shall be such as will permit traceability of each lot of Goods, and shall include bar coding if so requested by Buyer. Seller warrants that the packaging of the Goods ordered herein shall be in compliance with all laws relating to packaging of such Goods and shall be adequate for the transit of the Goods undamaged so long as the integrity of the container is maintained.
7. Premium Shipments; Drafts. If, for any reason, Seller is unable to meet Buyer's delivery requirements, Seller shall immediately notify Buyer, in writing, of its expected duration of the delay and the reasons for such delay. Neither such notification nor an acknowledgment by Buyer shall constitute a waiver of the applicable delivery schedule or any of Buyer's rights under this Agreement. If Buyer requires a more expeditious method of transportation for the Goods other than the transportation method originally specified by Buyer because of Seller's failure or inability to meet the specified delivery schedule, Seller shall, at Buyer's option, (a) promptly reimburse Buyer

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the difference in cost which may be incurred by Buyer between the more expeditious method and the original method, (b) allow Buyer to reduce its payment of Seller's invoices by such difference, or (c) ship the Goods as expeditiously as possible at Seller's expense and invoice Buyer for the amount which Buyer would have paid for normal shipment. Seller shall also be liable for any direct and/or consequential damages incurred by Buyer resulting from any delay caused by Seller. Premium freight must be so noted on shipping documents. Drafts against Buyer will not be honored and C.O.D. shipments will not be accepted unless expressly agreed to in writing by Buyer.

8. Default and Cancellation. Buyer may, in Buyer's sole discretion, elect to cancel this Agreement or any part thereof at no cost to Buyer in the event of Seller's Default as hereinafter described. Seller's Default shall include, without limitation: (a) Seller's failure to comply with the specifications, delivery requirements or terms and conditions of this Agreement; (b) Seller's failure to deliver Goods ordered herein in accordance with the delivery and timing requirement or in accordance with Buyer's specifications; or (c) Seller's threatened or actual refusal to deliver Goods for any reason ("Seller's Default"). In the event of Seller's Default under (c) above, the parties acknowledge and agree that such default by Seller will cause Buyer irreparable harm and Buyer shall be entitled to any and all legal and equitable rights and remedies available to it against Seller to remedy such default, including, without limitation, injunctive relief requiring Seller to deliver the Goods. In case of ambiguity in the specifications, drawings or other requirements of the Agreement, before proceeding, it is Seller's obligation to seek clarification from Buyer, whose written interpretation shall be final. Buyer's right to cancel hereunder shall be in addition to all other rights and remedies available to Buyer under this Agreement, the Uniform Commercial Code or otherwise; and Buyer shall have no obligation for payment to Seller for work in progress or otherwise incomplete Goods.

9. Termination for Convenience. In addition to its other rights and remedies, Buyer shall have the right to terminate the Order and this Agreement in whole or in part, without cause, upon notice in writing to Seller. Seller shall thereupon, as directed, cease work and deliver to Buyer all completed and partially completed Goods or materials and work in process, and Buyer shall pay Seller the following, which in no event shall exceed the total price provided for herein: (a) the applicable price provided in the Order for all Goods which have been completed prior to termination and which are accepted by Buyer, or (b) to the extent commercially reasonable, the actual expenditures on the uncompleted portion of the Order, including cancellation charges paid by the Seller on account of commercially reasonable commitments made under the terminated Order. Seller agrees that it will take all steps reasonably calculated to mitigate and minimize the cost to Buyer of such termination.

### 10. Proprietary Rights and Infringement.

- A. All Goods and Services, including, but not limited to, any idea, invention, concept, design, prototype, product configuration, process, technique, procedure, system, plan, model, program, software or code, data, specification, drawings, diagram, flow chart, documentation, or the like that are created in the course of performing any Purchase Order and any associated intellectual property rights therein are the sole and exclusive property of Buyer. Seller agrees that all works of authorship created by Seller in connection with each Purchase Order are "works made for hire" on behalf of Buyer as that term is used in connection with the U.S. Copyright Act. The term "intellectual property" as used herein means all patents, patent applications, patentable subject matter, copyrights, copyrightable subject matter, work of authorship, derivative works, trademark, trade name, trade dress, trade secrets, know-how, and any other subject matter, material, or information that is considered by Buyer to be proprietary or confidential and/or that otherwise qualifies for protection under any law providing for creating intellectual property rights, including the Uniform Trade Secrets Act.
- B. Seller hereby assigns to Buyer ownership of all right, title, and interest in the Goods and any associated intellectual property, and further agrees to cooperate with Buyer and to assist in the preparation and execution of all documents relating to any effort by or on behalf of Buyer to apply for, obtain, maintain, transfer, or enforce any intellectual property right related to the Goods at the request and expense of Buyer.
- C. Seller expressly warrants that the Goods shall not incorporate any intellectual property (including copyright, patent, trade secret, mask work, or trademark rights) of any third party, and further agrees that Seller shall not disclose to Buyer any confidential information, including any trade secrets, of any third party.
- D. Seller grants to Buyer an irrevocable, non-exclusive, royalty-free, worldwide license with the right to grant sublicenses to affiliates to use any technical information, know how, copyrights, and patents, or other intellectual property owned or controlled by Seller or its affiliates to make, have made, use, sell, and import any Goods provided by Seller under a Purchase Order. Such license shall be effective from the first delivery under a Purchase Order.
- E. Seller undertakes and agrees to exonerate, indemnify, hold harmless and, if requested by Buyer, defend, at Seller's own expense all suits, actions or proceedings brought against Buyer, its affiliates and subsidiaries or any of Buyer's directors, officers, employees, agents, dealers, customers, or the users of any of the Goods purchased under this Agreement for actual or alleged infringement of any intellectual property right including, but not limited to, copyright, trademark, trade secret, United States or foreign letters patent or other proprietary rights of any third party on account of the use or sale of any such Good alone or in combination with other Goods or materials and Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's or its customers' specifications and Seller further agrees to pay and discharge any and all judgments or decrees which may be rendered in any such suit, action or proceeding against any indemnified party.
- F. Seller shall ensure that any subcontractors to Seller have contracts with Seller in writing consistent with the terms of this paragraph to ensure that the protections required by Buyer from Seller are also received from subcontractors for the benefit of Buyer and Seller.

