



CRHNA Terms and Conditions Of Purchase

Introductory Statement CRH is a manufacturer of motor vehicle seating components including seat adjusters, seat tracks, frames, and related mechanisms. CRH supplies original equipment vehicle manufacturers directly or through tier one and two seating suppliers. CRH is required to deliver to its customers excellent products that meet stringent industry standards and government regulations, on time and in the quantities required in a "just in time" manufacturing environment. In order to meet the needs of its customers, CRH requires its vendors to meet the quality, cost, quantity, and delivery requirements contained in these Terms and Conditions of Purchase, as well as the other documents which become a part of CRH's agreement to buy goods and services as more particularly described below. Any non-conformity in the goods or services supplied to CRH is material to CRH, no matter how insignificant others may view the non-conformity. Although CRH works closely with its vendors and customers to manage the problems from non-conforming goods, the consequences of non-conformity in the vehicle manufacturing environment can be financially significant and can adversely affect ongoing business. Vendors to CRH are required to recognize and assume these risks and to advise their suppliers of these risks.

Purchasing Documents CRH uses a variety of documents to purchase goods and services. The documents used depend on the nature of the transaction including, for example, the duration of the expected business relationship, whether the seller will be providing parts for regular deliveries, supplying commodities, or providing services. In every case, however, these Terms and Conditions of Purchase will apply to the extent that they are not specifically declared inapplicable in one of the other purchasing documents used in a specific transaction. The following is a description of the most regularly used documents for purchasing goods and services. It is not exclusive, and CRH reserves the rights to use different or additional documents when it buys goods and services.

Purchase Order: A Purchase order constitutes CRH's offer to buy goods and services and either describe the price, quantity, specifications, quality, delivery, and packaging requirements, among other things, for the goods and services being purchased or references documents, drawings, industry standards, specifications, or other attachments that provide such descriptions. It specifically incorporates these Terms and Conditions of Purchase and may be used with other CRH purchasing documents. It may only be accepted on its terms. Any purported acceptance or acknowledgement with different or additional terms is rejected unless the different or additional terms are contained in a writing signed by an authorized representative of CRH. Any tender of performance by a vendor is pursuant exclusively to the CRH Terms and Conditions of Purchase and other purchasing documents.

Supply Agreement: A Supply Agreement is typically used for the purchase of manufactured goods intended to be supplied to CRH by a seller on a periodic basis in quantities and at times specified in a separate document or documents such as a Schedule Order Release. Supply Agreements may be used with or without Purchase Orders and are also used when CRH intends to buy all or part of its requirements for goods or services from a vendor. Supply Agreements usually describe the goods being supplied and the terms and conditions specific to the goods being supplied such as cost, quantity, delivery, and pricing and productivity improvements. The CRH Terms and Conditions of Purchase apply to Supply Agreements unless the Supply Agreement contains specific terms and conditions contrary to or supplementary to the CRH Terms and Conditions of Purchase in which case the specific terms of the Supply Agreement will prevail. The procurement of tooling associated with some Supply Agreements can be addressed in the supply agreement but is often addressed in other purchasing documents.

Schedule Order Release; Release Agreement; or Scheduling Agreement; These documents, sometimes referred to as Delivery Schedules, are intended to control the timing, quantity, and delivery of goods ordered through Purchase Orders or Supply Agreements that contemplate multiple deliveries of goods either on a requirements basis or on a fixed quantity basis with multiple deliveries. It may contain projections of quantities needed throughout the term of the order and may contain or refer to expected quantities for forecasting purposes. The quantities set out in Schedule Order Releases, however, are not agreements by CRH to purchase specific amounts of goods beyond those quantities designated as firm in the Schedule Order Release, the Supply Agreement, or the Purchase Order. These Terms and Conditions of Purchase apply to Schedule Order Releases and remain in full force and effect except as supplemented or amended by other purchasing documents.

Request for Quotation; Request for Proposal; RFQ; This document solicits information from a potential vendor that CRH may use to formulate an offer to purchase goods and services.

Letter of Intent: This document is used to memorialize the good faith of the parties in working to reach an agreement on commercial terms that will be definitively reflected in other purchasing documents. It is not binding unless it makes specific reference to a binding arrangement intended to facilitate the ongoing commercial negotiations of the parties or in cases where exceptionally long lead times for procuring goods and services make some commitments essential to develop business opportunities. To the extent that it binds CRH or seller, these Terms and Conditions of Purchase apply and are an integral part.

