

**SRG GLOBAL**  
**GENERAL TERMS AND CONDITIONS OF PURCHASE OF PRODUCTION GOODS**

**INTRODUCTION:** *These terms and conditions apply to the purchase of components, materials and applicable services directly used in the production of goods supplied to our customers. Examples include components, finished goods such as clips, badges, fasteners, or injection molding and raw materials such as chemicals, paint, resins, and metals. If you are a supplier of any other goods or services, including office supplies, healthcare, computers, tooling, dies, manufacturing equipment, capital equipment, and the building themselves, these terms and conditions do not apply and are superseded and replaced in their entirety by the General Terms and Conditions for Purchase of Non-Production Goods (Including Equipment) or In-Plant Services.*

**1. The Contract.**

**1.1 Offer and Acceptance.** Each purchase order or purchase order revision ("**Purchase Order**") is an offer to Seller by SRG Global, Inc. or one of its subsidiaries identified in the Purchase Order ("**Buyer**") for the purchase of goods ("**Products**") or services ("**Services**") identified in that Purchase Order. Seller will be deemed to have accepted a Purchase Order as issued upon the first to occur of the following: (1) if Seller fails to object to it in writing within five (5) business days after receipt or begins performance under the Purchase Order, or (2) if Seller acknowledges in writing its acceptance of the Purchase Order. Upon acceptance, the Purchase Order together with these General Terms and Conditions of Purchase, Buyer's then current Supplier Quality Manual (available online at [www.srgglobal.com](http://www.srgglobal.com)), the Supplier Award Letter, the Supplier Confidentiality Agreement and any other documents specifically incorporated in the Purchase Order or separately agreed to in writing and signed by the parties, such as any letter agreement, specifications, drawings, requirements of Buyer's customer, or quality requirements, will become a binding contract between Buyer and Seller (collectively, the "**Contract**"). Acceptance of Buyer's Purchase Order is limited to the specific terms of the Purchase Order and any additions, modifications or different terms proposed by Seller, including any standard terms or forms that Seller may use or submit to Buyer, are expressly rejected and are not part of the Contract unless specifically agreed to in writing signed by an authorized representative of Buyer. Specific terms and conditions set forth in the Purchase Order, any letter agreement between the parties, and the other documents comprising the Contract will take priority over any inconsistent provision in these General Terms and Conditions. As a supplier of the Products or Services identified in the Purchase Order, Seller acknowledges and agrees that Seller is a sub-supplier with respect to parts, components or systems that will be supplied to Buyer's customer, and Seller is responsible for complying with all terms, conditions, standards and quality requirements of Buyer's customer.

**1.2 Changes.** Buyer may from time to time by notice to Seller make changes to the drawings, specifications, materials, packaging, testing, quantity, time or method of delivery or shipment, or similar requirements prescribed in the Contract. At Seller's request with appropriate supporting documentation, the parties may agree upon an equitable adjustment to the Contract prices and times for performance as a result of Buyer's changes, provided, however, that no claim by Seller for an adjustment in the price or in time for performance will be considered unless presented to Buyer in writing within ten (10) calendar days after Seller receives the notice of change from Buyer. Contract changes must be in writing signed by Buyer's authorized representative.

**1.3 Contract Term.** Subject to Buyer's termination rights herein and the survival of Sections 2.3 (Past-Model Service Requirements), Section 7 (Warranties), Section 8 (Product Liability), Section 10 (Intellectual Property Rights), Section 11 (Property), Section 14 (Confidential Information) and Section 20 (Miscellaneous):

(a) If an expiration date or time period is specified in the Purchase Order, the term of the Contract will end on such expiration date or at the end of such time period.

(b) If no expiration date or time period is referenced in the Purchase Order, the term of the Contract shall be as follows: (1) if the Products or Services are associated with a specific original equipment manufacturer ("OEM") vehicle program then the term of the Contract will run for the length of the production life of the applicable OEM vehicle program for which Buyer intends to incorporate the Products or Services, or (2) if the Products or Services are not associated with a specific OEM vehicle program, then the term of the Contract is one (1) year from the date of the Purchase Order and will automatically renew for successive one (1) year periods after the initial term, unless Seller provides written notice to Buyer, no less than one hundred and eighty (180) calendar days prior to the end of the then current term, of Seller's desire that this Contract not be renewed, provided; however, that Buyer may extend the term of this Contract for such period of time as Buyer in good faith determines is necessary to procure an alternative source of supply for the Products or Services to ensure an orderly transition of supply.