### 11. Warranty.

- A. In addition to Seller's customer warranties, any express warranties set forth in this Purchase Order, any statutory warranties or any warranties implied by law, Seller expressly warrants to Buyer and Buyer's customers that Goods furnished pursuant to this Agreement: (i) will be new, merchantable, free from defects in design (unless manufactured to a design furnished through Buyer) and material, (ii) will comply with all warning requirements and workmanship and will conform to and perform in accordance with the Buyer's specifications for such Goods and all other agreed upon specifications, drawings, models and samples, (iii) do not, and are not claimed to, violate any patent, trademark or copyright, and may be properly imported into the United States or any other country, (iv) shall be free and clear of all liens, claims or other encumbrances, and that Seller is conveying good title to Buyer, (v) are safe, fit and sufficient for the particular purposes intended by Buyer, which purposes Seller acknowledges are known to it, (vi) shall be adequately contained, packaged, marked and labeled; (vii) shall be manufactured in accordance with all applicable federal, state, and local laws, regulations, industry standards or other standards, labeling, transporting, licensing approval or certification requirements in the United States or any other country where the Goods will be sold or used. In the case of Services, in addition to Seller's customer warranties, any express warranties set forth in this Purchase Order, any statutory warranties or any warranties implied by law, Seller expressly warrants to Buyer and Buyer's customers that all Services performed on behalf of Buyer shall be performed in a first class, competent and, workmanlike manner. Seller further agrees that it shall be solely liable for all claims of a defect (or alleged defect) in material, merchantability, workmanship, warning requirements and design (unless manufactured to a design furnished through Buyer) of the Goods, and

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from failure to meet any such specifications. In addition, if Goods furnished contain one or more sellers' warranties, Seller hereby assigns such warranties to Buyer and its customers.

- B. It is agreed that the warranties in this Agreement extend to the future performance of the Goods. All warranties shall survive inspection, acceptance and payment and shall continue, at a minimum, for the longer of: (i) thirty-six (36) months, (ii) such period as Buyer has warranted such Goods, or other items of which the Goods are a component, to its customer, (iii) the period provided under applicable law; or (iv) if the Goods are utilized for new vehicles, the same period as the new vehicle warranty period offered to retail purchasers in the country in which the vehicle incorporating the Goods is sold.
- C. In the event that Buyer or its customer voluntarily or pursuant to a government mandate, makes an offer to owners of vehicles (or other finished products) on which the Goods, or any parts, components or systems incorporating the Goods, are installed to provide remedial action to address a defect or condition that relates to motor vehicle safety or reliability or the failure of the vehicle to comply with any applicable law, safety standard or guideline, whether in connection with a recall campaign or other customer satisfaction or corrective service action (a "Remedial Action"), the warranty period shall continue for such time period as may be dictated by Buyer's customer or the federal, state, local or foreign government where the Goods are used or provided and Seller shall fully comply with the requirements of this Purchase Order. Notwithstanding the expiration of the warranty period, Seller shall nonetheless be liable for cost and damages associated with any Remedial Action to the extent that such Remedial Action is based upon a reasonable determination (including by use of statistical analysis or other sampling methodology) that the Goods fail to conform to the warranties set forth in the Purchase Order. Where applicable, Seller shall pay all reasonable expenses associated with determining whether a Remedial Action involving the Goods is necessary. Buyer and Seller agree that any Remedial Action involving the Goods shall be treated separately and distinctly from similar Remedial Actions of other goods of Seller; provided that such separate and distinct treatment is lawful and Seller shall in no event fail to provide at least the same protection to Buyer on such Goods as Seller provides to its other customers in connection with such similar Remedial Actions.
- D. Seller warrants that its overall equipment (shared and specific) and plant capacity are adequate to meet Buyer's needs while allowing sufficient time for maintenance, repair, and other tasks to be completed by Seller. The requirement for capacity is not a volume, program or other commitment by Buyer.
- E. If Buyer experiences any breaches of the warranties under this Agreement, Buyer shall have the right, in addition to exercising all other rights Buyer may have under the Uniform Commercial Code and any other applicable statutes or law, to take the following actions, at Buyer's option: (i) retain the defective Goods in whole or in part with an appropriate adjustment in the price for the goods; (ii) require Seller to repair or replace the defective Goods in whole or in part at Seller's sole expense, including all shipping, transportation, and installation costs; (iii) correct or replace the defective Goods with similar items and recover the total cost relating thereto from Seller, including the cost of product recalls; or (iv) reject the defective Goods.
- F. Seller waives any claim against Buyer and its customers, including any hold-harmless or similar claim, whether known or unknown, contingent or latent, in any way related to a claim asserted against Seller or Buyer for breach of warranty infringement of any patent, trademark, copyright or other proprietary right, including claims arising out of compliance with specifications furnished by Buyer.
- G. Seller hereby agrees to indemnify, defend and hold harmless Buyer from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all attorney's fees and all other cost of litigation that are in any way related to releasing, terminating or otherwise removing all such liens placed on the Buyer Property. Seller will assign to Buyer any claims Seller has against third parties with respect to Buyer Property.
- H. Seller acknowledges and agrees that (i) Buyer may not be the manufacturer of the Buyer Property nor the manufacturer's agent nor a dealer therein; (ii) Buyer is bailing the Buyer Property to Seller for Seller's benefit; and (iii) Seller has inspected the Buyer Property and is satisfied that the Buyer Property is suitable and fit for its purposes, and (iv) BUYER HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE BUYER PROPERTY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. Buyer shall not be liable to Seller for any loss, damage, injury or expense of any kind or nature caused, directly or indirectly, by the Buyer Property, including, without limitation, its use or maintenance, or its repair, service or adjustment, or by any interruption of service or for any loss of business whatsoever or howsoever caused, including, without limitation any anticipatory damages, loss of profits or any other indirect, special or consequential damages. Seller shall assume all risk of death or injury to persons or damage to property arising from use of the Buyer Property.