Confidentiality Agreement: These documents are sometimes known as non-disclosure agreements and are used to facilitate the exchange of confidential information necessary to explore business opportunities by restricting the use of confidential information by a party who received confidential information from the other party. They do not create agreements to buy goods and services but they do reflect agreements not to use confidential information except as permitted in the confidentiality agreement.

Form of Orders CRH purchase orders, supply agreements, and other associated purchasing documents may be issued to a vendor in hard copy, via facsimile, electronically, by courier, or via any other mode of transmission. CRH may provide an electronic method for communicating the timing, quantity and place for delivery of the goods and services. These Terms and Conditions of Purchase and any other purchasing documents apply to all electronic communications for the purchase of goods and services. Purchasing Documents may refer to CRH as "CRH", "CRHNA", "buyer", "purchaser", or refer to a subsidiary or affiliate of CRH. These terms all mean the CRH entity shown on the purchasing documents or its successor or assigns. The phrase "Buyer's Terms" means these terms and conditions of purchase, any terms contained in any purchasing documents, and any terms and conditions specifically incorporated by reference. "Seller", "supplier", "vendor" or similar term means the company or vendor shown on the face of the purchasing documents. "Goods" or "goods and services" means the products and services of Seller shown on the face of the documents used in purchasing including any and all raw materials, components, tooling, equipment, supplies, and services.



General Terms The following terms are generally applicable to CRH's purchase of goods and services and will apply unless specifically amended or supplemented by other purchasing documents:

1. **Acceptance:** (a) Seller accepts CRH's offer to purchase goods and services when Seller acknowledges CRH's purchasing documents or begins performance in response. Seller's acceptance is limited to acceptance of Buyer's Terms. Buyer objects to and rejects any proposal by Seller for additional or different terms. If Seller proposes any additional or different terms, including terms which relate to the description, quantity, price or delivery schedule of the Goods, Seller's proposal will operate as a rejection of Buyer's offer, and Buyer's Terms will be considered accepted by Seller without Seller's additional or different terms. If this Order is considered an acceptance of Seller's prior offer, Buyer's acceptance is expressly conditional on Seller's assent to Buyer's Terms.

(b) Buyer and Seller agree that, notwithstanding the prior or subsequent use by Seller of any form, invoice or other document containing printed terms or conditions, Seller is contracting solely on the basis of these Terms and Conditions of Purchase and the other purchasing documents, and that all purchasing documents and these Terms and Conditions contain the entire understanding of the parties and are intended as a final expression of their agreement. These documents may not be amended, modified or otherwise supplemented unless such amendments, modifications or supplements are in writing and signed by Buyer's authorized representative. A provision contained in any order form, invoice, or other document used by Seller (whether prior or subsequent to the date of this Order) which is inconsistent with this subparagraph will have no force or effect and will not be binding on the Buyer unless such provision is contained in an order form, invoice, or other document dated subsequent to the date of the Order and signed by Buyer's authorized representative.

2. **Delivery:** (a) Time of delivery is of the essence in this Order. Seller will make deliveries in the quantities and at the times specified in the purchasing documents or in delivery schedules or releases issued ("Delivery Schedules"). If Seller's deliveries fail to meet Buyer's Delivery Schedule, Buyer, in addition to its other rights, (i) may direct expedited routing and charge Seller for any excess costs incurred as a result and (ii) may charge Seller for any costs incurred by Buyer and/or Buyer's customers for production delays caused by Seller's failure to meet such schedules. Such costs may include, without limitation, inbound and outbound premium freight, excess scrap premium and operational and overtime expenses, and charges by CRH customers for production suspensions. Unless otherwise stated, delivery terms shall be FOB CRH's facility or , in the case of goods shipped subject to duty, DDP as described in INCOTERMS 2000.