## **2. Products and Services.**

**2.1 Quantity.** If quantities are not specified elsewhere in the Contract, or elsewhere in the Contract quantities are specified as "blanket orders", "as released", "as scheduled" or in another similar fashion, then, in consideration for ten U.S. dollars (\$10.00), the payment of which shall be made by Buyer upon the termination or non-renewal of this Contract, Seller grants to Buyer an irrevocable option during the term of this Contract to purchase the Products or Services in such quantities and on such delivery dates and times as indicated in the firm delivery or shipping releases, authorizations, manifest, broadcasts, firm orders, or similar written instructions issued or transmitted by Buyer to Seller from time to time in reference to this Contract. Seller shall deliver such quantities on such dates and times, at the price and on the other terms specified in this Contract; provided that Buyer shall purchase no less than one piece or unit of each of the Products or Services and no more than one hundred percent (100%) of Buyer's requirements for the Products or Services, as applicable. Buyer may return over-shipments to Seller at Seller's expense. Unless otherwise specifically stated in the Contract, the Contract is not exclusive and Buyer may purchase similar products and services from third parties, subject to **Section 10.2**. Any estimates of annual volume or other estimates, forecasts or projections of future anticipated volume or quantity requirements provided by Buyer are provided for informational purposes only, shall not be binding upon Buyer, and may change from time to time, with or without notice to Seller, during the term of this Contract.

**2.2 Current-Model Service Requirements.** During the term of the Contract, Seller will make Products available to Buyer for Buyer's current-model service requirements at the then-current production prices under the Contract. Seller shall be responsible for the storage and maintenance of all tooling necessary to fulfill Buyer's current-model service requirements under this **Section 2.2**, including all costs and expenses related to such storage and maintenance.

**2.3 Past-Model Service Requirements.** Seller will make Products available to Buyer for Buyer's past-model service requirements for (i) the period required by Buyer's customer or (ii) if Buyer's customer has not specified a time period to supply past-model service and replacement parts, fifteen (15) years following the end of the applicable vehicle production program. Seller shall be responsible for the storage and maintenance of all tooling necessary to fulfill Buyer's past-model service and replacement requirements under this Section 2.3, including all costs and expenses related to such storage and maintenance. The price for service and replacement Products shall be the prices specified in the last purchase order for such current model Products plus the actual net cost differential for unique

packaging, shipping and handling. Seller's obligation with respect to past-model service requirements shall survive the termination or expiration of this Contract.

### **3. Delivery.**

**3.1 Packing and Shipment.** Buyer may specify the method of transportation and the type and number of packing slips and other documents to be provided with each shipment. Seller will pack and ship Products in accordance with sound commercial practices and any instructions of Buyer.

**3.2 Delivery Schedules.** Unless otherwise expressly stated in the Contract, all Products shall be delivered by Seller "DDP - Buyer's plant" (as defined in Incoterms 2010), in which case: (i) all transportation charges shall be at Seller's expense; and (ii) Buyer shall not be liable for any insurance, storage, parking or detention charges. Time is of the essence under the Contract, and deliveries must be made both in quantities and at times specified in Buyer's firm releases or delivery schedules. Seller shall be responsible for any premium or special freight required to meet on-time delivery and shall indemnify and hold Buyer harmless from and against any costs or damages incurred by Buyer as a result of or related to late delivery caused by Seller's acts or omissions, including, without limitation, for any stoppage of production lines or extra hours of production. Buyer will be responsible for additional costs of expedited or special freight that Buyer may require solely as a result of changes to its firm releases or delivery schedules.

### **4. Inspection.**

Seller agrees to deliver to Buyer samples of the Products upon request for testing. Buyer shall have the right to inspect and audit the Property (as defined below), operations and facilities related to this Contract, including Seller's quality system, to insure Seller's compliance with the terms of the Contract, Buyer's standards, and Buyer's customers' standards, quality requirements, terms and conditions. Upon reasonable notice by Buyer, Seller shall provide Buyer with reasonable access to its facilities and otherwise cooperate and facilitate any such inspections and/or audits by Buyer. Buyer is not required to inspect Products delivered or Services performed, and no inspection or failure to inspect will reduce or alter Seller's obligations under the Contract.

### **5. Taxes.**

Unless otherwise stated in the Contract, the Contract price includes all applicable federal, state, provincial, and local taxes other than sales, value added, or similar turnover taxes or charges.

### **6. Payment.**

Payment terms are as set forth in the Contract. Seller will promptly submit correct and complete invoices or other agreed billing communications with appropriate supporting documentation and other information reasonably required by Buyer after delivery of Products and performance of Services. Buyer may withhold payment until a correct and complete invoice or other required information is received and verified. Seller will accept payment by check or other cash equivalent, including electronic funds transfer. Buyer will pay Seller in the currency specified in the Contract or, if none is specified, in the currency of Seller's shipping or service location. Buyer may setoff or deduct from sums owed to Seller under the Contract, those sums owed by Seller or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries under any contract between Buyer and Seller or their respective affiliates and subsidiaries.