12. **Quality Assurance.** If Seller supplies Goods for use in production under ISO9000, AS9100D, VDA 6.1, IATF16949 or any other quality assurance system specified by Buyer or its customers, Seller shall comply with such quality system standard for such Goods covered by any Order. Seller agrees to permit Buyer or its customers to review Seller's procedures, practices, processes and related documents to determine such acceptability. This requirement is in addition to any special quality assurance provisions which may be incorporated elsewhere in this Agreement. All of Seller's quality-related books and records shall be kept complete and available to Buyer or its customers during the term of this Agreement and for such longer period and in such manner as may be specified by quality system standard, Buyer or required by law.

**If Seller supplies Goods for use in Aerospace, Seller further agrees to the following:**

- A. Goods and materials must be processed in accordance with any specifications noted on the Purchase Order, must be aerospace grade and must be compliant to Defense Federal Acquisition Regulations ("DFAR"). Test reports must include actual test results and include statement that the Goods and materials are DFAR compliant.
- B. Seller agrees that all personnel approving material for use in the manufacture of Goods must be full-time employees of Seller who have successfully completed qualification training. Records of said training must be available for review by the Buyer.
- C. In accordance with aerospace industry standards, Acument Global Technologies Aerospace division uses a combination of Work In Process (WIP) Lot number and heat number for identifying each lot, and each lot consists of one and only one coil. Therefore, Seller agrees that during processing, no other lots or other product is to be commingled with Goods or materials intended for sale to Acument Global Technologies Aerospace division(s).
- D. Seller agrees to process all Goods in accordance with process requirements set forth in the Purchase Orders (and all standards referenced therein) and inspection instructions, including without limitation sample size, process drawings, and other relevant technical data.
- E. When applicable, Buyer shall provide to the Seller requirements for testing, examination, inspection, or related instructions with respect to the Goods.
- F. Seller agrees to comply with Buyer's requirements for test specimens such as production method, number, and storage conditions (when applicable) without deviation.

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- G. Seller agrees to notify Buyer in writing of suspect or non-conforming Goods within 24 hours of discovery. Approval and acceptance of Seller's suspect or non-conforming Goods requires notification to Buyer's customer(s) of the issue, and approval of the deviation by said customer(s).
- H. Seller agrees that any change in specifications, process, methods, inspection criteria, lubricants, perishable tooling, cutting fluids, etc., are prohibited without the prior written approval of Buyer's Quality Management. Seller further agrees that out-sourcing of Goods intended for sale to Acument Global Technologies Aerospace division is prohibited without prior written approval from Buyer's Quality Management. If the Buyer's Quality Management agrees to the out sourcing of Goods or process from the Seller to a sub-tier supplier, all requirements and obligations set forth in the Purchase Order, specifications, key characteristics, sampling plan, blueprints, gages, etc., must be adhered to and satisfied by the sub-tier supplier.
- I. Seller agrees that all Goods sold to Buyer must be released under positive recall (as described in AS9100) at all times.
- J. In addition to the requirements set forth in this Agreement concerning Insurance, Seller agrees that it will maintain aviation products and grounding liability insurance with a combined single limit for bodily injury and property damage in the amount of \$5,000,000 per occurrence and in the annual aggregate including 100% grounding liability.