(b) Due to the uncertain nature of vehicle manufacturing, volume and duration projections contained in purchasing documents are not commitments to buy goods and services or evidence of a requirements contract beyond what is designated as "firm" (or language of similar import) in the purchasing documents. Buyer will not be liable for Seller's commitments or production arrangements in excess of the firm amounts set out in the purchasing documents or in advance of the time required under Buyer's Releases such as Schedule Order Releases. Where deliveries are specified to be in accordance with Buyer's Schedule Order Releases, Releases, or other Delivery Schedule, Seller should not produce any Goods, procure raw materials, or ship any Goods except to the extent authorized by Buyer in writing. Unless this Order expressly requires Seller to manufacture, ship and/or provides a specified quantity of Goods, this Order requires the Seller to supply Buyer's requirements for the Goods, as specified in Delivery Schedules issued by the Buyer. Buyer's requirements are determined by the needs of Buyer's customers and such needs may change from time-to-time. Any projected or estimated volumes provided by Buyer to Seller, or quantities noted as "planning", "forecast" or with words of similar meaning, including forecasted volumes in any requests for quotation, are for planning purposes only and do not represent a commitment or obligation to purchase a specified quantity. If Seller delivers Goods in advance of Buyer's Delivery Schedule, Buyer may either (i) return such Goods at Seller's expense for proper delivery; or (ii) withhold payment for such Goods until the scheduled delivery date and place such Goods in storage for Seller's account until the scheduled delivery date. While the Goods are being returned in accordance with part (i) of the preceding sentence or being retained in accordance with part (ii) of such sentence, the Goods will be at Seller's risk.

Quality: Seller recognizes that buyer is supplying the vehicle manufacturing industry which has stringent quality and performance requirements. Seller will only produce and deliver goods and services in conformity with any drawings, specifications and data which are part of this Order and with any applicable international automotive quality standards and quality programs of Buyer (including, but not limited to, Buyer's Global Supplier Quality Manual) or otherwise described in materials referenced in the purchasing documents or incorporated by reference. Seller must maintain an inspection and quality system acceptable to Buyer and keep adequate, authenticated inspection and test reports, affidavits, certifications and other quality documentation relating to the work performed under this Order. Seller should retain these records for at least fifteen (15) years after completion of this Order unless otherwise specified by Buyer. Seller must make the records available to Buyer upon request. Seller acknowledges that Buyer may reduce its incoming inspection procedures in reliance upon Seller's maintenance of a quality system as required.

3. **Packaging:** a) Seller will supply the Goods in packaging and to the Buyer's standards or as otherwise agreed in writing.

(b) Where the Order allows for returnable packaging to be charged separately by Seller, it will be charged at not more than its actual cost at the date of the Order and will be invoiced separately and credited in full upon return by the Buyer to the Seller or its carrier.

(c) Unless otherwise stated in the Order, the price for the Goods includes the costs of all non-returnable packaging.

4. **Inspection and Acceptance of Goods:** (a) Buyer may inspect all Goods at all times and places, including during the period of manufacture. Such inspection may, at Buyer's option, include confirmation of Seller's compliance with required quality control procedures. Seller will permit Buyer and/or its designee access to Seller's facilities and those of its subcontractors at all reasonable times and will provide all tools, facilities and assistance reasonably necessary for such inspection and/or confirmation at no additional cost to Buyer. Since the suitability of the goods for their intended purpose may not be known until after the goods have left CRH's control, all goods are subject to final inspection and acceptance anytime after delivery to Buyer.

(b) Notwithstanding any acts of Buyer which may be considered under applicable law to constitute acceptance of the Goods, inspection, use, or payment for delivered Goods will not constitute acceptance. Buyer may reject any Goods which do not meet the specifications set forth in this Order.

Buyer may return any such Goods to Seller for reimbursement, credit, replacement or correction as Buyer may direct, or Buyer may correct and/or replace such Goods at Seller's cost. Any Goods rejected by Buyer will be at Seller's risk and expense, and Seller will not later tender such Goods for acceptance unless the former rejection or requirement of correction is disclosed. Seller will reimburse Buyer for any packaging, handling and transportation costs Buyer incurs with respect to rejected Goods. Seller is also responsible for the costs associated with providing buyer's customers with an uninterrupted supply of parts, which can include expedited freight, overtime, inspection costs, warehousing, and other activities associated with handling non-conforming goods including, but not limited to, expenses of recall and shutdown fees from Buyer's customers.

(c) Buyer may revoke its acceptance of Goods at any time, whether or not a substantial modification to the Goods has been made, if a defect in the Goods which could not have been discovered during Buyer's normal inspection procedures or which is not normally discoverable until the Goods are used substantially, impairs the value of the Goods to Buyer.