### **7. Warranties.**

**7.1 Seller's Warranties.** Seller expressly warrants that all Products will: (a) conform to specifications, performance requirements, drawings, samples or descriptions incorporated in the Contract, (b)

conform to all applicable laws, regulations and other governmental requirements, and (c) be merchantable, fit for their intended purpose, of good material and workmanship and free from defects in design (to the extent the design is provided by Seller, its subcontractors, suppliers, or agents, even if the design has been approved by Buyer) and materials. Seller warrants that it will deliver title to any Products free and clear of any liens, claims, or encumbrances, including intellectual property claims. The warranties under this **Section 7.1** will be effective for the longer of: (i) the period provided by applicable law where the Products are used; or (ii) the warranty period provided by Buyer to its customers. In carrying out any Services the Seller will ensure that the best technical practices, skills, procedures, care and judgment will be employed. All warranties contained in this Contract shall run, and all remedies shall be available to, Buyer, its affiliates, subsidiaries, and their customers and all such warranties shall survive any delivery, inspection, acceptance, or payment by Buyer.

**7.2 Non-Conforming Products.** In addition to any other rights specifically provided elsewhere in the Contract, and subject to **Section 7.3**, Buyer, at its option, shall have available as a remedy for Products or Services that do not conform to the warranties in **Section 7.1**, the right to: (a) reject the non-conforming Products or Services; (b) require Seller, at Seller's expense (including applicable shipping costs), to either repair or replace the non-conforming Products or Services, and/or (c) require Seller to implement at Seller's expense, containment, inspection, sorting, and other quality assurance procedures if Buyer reasonably determines (through statistical sampling or other quality assessments) that a substantial quantity of incoming Products does not conform to the warranties in **Section 7.1**. If Seller fails after reasonable notice to use its best efforts and promptly repair or replace non-conforming Products or Services, Buyer may repair or replace the defective Products or Services and charge all related costs to Seller without voiding the warranties herein and without Buyer waiving any other rights or remedies it may have under the Contract.

**7.3 Recalls.** This **Section 7.3** applies to any voluntary or government-mandated offer by Buyer (or the vehicle manufacturer) to vehicle purchasers to remedy an alleged defect that affects consumer or motor vehicle safety or to address an alleged failure of the Products to comply with the warranties set forth in **Section 7.1** (a "**Recall**"). Seller will be liable for all costs and damages incurred by Buyer (including, without limitation, costs for notification, replacement parts, labor, penalties, fines, and buy backs) resulting from, or related to, a Recall.

**7.4 Price.** All pricing is firm and not subject to change unless otherwise expressly stated in the Contract. Seller warrants that the prices for the Products and Services are, and shall ensure that such prices remain, not less favorable to Buyer than the prices currently extended to any other customer of Seller for the same or substantially similar products or services in the same or substantially similar quantities and delivery requirements.

## **8. Product Liability.**

**8.1 Indemnification.** Seller will indemnify, defend and hold harmless Buyer, its affiliates, subsidiaries, partners, directors, officers, employees and agents, against third-party claims or demands for injury or death to persons, property damage, economic loss, and any resulting damages, losses, costs, and expenses (including reasonable fees and expenses of attorneys and their firms, cost of in-house counsel and investigation costs), regardless of whether the claim or demand arises under tort, contract, strict liability, or other legal theories, relating to or arising from defective design (to the extent that Seller has provided a design warranty) or manufacture of Products or provision of Services, failure of the Products or Services to comply with the representations and warranties contained in this Contract, or Seller's failure to fully perform its obligations under the Contract. This indemnity will survive the acceptance of the Products or completion of Services, the expiration of the warranty covering the Products and any expiration or termination of the Contract.

**8.2 Procedure.** Buyer will notify Seller promptly after Buyer becomes aware of the basis for a claim under this **Section 8**. The parties will cooperate with each other to determine the root cause of a defect in or failure of the Products (and related systems and components) and an equitable allocation of responsibility among all responsible parties. Buyer will endeavor to include Seller in settlement discussions where indemnity has been or will be sought from Seller.

## **9. Compliance with Laws.**

**9.1 Applicable Laws.** Seller, and the Products and/or Services supplied by Seller, will comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the Products or Services, including, without limitation, those relating to environmental matters, the handling and transportation of dangerous goods or hazardous materials, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents that neither it nor any of its subcontractors, vendors, agents or other associated third parties will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of the Products or provision of Services under this Contract. Seller agrees to comply with all applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and that neither it nor any of its subcontractors, vendors, agents or other associated third parties will engage in any form of commercial bribery, nor directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority or of any government-owned, government-controlled or government-affiliated entity to obtain or retain any contract, business opportunity or other business benefit, or to influence any act or decision of that person in his/her official capacity. At Buyer's request, Seller will certify in writing its compliance with the foregoing. Seller will indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including, without limitation, legal or other professional fees) arising from or relating to Seller's noncompliance. Seller will provide Buyer with material safety data sheets regarding the Products.

**9.2 Buyer Requirements.** Seller will comply with all of Buyer's requests for information regarding the Products, Services, and the Seller's supply base.