13. Inspection and Rejection of Goods. All Goods furnished hereunder and all records to be furnished therewith shall be subject to inspection at destination, notwithstanding any previous inspection, and Seller shall be given notice of any defects other than latent defects within a reasonable time after receipt of the Goods. Buyer may reject or require the prompt correction, in place or otherwise, of any Goods which are defective in material, workmanship, design (unless manufactured to a design furnished through Buyer) or which otherwise fail to meet the requirements of the applicable Order. Buyer may, in addition to any rights it may have by law, prepare for return shipment and return the Goods to Seller or require Seller to remove them, and the expense of any such action, including, transportation both ways, if any, shall be borne by Seller. If Seller fails promptly to remove such Goods or to proceed promptly to replace or correct them, Buyer may replace or correct such Goods at the expense of Seller, including any excess cost. Payment for any or all of the Goods or services supplied hereunder shall not constitute acceptance by Buyer. Nothing in this paragraph shall in any way limit Buyer's rights under the paragraphs hereof entitled "Warranty" or "Indemnification".

14. Indemnification. Seller hereby agrees to exonerate, defend, indemnify and hold Buyer harmless; and, if requested by Buyer, to defend Buyer and its affiliates and subsidiaries or any of Buyer's directors, officers, employees, agents, dealers, customers, or the users of any of the Goods purchased under the Agreement against and from any and all claims, actions, costs, losses, liabilities and damages (including expenses relating to defense, such as reasonable attorney's fees and expenses) arising from a defect or an alleged defect (including, without limitation, failure to warn) in the Goods or other breach of this Agreement, whether such liability arises as a matter of contract (e.g., warranty, repair, replacement, downtime of a customer's assembly line, recall, etc.) or tort (injury to property or person), including, without limitation, all liability for incidental, consequential or special damages. Buyer may, at its option, tender the defense of any claim of liability against Buyer to Seller, in which case Seller shall have the right to settle any such claim provided such settlement is at Seller's expense and involves no action or forbearance by Buyer. Buyer retains the right to defend such claim itself, but subject to indemnification by Seller. Buyer and Seller agree to cooperate reasonably in any such defense.

15. Audit and Inspection. Buyer, and its personnel and customers, shall have the right, but not the obligation, from time to time to send to Seller's manufacturing facilities its personnel for performing tests upon the material or Goods covered by any Order to ascertain that specified quality standards are being maintained. Buyer's personnel shall have the privilege of visiting all places within the various facilities where raw materials, components or equipment are stored or where manufacturing is being accomplished incident to fulfilling any Order. Buyer's personnel shall also have the privilege of using Seller's test equipment for the purpose of performing necessary tests. Seller shall permit Buyer and its representatives to review Seller's books and records concerning compliance with each Purchase Order and Seller's overall financial condition and agrees to provide Buyer with full and complete access to all such books and records for such purpose upon Buyer's request. Seller agrees that, if Seller experiences any delivery or operational problems, Buyer may, but is not required to, designate a representative to be present in Seller's applicable facility to observe Seller's operations. Seller agrees that, if Buyer provides to Seller any accommodations (financial or other, including providing designated representatives as set forth above) that are necessary for Seller to fulfill its obligations under any Purchase Order, Seller shall reimburse Buyer for all costs, including attorneys' and other professionals' fees, incurred by Buyer in connection with such accommodation and shall grant a right of access to Buyer to use Seller's premises, machinery, equipment and other property necessary for the production of Goods covered by such Purchase Order (and a lien to secure the access right) under an access and security agreement.

16. Supplementary Information. Any specifications, drawings, notes, instructions, engineering notices, technical data, or terms and conditions of Buyer's customer referred to in the Order and this Agreement shall be deemed to be incorporated herein by reference as if fully set forth. In case of any discrepancies or questions, Seller shall refer such matters to Buyer's Supply Chain department for decision, instruction or interpretation.

17. Buyer's Proprietary Property. All specifications, blueprints, technical documents, instructions, molds, models, casts, formulas, sketches, drawings, manufacturing processes, know-how, software and software protocols, electronic commerce system information, inventory management system information, and other business information supplied to Seller under this Agreement or prepared for Buyer under this Agreement shall be proprietary to Buyer ("Buyer's Proprietary Property") and shall remain the sole property of Buyer, except that exclusive designs developed by Seller prior to the placement of a Purchase Order shall remain the property of Seller. Buyer's Proprietary Property shall be kept confidential, shall not be used by Seller, its agents, representatives or employees for any purpose except in connection with the work to be done by Seller for Buyer under this Agreement, and shall not be used disclosed or made available to any other third party by Seller or its agents, representative or employees. By its acceptance of this Agreement, Seller agrees to take all necessary precautions against theft, destruction, damage, loss, unauthorized duplication or wrongful distribution, or unauthorized use of Buyer's Proprietary Property. Unless otherwise agreed to by Buyer in writing, Buyer's Proprietary Property shall be returned to Buyer upon completion of production or processing or earlier, upon Buyer's demand.