(d) Neither Buyer's exercise of nor its failure to exercise any rights under this Agreement will relieve the Seller from responsibility for any Goods not in accordance with the purchasing documents requirements or that otherwise impose liability on Buyer.

5. **Product Warranties:** (a) Seller acknowledges that the goods will be used in motor vehicles and that strict compliance with industry and government standards and customer requirements is essential. Accordingly, seller warrants that the Goods

(i) will be fit and sufficient for the purpose intended (since Seller knows or has reason to know the particular purpose for which Buyer intends to use the Goods);

(ii) will be of merchantable quality and free from all defects, including defects in material and workmanship and, if not of Buyer's detailed written design, defects in design; and

(iii) will conform to all representations, descriptions, samples, drawings, plans, specifications, designs and other data supplied by Seller or listed on the face of the Order. Seller further warrants that, with respect to the Goods. Seller is and will at all times remain competitive in terms of price, quality, delivery, technology and service. The foregoing warranties are in addition to those available to Buyer by law.

(b) The warranty period during which the foregoing warranty will apply will be the greater of:

(i) three years commencing on the date upon which Buyer received the Goods, or

(ii) the duration of the warranty period extended by Buyer with respect to the product into which the Goods have been incorporated ("Buyer's Product"), or

(iii) the period commencing on the date upon which Buyer received the Goods and ending on the date on which the vehicle into which Buyer's Product has been installed has been driven 100,000 miles.

(c) All warranties survive Buyer's acceptance, use and/or payment and will run to Buyer and its customers.

(d) Buyer's review or approval of any samples, drawings, specifications or other data developed by Seller in connection with this Order will not limit Seller's responsibility under these warranties or alter the cost, rate of output or delivery requirements of this Order.

(e) Buyer's specifications and requirements take precedence over industry standards. Seller will advise Buyer in writing if Buyer's specifications or requirements are not as extensive as industry standards.

6. **Product Indemnification:** Seller will indemnify, defend and hold harmless Buyer, its officers, employees, agents, successors, assigns, customers, and users of its products from and against any and all losses, expenses, damages, claims, suits and liabilities (including recall, repair and replacement expenses and other incidental and consequential damages, damages in tort, court costs and attorneys' fees) arising as a result of actual or alleged breach of any warranties or other terms contained in the purchasing documents or arising under any tort or negligence claim premised on either an actual or alleged defect in the Goods. At Buyer's request, Seller will assume promptly full responsibility for the defense of any action described in this paragraph which may be brought or threatened by a third party against Seller and/or Buyer.

7. **Infringement Indemnification:** Seller will indemnify and hold harmless Buyer, its officers, employees, agents, successors, assigns, customers and users of its products from and against any and all losses, expenses, damages, claims, suits and liabilities (including incidental and consequential damages, court costs and attorneys' fees) arising as a result of any claim that the manufacture, use, sale or resale of any Goods infringes any patent, utility model, industrial design, copyright, or other intellectual property right in any country. Seller will, when requested by buyer, defend any action or claim of such infringement at its own expense. Seller's obligations under the preceding two sentences are limited to the extent buyer furnishes all or any portion of the design of or specifies all or any portion of the processing for the Goods and buyer's activities are the subject of the claim of infringement. If the sale and/or use of the Goods is enjoined or, in Buyer's sole judgment, is likely to be enjoined, and the responsibility for such injunction arises in whole or in part out of seller's activities, Seller will, at Buyer's election and Seller's sole expense, either procure for Buyer the right to continue using such Goods or replace them with equivalent non-infringing goods, or modify such Goods so they become non-infringing, or remove them and refund the purchase price, including transportation, installation, removal and other incidental charges.

8. **Changes:** Buyer may at any time by a written notice, but without notice to sureties, change drawings, designs, specifications, materials, packing, time and place of delivery or method of transportation, quantity, these Terms and Conditions of Purchase, or the purchasing documents. Seller must inform buyer immediately if seller suspects that any such change increases or decreases the cost or time required for Seller's performance. Seller may request an equitable adjustment to this Order but no adjustment will be valid unless put in writing and signed by an authorized representative of buyer. Any claim by Seller for any adjustment must be made within ten (10) working days of the date Seller is first notified of the change. If Seller's claim includes any cost for property made obsolete as a result of the change, the claim must be supported by releases (or other forms of authorization) provided by Buyer authorizing Seller to procure or manufacture the property, and Buyer may prescribe the manner in which such property will be

disposed. Pending the resolution of any dispute regarding any such adjustment, Seller must diligently pursue the Order as changed. No change to design, material, process, procedures or practice or location (including within the site) is to be made by Seller without written authorization from Buyer.