### **9.3 Conflict Minerals.**

(a) Seller agrees to timely respond, following a reasonable due diligence inquiry, to any requests made by, or on behalf of, Buyer for information on the source and chain of custody of any Conflict Minerals (as defined below) necessary to the functionality or production of the Products supplied by Seller to Buyer. In order to comply with this **Section 9.3**, Seller must either (i) register its organization with iPoint Conflict Minerals Program (IPCMP) at: <http://www.conflict-minerals.com> and submit online all requested information, or (ii) complete the Electronic Industry Citizenship Coalition® and Global e-Sustainability Initiative (EICC-GeSI) template at: [www.conflictreesmelter.org](http://www.conflictreesmelter.org) and submit all requested information to the requesting party in Buyer's Supplier Quality organization. If Seller is a smelter, Seller also agrees to comply with the Conflict-Free Smelter Program protocols developed by EICC-GeSI. As used above, the term "Conflict Minerals" means columbite-tantalite, cassiterite, wolframite and gold ores – which are refined into tantalum, tin, tungsten and gold, respectively, or other minerals or compounds that may be designated in the future by the U.S. Secretary of State.

(b) Seller understands and acknowledges that any information provided pursuant to this **Section 9.3** may be provided by Buyer to its customers and may be used by Buyer's customers to comply with their reporting obligations under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Act**"), including filing a Form SD and Conflict Minerals Report with the U.S. Securities and Exchange Commission, and Seller will (i) ensure that the information provided in this regard is current, accurate

and complete, to the best of its knowledge and belief, as of the date of submission, (ii) update such information in a timely manner if the status of any Product supplied by Seller to Buyer changes during Seller's performance of the Contract, and (iii) retain all necessary documentation to support the information provided in response to Buyer's request.

(c) If Seller (i) fails to comply with this **Section 9.3**, or (ii) fails to reasonably demonstrate that all materials processed and/or supplied to Buyer originated from "DRC conflict-free" sources (as that term is defined in the Act), then Buyer may terminate the Contract in whole or in part pursuant to **Section 13.1(a)**.

(d) Seller agrees to include substantially the same requirements set forth in (a) – (c) above in each contract with any of its sub-suppliers that provide any material or sub-component incorporated into Products supplied to Buyer.

## **10. Intellectual Property Rights.**

**10.1 Buyer's Intellectual Property.** Buyer does not transfer to Seller any patent, trade secret, trademark, service mark, copyright, mask work, or other intellectual property right (collectively, "**Intellectual Property Rights**") of Buyer in information, documents, or property that Buyer makes available to Seller under the Contract. Seller may, however, use Buyer's Intellectual Property Rights for the limited purpose of producing and supplying the Products and Services to Buyer. If the Contract requires that Seller develop works of original authorship, ideas, inventions (whether patentable, patented or not), know-how, processes, compilations of information, or other intellectual property (collectively, "**Proprietary Materials**") and such development is paid for by Buyer, then all Intellectual Property Rights in such Proprietary Materials are owned by Buyer.

**10.2 Seller's Intellectual Property.** Except as stated in this **Section 10.2**, Seller does not transfer to Buyer any of Seller's Intellectual Property Rights related to the Products or Services or incorporated in Buyer's Property, other than the right to use, sell, and offer for sale Products supplied by Seller. If Buyer terminates this Contract for cause pursuant to **Section 13.1**, Seller grants to Buyer a non-exclusive, royalty-free right and license, with the right to sublicense to Buyer's subsidiaries and affiliates, Seller's Intellectual Property Rights to make, have made, import, repair, reconstruct, rebuild, relocate, use, offer to sell, and sell the Products and Services covered by the terminated Contract for the balance of the Contract term and the applicable period for supply of past-model service and replacement parts set forth in **Section 2.3**.

**10.3 Infringement.** Seller will indemnify and defend Buyer, its affiliates, subsidiaries and its customers against claims, liabilities, losses, damages, costs, and expenses, including reasonable fees and expenses of attorneys and their firms, cost of in-house counsel and investigation costs, arising out of the actual or alleged infringement by the Products of a third-party Intellectual Property Right in (a) the United States, the European Union, China, Japan, or Mexico, (b) any jurisdiction the Seller is aware the Product will be finally sold to the end user, and (c) any other jurisdiction if Seller is aware of the actual or alleged infringement in that other jurisdiction at the time the Purchase Order is issued and fails to disclose it to Buyer, and provide Buyer the opportunity to withdraw the Purchase Order, before accepting the Purchase Order. If a claim under this **Section 10.3** results, or is likely to result, in an injunction or other order that would prevent Seller from supplying Products to Buyer or prevent Buyer from using Products for their intended purpose, Seller will at its expense either (i) secure a license under the Intellectual Property Right that permits Seller to continue supplying the Products to Buyer, or (ii) modify the Products so that they become non-infringing, so long as the modification does not materially alter the operation or performance of the Products or place them outside the applicable specification as determined by Buyer in its sole discretion, or (iii) replace the Products with non-infringing but practically equivalent Products (equivalency to be determined by Buyer in its sole

discretion). Such options are all without prejudice to the Buyer's right to obtain compensation for any loss or damage sustained.