18. Information Disclosed to Buyer. Unless specifically provided in this Agreement or expressly agreed to in writing by Buyer, no information or knowledge heretofore or hereafter disclosed to Buyer, in the performance of or in connection with this Agreement, shall be deemed to be confidential or proprietary, and any such information or knowledge shall be free from any restrictions (other than a claim for patent infringement) as part of the consideration for this Purchase Order.

19. Waiver. The failure of either party at any time to enforce any right or remedy available to it under this Agreement or otherwise with respect to any breach or failure by the other party shall not be construed to be a waiver of such right or remedy with respect to any other breach or failure by the other party.

20. Property Furnished by Buyer.

- A. Except as specified below, all patterns, dies, molds, tools, models, jigs, core boxes, piece parts, samples, materials, drawings, specifications, test reports, technical material, advertising material, and any other personal property furnished to Seller by Buyer, or specifically paid for by Buyer for use in performance of the Order ("Buyer Property"), shall be and remain the property of Buyer, shall be subject to disposition according to Buyer's Instruction and shall be used only in filling orders from Buyer. Any such property furnished by Buyer to Seller shall be appropriately maintained by Seller in order to preserve the condition of such property to the greatest extent possible, reasonable wear and tear excepted. Any waste materials or byproducts generated by or resulting from operations on, use of, or processing of materials furnished to Seller by Buyer, or materials specifically paid for by Buyer for use in performance of an Order, shall be and remain the property of Seller and shall not be subject to

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disposition to Buyer's instruction, unless Buyer has specifically requested, in writing, return of such waste materials or byproducts, which in such case will be the property of Buyer.

- B. Seller will (i) properly house and maintain the Buyer Property on Seller's premises; (ii) not use the Buyer Property for any purpose other than for performance under the Purchase Order; (iii) prominently mark the Buyer Property as property of Buyer; (iv) refrain from commingling the Buyer Property with the property of Seller or with that of a third party; (v) adequately insure the Buyer Property 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; (vi) take reasonable steps to ensure that the Buyer Property does not become subject to any liens or other claims; and (vii) not move the Buyer Property to another location whether owned by Seller or a third party, without the prior written consent of Buyer.
- C. Buyer will have the right to enter Seller's premises at reasonable times to inspect the Buyer Property and Seller's records pertaining thereto. Seller expressly waives and releases, and agrees not to file or otherwise assert or prosecute or suffer to permit any statutory, equitable or other liens, including but not limited to equitable or other liens, including but not limited to any molder liens, tool liens, builder liens and the like, that Seller has or might have on or in connection with the Buyer Property for all work, including but not limited to, designing, manufacturing, improving, maintaining, servicing, using, assembling, fabricating or developing the Buyer Property.

21. **Insurance.** Seller agrees that it will maintain primary, worldwide (when appropriate) insurance in an amount not less than \$1 million per occurrence, combined single limit for death, bodily injury and property damage against all liability arising out of the manufacture, sale and use of Goods sold by Buyer, regardless of the date of the occurrence creating such liability. Buyer shall be named as an additional insured under a broad form vendor's endorsement to such policy. Seller will provide Buyer with a certificate of such insurance. At least seven (7) days prior to the start of work on Buyer's premises, Seller shall submit copies of certificates of insurance and policies from insurance companies acceptable to Buyer, for the following types of coverage and minimum limits: (1) Worker's Compensation and Occupational Disease Insurance, and U.S. Longshoremen & Harbor Workers' Compensation Insurance (where required), in statutory limits in accordance with applicable local and federal laws. (2) Employer's Liability Insurance in a minimum limits of \$1,000,000 each accident and \$1,000,000 each employee and policy limit for Disease; (3) Automobile Liability Insurance with a minimum Combined Single Limit of \$ 1,000,000 covering all owned, non-owned and hired vehicles used by Seller in the performance of services hereunder. (4) Commercial General Liability Insurance for Bodily Injury and Property Damage in minimum limits of \$1,000,000 each Occurrence, \$300,000 each occurrence for damage to rented premises, \$1,000,000 for Personal Injury and Advertising Injury; \$2,000,000 in the aggregate for products and completed operations; and \$2,000,000 General Aggregate. (5) Umbrella liability insurance in the amount of \$5,000,000 each occurrence and in the aggregate. All insurance will be written by companies licensed to do business in the state where the services will be rendered and who carry an AM Best's rating of no less than A-VII. All certificates of insurance shall be accompanied by an endorsement issued by the respective insurers providing that no policy will be cancelled or non-renewed without providing Buyer with thirty (30) days' prior written notice. It is Seller's responsibility to determine the adequacy of any subcontractors' insurance and indemnification obligations.

22. **Work on Buyer's Premises.** In addition to other terms contained herein, if this Order requires Seller to perform any services upon property (real or personal) owned or controlled by Buyer, the following shall apply:

(a) Seller agrees to furnish to Buyer, as a condition precedent to final payment, a complete release of all liens, together with a certificate by Seller that the release contains the signatures of all those who performed services or furnished materials under this Order.

(b) Seller agrees to exonerate, indemnify, defend and hold harmless Buyer, and its directors, officers, employees and agents, from and against any and all claims and demands (including costs, litigation expenses and counsel fees incurred in connection therewith) arising out of injury to, or death of, any person whatsoever or injury or damage to property of any kind by whomsoever owned, or the environment, arising out of the performance by Seller, Seller's subcontractors or Seller's agents of any work which is the subject of the Order.

23. **U.S. Fastener Quality Act and TREAD ACT.** In the event that the U.S. Fastener Quality Act (FQA) or the Transportation Recall Enhancement, Accountability, and Documentation (TREAD ACT) applies to any Goods furnished under this Agreement, Seller shall comply with all requirements of the FQA and TREAD ACT and applicable regulations, including without limitation, regulations pertaining to manufacturer's insignia, manufacturer's record of conformance, and record keeping. Seller represents and agrees that all fasteners furnished under this order which are covered by the FQA will have been manufactured in accordance with the FQA. Seller agrees to furnish to Buyer (or Buyer's customers if requested by Buyer) a manufacturer's record of conformance as necessary in support of compliance with the FQA and the TREAD ACT. Seller agrees that any such record (or copies thereof) may be furnished by Buyer to its customers or other parties requiring such documents.

24. **Compliance with Laws; Conflict Minerals.** Seller represents that the Goods covered by this Agreement, together with their containers and other packaging, have been manufactured in accordance with the requirements of all applicable federal, state, local and foreign laws, ordinances, regulations and codes ("laws and regulations") and safety constraints on restricted, toxic and hazardous materials, as well as environmental, electrical, and electromagnetic considerations applicable to the country of manufacture and sale. Seller further agrees to furnish Buyer, upon request, a certificate attesting to such compliance in such form as Buyer may require. Seller and all persons furnished by Seller shall comply at their own expense with all such applicable laws and regulations from which liability may accrue to Buyer for any violation thereof by Seller, and including the identification and procurement of required permits, certificates, licenses, insurance, approvals and inspections in performance under this Agreement. Seller agrees to indemnify, defend (at Buyer's request) and save harmless Buyer, its affiliates, its and their customers and each of their officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorney's fees) that arise out of or result from any failure to do so.

Seller recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten, gold and other designated minerals (collectively, "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("Covered Countries"). Accordingly, Seller commits to comply with Section 1502 of the Act and its implementing regulations. In particular, Seller commits to implement a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides to Buyer; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the Covered Countries directly or indirectly support unlawful conflict there, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Seller shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

25. **Export Controls.** Seller agrees to comply with all applicable U.S. export and import control regulations, including but not limited to, the Export Administration Regulations (EAR), 15 C.F.R. Part 730 et seq., and the International Traffic in Arms Regulations (ITAR), 22 C.F.R. Part 120-130 as well as sanctions laws and regulations administered by the Office of Foreign Assets Control. In particular, Seller certifies that:

- (a) Seller maintains an effective export/import compliance program.

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- (b) If Seller is engaged in the business of manufacturing, exporting and/or brokering defense articles or defense services, Seller maintains a current registration with the Department of State's Directorate of Defense Trade Controls, as applicable.
- (c) Seller will obtain all export licenses, import permits and/or other authorizations that may be required as part of the delivery of Goods under this Purchase Order;
- (d) Seller will not provide or otherwise disclose any of Buyer's export controlled products or technology—either directly or indirectly—to any Foreign Person (as defined by the EAR and the ITAR) without obtaining the necessary export authorization.
- (e) Seller shall immediately notify Buyer if Seller or any of its principals becomes ineligible to engage in export activities or receive exports or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. government agency.
- (f) To the extent Seller is a U.S. company, Seller agrees to identify in writing the U.S. export controls applicable to the items being provided to Buyer. Such controls include whether or not the items are ITAR controlled or EAR controlled or controlled for export by any other U.S. government agency. To the extent the items are ITAR controlled, Seller agrees to identify the applicable U.S. Munitions List category. To the extent the items are EAR controlled, Seller agreed to identify the applicable Export Control Classification Number (ECCN), down to the paragraph or subparagraph level.

26. NAFTA, Certification of Origin and Duty Drawback. With respect to all Goods delivered from any point within the NAFTA territory (Canada, Mexico and the United States of America), Seller shall provide, with its invoice, a North American Free Trade Agreement Certificate of Origin on U. S. Customs Form 434 or the corresponding Canadian or Mexican form. Seller agrees to transfer to Buyer all customs duty and import drawback rights, if any (including rights developed by substitution and rights which may be acquired from Seller's suppliers), related to the Goods and which Seller can transfer to Buyer. Seller agrees to inform Buyer promptly of any such rights and to supply all documents which Buyer may request or which may be required to enable Buyer to obtain such customs duty and import drawback rights. Seller shall indemnify and hold harmless Buyer, its subsidiaries and affiliates, its and their customers and each of their officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorney's fees) that arise out of Seller's non-compliance with U.S. or foreign customs laws or regulations.

27. Equal Opportunity. This Agreement shall be deemed to include, to the extent applicable hereto: (a) the Equal Employment Opportunity Clause referred to in Executive Order 11246, as amended, (b) all provisions of 41 CFR 60-250, as amended, pertaining to Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era where the value of Goods or services furnished hereunder exceeds \$10,000, (c) all provisions of 41 CFR 60-741, as amended, pertaining to Affirmative Action for Handicapped Workers where the value of the Goods and services furnished hereunder exceeds \$2,500, and (d) similar applicable requirements of any state or local law.