## **11. Property.**

### **11.1 Buyer's Property.**

(a) Buyer will own the tooling, jigs, dies, gauges, fixtures, molds, patterns, supplies, materials, and other equipment and property used by Seller to manufacture, store, and transport Products or provide Services ("**Property**") if (1) the Property is so designated in the Contract, or (2) Buyer or its customer has provided or paid for the Property directly or indirectly (in each case, "**Buyer's Property**"). Seller will assign to Buyer contract rights or claims in which Seller has an interest with respect to Buyer's Property and execute bills of sale, financing statements, or other documents reasonably requested by Buyer to evidence its or its customer's ownership of Buyer's Property. Seller will indemnify and defend Buyer against claims or liens adverse to Buyer's or its customer's ownership of Buyer's Property except those that result from the acts or omissions of Buyer or its customer. Seller will hold Buyer's Property on a bailment basis and will be responsible for loss or damage to Buyer's Property while in its possession or control. Seller grants to Buyer a limited and irrevocable power of attorney, coupled with an interest, to execute and record on Seller's behalf any notice or financing statements with respect to Buyer's Property that Buyer determines are reasonably necessary to reflect Buyer's interest in Buyer's Property. To the fullest extent permitted by law, Seller waives any lien or similar right (whether mechanics, moldbuilder, molder, special tool builder, UCC or otherwise) it may have with respect to Buyer's Property. Buyer will be responsible for personal property taxes assessed against Buyer's Property.

(b) Seller will (1) maintain, at its expense, Buyer's Property in good condition and repair, normal wear and tear excepted, throughout the useful life of Buyer's Property, (2) use Buyer's Property only for the manufacture, storage, and transport of Products for Buyer unless Buyer otherwise approves in writing, (3) at Buyer's request and expense, mark Buyer's Property as belonging to Buyer or at Buyer's request, its customer, and (4) not remove Buyer's Property (other than shipping containers and the like) from Seller's premises without Buyer's written approval. All replacement parts, additions, improvements, and accessories to Buyer's Property will become part of Buyer's Property unless they can be removed without damaging Buyer's Property.

(c) Buyer will pay for Buyer's Property that it is required to purchase at the amount specified in the Contract or, if no amount is specified in the Contract, at (1) Seller's actual cost of the Buyer's Property, if manufactured by a third party, or (2) Seller's actual cost of purchased materials, components, and services plus Seller's actual cost of labor and overhead allocable to the Buyer's Property, if manufactured by Seller. Unless otherwise stated in the Contract, final payment for Buyer's Property is due net sixty (60) calendar days of the vehicle manufacturer's PPAP (Production Part Approval Process) approval date.

(d) Buyer will have the right to enter Seller's premises to inspect Buyer's Property and Seller's records regarding Buyer's Property. Seller acknowledges that neither Seller nor any other person or entity other than Buyer (or its affiliates or customers if applicable), has any right, title or interest in Buyer's Property except, subject to Buyer's sole discretion, Seller's rights to utilize Buyer's Property in the manufacture of Products under the Contract. Seller will immediately release to Buyer upon request, and Buyer may retake immediate possession of, Buyer's Property and other property of Buyer or its customers at any time, with or without cause and without payment of any kind unless otherwise provided in the Contract. Effective immediately, without further notice or legal action, Buyer, or its designee, has the right to enter the premises of Seller and take possession of all of Buyer's Property without payment of any kind. Seller agrees to cooperate with Buyer if Buyer elects to take possession of Buyer's Property. Seller will release the requested Buyer's Property and other property to Buyer F.C.A. Seller's plant (Incoterms 2010), properly packed and marked in accordance with the requirements of Buyer's carrier. If the release or recovery of Buyer's Property or other property renders

Seller unable to produce a Product, the release or recovery will be deemed a termination of the Contract with respect to that Product pursuant to **Section 12** or **13**, as applicable.

(e) Seller acknowledges that the unauthorized possession of Buyer's Property by Seller would cause irreparable harm to Buyer, Buyer's customer, and others. Therefore, Seller recognizes the right and need of Buyer to obtain immediate relief in the nature of a replevin or claim and delivery action. Accordingly, provided that Seller receives at least twenty-four (24) hours notice of any request for hearings in connection with proceedings instituted by Buyer, Seller waives, to the fullest extent possible under applicable law, the right to notice in excess of twenty-four (24) hours in connection with any judicial proceedings instituted by Buyer. Further, Seller hereby waives any requirement for Buyer to post a bond in a replevin action. Seller shall pay all costs incurred by Buyer, including, but not limited to, reasonable attorney fees, the cost of the bond and sheriff and other court officers' fees in connection with the recovery of Buyer's Property through legal process.

**11.2 Seller's Property.** Seller will own all Property that is not Buyer's Property ("**Seller's Property**"). Seller will at its expense furnish, maintain in good condition, and replace when necessary Seller's Property needed to perform the Contract. While a Contract for Products remains in effect, Buyer may purchase Seller's Property used exclusively to produce those Products and not needed by Seller to produce Products or products for other customers, for a purchase price equal to the lesser of fair market value or Seller's unamortized acquisition cost.

## **12. Termination for Convenience.**

Buyer may terminate this Contract at any time without cause in whole or in part by written notice, whereupon Seller will stop work on the date and to the extent specified in such notice and terminate all orders and subcontracts that relate to the terminated Contract. Within thirty (30) calendar days after receipt of termination notice, Seller shall submit all claims for costs set forth below resulting from such termination. Buyer will have the right to verify such claims by auditing the relevant records, facilities, work or materials of Seller and/or its subcontractors. Buyer will pay Seller the contract price for finished Products or Services accepted by Buyer as well as for the documented actual cost to Seller of work in process and raw materials allocable to the terminated Contract. Such payment shall constitute Buyer's only liability for termination hereunder with title and right of possession to all delivered Products, Services, work in process and raw materials vesting in Buyer immediately upon Buyer's tender of such payment. In no event shall Buyer be required to pay for finished goods, work in process or raw materials which Seller fabricates or procures in amounts that exceed those Buyer authorizes in firm delivery releases nor will Buyer be required to pay for any goods or materials that are in Seller's standard stock or that are readily marketable. Payments made under this **Section 12** will not exceed the aggregate price for finished goods that would be produced by Seller under firm delivery or release schedules outstanding at the date of termination.

## **13. Termination for Cause.**

### **13.1 Termination by Buyer.**

(a) Time is of the essence and Buyer may terminate the Contract, in whole or in part, for default occasioned by any of the following events: (a) Seller's breach of any term of the Contract; (b) Seller's failure to perform in accordance with the requirements of the Contract; or (c) Seller's failure to make progress so as to endanger timely and proper delivery of the Products or completion of the Services as determined in Buyer's sole discretion. With respect to each of items (a)-(c), Seller shall have the opportunity to correct such breach or failure within five (5) calendar days (or such shorter period of time as Buyer may determine, if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such breach or failure. Seller shall be liable for all costs, damages and expenses caused by or resulting from its default under the Contract.

(b) Buyer may terminate the Contract in the event that Buyer no longer requires Seller's Products or Services due to termination or conclusion, in whole or in part, of Buyer's contract with its customer ("**Obsolescence**"). In the event Buyer terminates the Contract due to Obsolescence, Buyer will provide Seller with written notice of such termination. Within 10 business days of receipt of the Obsolescence termination notice, Seller must provide Buyer with a written claim documenting Seller's damages as a result of the Obsolescence (an "**Obsolescence Claim**"). The Obsolescence Claim must be consistent with Buyer's firm releases and must include sufficient supporting data to permit Buyer and its customer to verify and substantiate the Obsolescence Claim. Buyer will not be responsible for reimbursement of any Obsolescence Claim or any damages suffered by Seller related to Obsolescence, but will make reasonable efforts to obtain payment for such Obsolescence Claim from its customer and will reimburse Seller to the extent it is successful in recovering payment of such Obsolescence Claim from its customer. Buyer's rights and remedies herein reserved are cumulative and are in addition to any other or further rights and remedies available to Buyer at law or in equity.

### **13.2 Termination by Seller.**

In addition to the termination rights provided in **Section 13.3**, Seller may terminate this Contract only for default by Buyer in the event that each of the following events occurs: (a) Buyer fails to pay the purchase price for Products or Services, (b) Buyer's non-payment for such Products or Services is thirty (30) or more calendar days past due, (c) such unpaid past due amount is material, (d) Seller first provides Buyer written notice specifying the amounts past due for such Products or Services and Seller's intent to terminate the Contract if such past due amount is not paid; and (e) Buyer, within ten (10) business days following its receipt of such written notice from Seller, does not either (x) pay such past due amounts; or (y) notify Seller that the amounts claimed to be unpaid are disputed by Buyer. Seller's damages in such event shall be limited to the Contract price for delivered finished Products or Services and the actual cost of work-in-process and raw materials in each case to the extent reasonable and authorized in Buyer's firm releases (which will become Buyer's property upon payment in full).

### **13.3 Termination by Either Party.**

Either party may terminate this Contract, without liability to the other party, if: (i) the other party admits in writing its inability to pay its debts as they become due, commences a bankruptcy, insolvency, receivership, or similar proceeding, or makes a general assignment for the benefit of creditors, or (ii) the other party becomes a debtor in a bankruptcy, insolvency, receivership, or similar proceeding commenced by a third party that is not dismissed within 30 calendar days after commencement.