28. Changes. Buyer may at any time, by written order, make changes or additions within the general scope of this Agreement. If any such change causes any increase or decrease in the cost of, or the time required for, performance of this Agreement, Seller shall notify Buyer in writing, and the parties agree that an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of this Agreement. Any claims by Seller for upward adjustment of price or time requirements must be asserted within thirty (30) days after Seller's receipt of notice of the change from Buyer. Nothing herein shall excuse Seller from proceeding with the Agreement as changed.

29. Publicity, Promotion or Advertising. Seller shall not, without Buyer's prior written consent, issue any news release, advertisement, publicity or promotional material regarding this Agreement, including denial or confirmation thereof.

30. Insolvency. If Seller ceases to conduct its operations in the normal course of business, including inability to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency laws is brought against Seller or commenced by Seller on its own behalf, or if a receiver for Seller is appointed or applied for, or if an assignment for the benefit of creditors is made by Seller, Buyer may terminate this Agreement without liability, except for deliveries previously made or for Goods covered by this Agreement then completed and subsequently delivered in accordance with the terms of this Agreement.

31. Confidentiality.

- A. Seller acknowledges and agrees that it will be obligated to maintain the secrecy and confidentiality of all information disclosed by Buyer to Seller during the course of work under any Purchase Order ("Confidential Information"), including, but not limited to, any information regarding Buyer or its business or its customers, the existence and terms of any request for quotation or Purchase Order, and any drawings, specifications, or other documents prepared by either party in connection with any request for quotation or Purchase Order. Seller agrees that it will not disclose Confidential Information to or use Confidential Information with or for the benefit of itself or any third party without prior written authorization from Buyer. Seller also agrees to adopt measures to protect the secrecy and confidentiality of Confidential Information that are reasonable under the circumstances. Confidential Information shall not include any information that : (a) was in the possession of Seller before receipt from Buyer; (b) is or becomes available to the public through no fault of Seller; or (c) is received by Seller in good faith from a third party having no duty of confidentiality to Buyer.
- B. The obligations of Seller with respect to Confidential Information shall remain in effect during the time that any Confidential Information is considered by Buyer to be secret or confidential or otherwise qualify for protection under the Uniform Trade Secrets Act.
- C. All information provided by Seller to Buyer in connection with each Purchase Order shall be disclosed on a non-confidential basis, and Buyer shall have no duty to maintain the secrecy or confidentiality of such information.
- D. At the request of Buyer, Seller will return to Buyer all materials (in any form) that include, incorporate, or otherwise Confidential Information of Buyer.
- E. Seller shall not sell or dispose of, as scrap or otherwise, any completed or partially completed or defective Goods manufactured hereunder without defacing or rendering them unsuitable for use.

32. Setoff and Recoupment.

- A. In addition to any right of setoff or recoupment allowed by law, all amounts due Seller, or any of its subsidiaries or affiliates shall be considered net of indebtedness or obligations of Seller, or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries or affiliates, and Buyer may setoff against or recoup from any amounts due or to become due from Seller, or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries or affiliates however and whenever arising, including but not limited to the Buyer's attorneys' fees and costs of enforcement. In the event that Buyer or any of its subsidiaries or affiliates reasonably feels at risk, Buyer may withhold and recoup a corresponding amount due Seller or any of its subsidiaries or affiliates to protect against such risk.

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- B. An "affiliate" of a party means any other company that controls, is controlled by, or is under common control with such party. For purposes of this definition, the term "control" means the ownership, directly or indirectly, of twenty percent (20%) or more of the capital or equity of a company or the ability, by voting securities, contract or otherwise, to elect a majority of the board of directors or other governing body of such company.
- C. If an obligation of Seller or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries or affiliates is disputed, contingent or unliquidated, Buyer or any of its subsidiaries or affiliates may defer payment of all or any portion of the amount due until such obligation is resolved. Without limiting the generality of the foregoing and by way of example only, in the event of a bankruptcy of Seller, if all of the Purchase Orders between Buyer and Seller have not been assumed, then Buyer may defer payment to Seller, via an administrative hold or otherwise, for Goods against potential rejection and other damages.
- D. In the event of a Seller Insolvency (defined below), Buyer also may setoff, recoup, and/or withhold from amounts due Seller or any of its subsidiaries or affiliates any amounts that Seller is obligated to indemnify Buyer pursuant to this Purchase Order, regardless of whether such amounts become due before or after the filing of a petition for bankruptcy protection by Seller.

33. Limitation of Buyer's Liability. In no event shall Buyer be liable to Seller for anticipated profits or for special, incidental or consequential damages. Without limiting the foregoing, the parties further agree that:

- A. With respect to a claim arising out of or in connection the termination of this Agreement or any Purchase Order, Seller's damages, if any, shall be limited to the amount that Seller could have recovered in the event of a termination for convenience; and
- B. With respect to all other claims, Seller's damages shall be limited to the lesser of: (i) the value of products purchased by Goods from Seller in the three months immediately preceding the alleged breach; or (ii) \$100,000.