## **14. Confidential Information.**

The non-disclosure or confidentiality agreement between Seller and Buyer (the "**Supplier Confidentiality Agreement**") applies to all confidential information that you may have access to in connection with providing the Products, or Services under the Contract. Seller is responsible for its and its employees', agents', or subcontractors' compliance with the Supplier Confidentiality Agreement. Seller will not, and will cause Seller's employees, agents or subcontractors not to disclose to any third party any information concerning this Contract, the Products or Services without Buyer's prior written permission (except as may be required by law or as reasonably necessary to perform under the Contract). If there is no Supplier Confidentiality Agreement between Seller and Buyer: (i) "**Buyer Information**" means all information that Seller, its employees, agents and subcontractors, receive from Buyer or observe or obtain at Buyer's facilities relating to: the Products, Services, facilities, products, equipment, capabilities, intellectual property, financial information, needs, developments and plans of Buyer, its subsidiaries and its customers; (ii) Seller will not, and will cause Seller's employees, agents or subcontractors not to disclose to any third party or to use for any purpose other than providing goods and services to Buyer and its subsidiaries, any Buyer Information, without Buyer's written permission

(except as may be required by law or as necessary to perform under the Contract); (iii) you will hold all Buyer Information in trust for Buyer's sole use and benefit; and (iv) clauses (i) through (iii) will not apply to information that is publicly known other than through disclosure by or through you, your affiliates or either of your employees, agents or subcontractors.

**15. Assignment and Subcontracting.**

Seller may not assign or subcontract its duties or responsibilities under the Contract without the prior written consent of Buyer, which will not be unreasonably withheld or delayed. Unless otherwise stated in the consent, any assignment or subcontracting by Seller, with or without the required consent, will not relieve Seller of its duties or obligations under the Contract or its responsibility for non-performance or default by its assignee or subcontractor. Buyer may assign its rights and obligations under this Contract without Seller's prior written consent.

**16. Excusable Non-Performance.**

Any delay or failure of either party to perform its obligations shall be excused if it is caused by an extraordinary event or occurrence beyond the control of the non-performing party and without the non-performing party's fault or negligence, such as acts of God, fires, floods, windstorms, explosions, riots, acts of terrorism, natural disasters and wars (hereinafter an "**Excusable Delay**"). In no event, however, will Seller's inability to perform as a result of (i) Seller's insolvency or financial condition, (ii) change in cost or availability of raw materials or components based on market conditions, (iii) change in cost or availability of a method of transportation, (iv) changes in government regulations, taxes or incentives, (v) failure to obtain permits, licenses, or other government approvals, (vi) failure to use available substitute services, alternate sources, work-around plans or other means by which the requirements of a buyer of products substantively similar to the Products would be satisfied, or (vii) labor disruptions, strikes, lockouts and slowdowns affecting a Seller's facilities constitute an Excusable Delay. As soon as possible following the occurrence of an event causing an Excusable Delay the party claiming an Excusable Delay shall provide notice to the other party of the reason(s) for the Excusable Delay, the anticipated duration of the delay and the time in which the delay will be cured. During the delay or failure to perform by Seller, Buyer, at its option, (x) may purchase the Products or Services from other sources and reduce its schedules to Seller by such quantities, without liability to Seller; (y) cause Seller to provide the goods or services from other sources in quantities and at times requested by Buyer at the price set forth in the Purchase Order; or (z) may request Seller to deliver to Buyer at Buyer's expense all finished goods, work in process and parts and materials produced or acquired for work under the Purchase Order. If the non-performing party cannot provide assurances that the delay will last less than thirty (30) calendar days, or if the non-performance exceeds 30 calendar days, the other party may terminate the Contract by notice given to the non-performing party before performance resumes.

**17. Customs.**

Transferable credits or benefits associated with Products purchased, including trade credits, export credits, or rights to the refund of duties, taxes, or fees, belong to Buyer unless otherwise prohibited by applicable law. Seller will provide Buyer with all information and records relating to the Products necessary for Buyer to (1) receive these benefits, credits, and rights, (2) fulfill any customs obligations, origin marking or labeling requirements, and certification or local content reporting requirements, (3) claim preferential duty treatment under applicable trade preference regimes, and (4) participate in any duty deferral or free trade zone programs of the country of import. Seller will obtain all export licenses and authorizations and pay all export taxes, duties, and fees unless otherwise stated in the Contract, in which case Seller will provide all information and records necessary to enable Buyer to obtain those export licenses or authorizations.