34. No Assignment. Seller may neither assign any of its rights nor delegate any of its duties or obligations, whether involuntarily or voluntary, by operation of law or any other manner, without the prior written consent of Buyer and no delegation shall relieve Seller from its duties or obligations hereunder. Any purported assignment of rights or delegation of duties or obligations in violation of the section is ineffective and void *ab initio*.

35. Service Parts. If the Goods are utilized for new vehicles, for 15 years after termination of the current model production of the vehicle involved, Seller shall sell to Buyer quantities of Goods sufficient to fulfill 100% of Buyer's and its customers' service and replacement parts requirements for past model years at the prices then specified in the last Purchase Order for current model production plus any actual net cost differential for required unique packaging, shipping and handling. If a dispute arises between Seller and Buyer regarding the price of service or replacement parts under this paragraph, Seller shall continue to supply Buyer's requirements for service and replacement parts at the production prices set forth in the Purchase Order pending resolution of such dispute

36. Transition. Upon the expiration or earlier termination of any Purchase Order for whatever reason, Seller agrees to take all actions necessary in order to ensure that there is no interruption in the supply of Goods to Buyer. Among other things, Seller agrees to take such actions as may be reasonably required by Buyer to accomplish the transition from Seller to an alternative seller, including without limitation the following

- A. Seller shall provide all notices necessary or desirable for Buyer to resource the Purchase Order to an alternative seller.
- B. Seller shall provide a sufficient bank of Goods to ensure that the transition to any alternative seller chosen by Buyer will proceed smoothly, as reasonably determined by the Buyer. At the Buyer's request, the Seller shall assure proper storage for the bank of Goods, and deliver Goods per standard Releases from the Buyer.
- C. Seller shall provide to Buyer all tooling and any other property furnished by or belonging to Buyer or any of Buyer's customers in as good a condition as when received by Seller, reasonable wear and tear excepted. Buyer and the alternative seller reserve the right to access and actively participate during the disconnect or disassemble process for the Buyer Property. The location, time and date of the exit shall be mutually agreeable between the Buyer and Seller.
- D. Seller shall, at Buyer's option: (i) assign to Buyer any or all supply contracts or Purchase Orders for raw material or components relating to the Purchase Order; (ii) sell to Buyer, at Seller's cost any or all perishable tooling and Goods inventory relating to the Purchase Order; and/or (iii) sell to Buyer any of Seller's Property relating to the Purchase Order, at a price equal to the unamortized portion of the cost of such items less any amounts Buyer previously has paid to Seller for the cost of such items. Seller shall provide documentation supporting the original cost of any unamortized items.
- E. Seller shall cooperate with Buyer and perform a reasonable tooling and property exit process as a standard course of conducting business. Seller also agrees to provide all information requested or required by the Buyer for the transition.
- F. The term "alternative seller" expressly includes, but is not limited to, a Buyer-owned facility.

37. Data Security. For purposes of this Paragraph, "Buyer Data" means all data, content, material, confidential information and other information provided by Buyer to Seller or otherwise transmitted to Seller for use in connection with this Agreement. Seller will maintain and enforce information and data privacy and security procedures with respect to its access, use and storage of all Buyer Data that: (a) are at least equal to industry standards taking into consideration the sensitivity of the relevant Buyer Data, and the nature and scope of the Supplies to be provided, (b) are in accordance with Buyer's reasonable security requirements, (c) comply with all applicable international, foreign, federal, state and local laws, statutes, rules, orders and regulations, and (d) provide reasonably appropriate administrative, technical, and physical safeguards to protect against accidental or unlawful destruction, loss, alteration or unauthorized disclosure, access or use of Buyer Data. Without limiting the generality of the foregoing, Seller will take all reasonable measures to secure and defend its location and equipment against anyone who may seek, without authorization, to modify or access Seller systems or the information found therein without consent. Seller will periodically test its systems for potential areas where security could be breached. Seller will report to Buyer immediately any breaches of security or unauthorized access to Seller systems that Seller detects or becomes aware of. Seller will use diligent efforts to remedy such breach of security or unauthorized access in a timely manner and deliver to Buyer a root cause assessment and future incident mitigation plan with regard to any breach of security or unauthorized access affecting Buyer Data. The requirements of this Paragraph shall apply regardless of whether Seller hosts the Buyer Data itself or through a third party hosting or cloud services provider.

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38. Survival. The provisions of this Agreement which by their nature are intended to survive the termination, cancellation, completion or expiration of this Agreement, including any indemnities, warranties and expressed limitations of or releases from liability, shall continue as valid and enforceable obligations of the parties, notwithstanding any such termination, cancellation, completion or expiration.

39. Governing Law. Except as modified herein, the internal laws of the State of Michigan in general and specifically the Uniform Commercial Code as enacted by the State of Michigan and not the 1980 United Nations Convention on Contracts for the International Sale of Goods shall govern this transaction. The parties do hereby consent that any disputes arising out of these Terms and Conditions or otherwise through the relationship of the parties shall be brought exclusively in the applicable State or Federal Courts located in the State of Michigan.