## **18. Insurance.**

Prior to commencing work on Buyer's premises or utilizing Buyer's property (including Buyer's Property), Seller will maintain (a) workers' compensation to statutory limits; (b) Employer's Liability Insurance (minimum of \$2,000,000 for bodily injury by accident or disease); (c) Commercial General Liability Insurance including contractual liability, products/completed operations coverage and premises coverage, with limits of not less than \$2,000,000 for each occurrence/combined single limit property damage, bodily injury and personal injury liability; (d) comprehensive automobile liability insurance with limits of not less than \$2,000,000 for each occurrence/combined single limit property damage and bodily injury; and (e) property insurance for all of Seller's property at the worksite, and insurance for the full purchase price of goods sold to Buyer as to which the risk of loss has not passed. All insurance will be primary and non-contributory to any coverage purchased by Buyer. Seller releases Buyer, Buyer's agents and employees, on behalf of Seller and its insurers, from any claims (or rights of subrogation for such claims) to the extent such claims are insured against whether or not such insurance is required by Buyer. All liability insurance will name Buyer as an additional insured. Upon Buyer's request, Seller shall deliver to Buyer a certificate evidencing the insurance requirements set forth in this **Section 18**.

## **19. Labor Disruptions.**

Seller will, at Seller's expense, take such actions as are necessary or appropriate to ensure the uninterrupted supply of goods and services to Buyer for not less than 30 days during any foreseeable or anticipated labor disruption and/or the expiration of any of Seller's contracts. This **Section 19** shall not constitute a waiver of and is without prejudice to, any and all of Buyer's other rights and remedies under this Contract or applicable law, each of which are hereby reserved.

## **20. Miscellaneous.**

**20.1 Advertising.** During and after the term of the Contract, Seller will not advertise, promote, use Buyer's branding images or trademarks or otherwise disclose its relationship with Buyer or Buyer's customers without Buyer's prior written consent, except as may be required to perform the Contract or as required by law.

**20.2 Audit Rights.** Seller will maintain records as necessary to support amounts charged to Buyer under the Contract for the greater of the time period set forth in Seller's document retention policies or seven (7) years. Buyer and its representatives may audit Seller's records of transactions to the extent needed to verify the quantities shipped and that the prices charged match the Contract prices. Any audit will be conducted at Buyer's expense (but will be reimbursed by Seller if the audit uncovers errors in the amounts charged), at reasonable times, and at Seller's usual place of business.

**20.3 Electronic Communication.** Seller will comply with the method of electronic communication specified by Buyer in Buyer's request for quotation and confirmed in the Contract, including requirements for electronic funds transfer, purchase order transmission, electronic signature, and communication. Seller will also make commercially reasonable efforts to comply with any modification to Buyer's specified method of electronic communication after the date of the Contract, subject to **Section 1.2**.

**20.4 Relationship of the Parties.** Buyer and Seller are independent contractors, and nothing in the Contract makes either party the agent or legal representative of the other party for any purpose. Neither party has authority to assume or to create any obligation on behalf of the other party.

**20.5 Waiver.** The failure of either party to enforce any right or remedy provided in the Contract or by law on a particular occasion will not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy.

**20.6 Entire Agreement.** The Contract constitutes the entire agreement between the parties with respect to its subject matter, and supersedes all prior oral or written representations or agreements by the parties with respect to the subject matter of the Contract, including Buyer's request for quotation and Seller's quotation unless specifically incorporated in the Contract. Except as authorized in **Section 1.2**, no subsequent terms, conditions, understandings, or agreements purporting to modify the terms of the Contract will be binding unless in writing and signed by both parties.

**20.7 Severability.** A finding that any provision of the Contract is invalid or unenforceable in any jurisdiction will not affect the validity or enforceability of any other provision of the Contract or the validity or enforceability of that provision in any other jurisdiction. Any declaration of unenforceability of a provision hereof shall be as narrow as possible and shall not void a Purchase Order or any other provision.

**20.8 Interpretation.** When used in these General Terms and Conditions, "including" means "including without limitation" and terms defined in the singular include the plural and vice versa.

**20.9 Notices.** Any notice or other communication required or permitted in the Contract must be in writing and will become effective on the date of actual receipt if the date of actual receipt is a business day or on the next business day if the date of actual receipt is not a business day.

**20.10 Governing Law and Jurisdiction.** Unless otherwise agreed in writing, the Contract will be governed by and interpreted according to the internal laws of the State of Michigan and in accordance with the provisions of this section. The *United Nations Convention on Contracts for the International Sale of Goods* will not apply to the Contract. The parties submit to the jurisdiction and venue of the Circuit Court for the County of Oakland, State of Michigan, or if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan with respect to any action arising, directly or indirectly, out of the Contract or the performance or breach of the Contract. The Buyer and Seller agree that the venues referenced above are convenient and will be the sole forums for any dispute between them.

By signing below, Seller acknowledges and accepts the General Terms and Conditions of Purchase of Production Goods.

**SELLER**

\_\_\_\_\_  
Seller Entity Name

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_