9. **Force Majeure:** If, due to forces beyond its control, Buyer determines to alter Buyer's delivery schedule to delay delivery, the provisions of this paragraph (rather than the preceding paragraph) will control. Seller will hold any such delayed Goods at the direction of Buyer and will deliver them when the cause affecting the delay has been removed. Buyer will be responsible only for Seller's direct additional costs (excluding interest on the purchase price) incurred in holding the Goods or delaying performance at Buyer's request. Any delay or failure of either Buyer or Seller to perform its obligations will be excused but only to the extent that it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence, such as by way of example and not by way of limitation, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, or court injunction or order but excluding labor problems (including lockouts, strikes and slow downs). During the period of such delay or failure to perform by Seller, Seller will provide Buyer with prompt written notice of such delay (including a description of the cause of the event or circumstance, an estimate of the duration of the delay and a statement regarding the remedial steps that are being undertaken to resume performance and Seller's interim allocation plans, if any, for the supply of Goods during the delay). During such period, Buyer, at its option, may purchase goods from other sources and reduce its schedules to Seller by such quantities, without liability to Seller, or have Seller provide the goods from other sources in the quantities and at the delivery times requested by Buyer and at the price set forth in this Order. If requested by Buyer, Seller must, within ten (10) days of the request, provide adequate assurances that any delay will not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurance that the delay will cease within thirty (30) days, Buyer may cancel the Order without liability and as a matter of convenience as set out below.
10. **Termination:** (a) **Convenience:** Business conditions in vehicle manufacturing and legal requirements imposed by vehicle manufacturers in their agreements to purchase parts render uncertain and unstable the quantities, duration, and other commercial terms of every sale of goods by CRH to its customers. In light of this, in addition to all its other rights, CRH reserves the right to discontinue the purchase of goods or services for CRH's convenience when CRH determines in its sole and absolute discretion that business circumstances warrant discontinuing the purchase of goods. CRH may terminate this Order or any part of it for its convenience by written notice to Seller. Buyer's notice will indicate the date upon which the termination will become effective. Upon receipt of notice of termination or the date upon which Buyer's notice indicates that the termination will become effective, whichever is later, Seller will immediately stop all work and cause any of its suppliers or subcontractors to cease work. Buyer will pay Seller for all Goods which:
- (i) are ready for shipment in accordance with this Order's Delivery Schedule prior to Seller's receipt of the termination notice or the date upon which Buyer's notice indicated that the termination will become effective, whichever is later,
 - (ii) conform to all requirements of this Order, and
 - (iii) are free and clear of all encumbrances but in no event will Buyer be obligated to pay for more than a [one month] supply of finished Goods or more than [a two month] supply of raw materials that have been properly manufactured or procured, as the case may be, in accordance with Buyer's authorization. Notwithstanding the foregoing, in the event that this Order relates to Buyer's purchase of capital equipment, Buyer's obligation to pay Seller will be limited to the lesser of: Seller's actual cost for direct labor and other expenses directly and reasonably incurred pursuant to this Order prior to receipt of notice of termination or the percentage of the original purchase price as the work done by Seller prior to receipt of notice of termination bears to the entire work covered by this Order; less any previous payments. Except as provided in this Paragraph 11, Buyer will not be liable for and will not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profits, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation cost, or general and administrative burden charges from the termination of any Order for Buyer's convenience. In addition, Buyer will not pay for any work done after the date upon which Buyer's termination notice indicated that the termination will become effective, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided, nor for any costs which Seller could have avoided through reasonable steps to mitigate damages (including without limitation endeavoring to utilize Goods, raw material, tooling, equipment or other items for other purposes).
- (b) **Termination for Cause:** Buyer may terminate this Order or any part for cause in the event of a Default by Seller. "Default" includes, but is not limited to,
- (i) Seller's failure to comply with any of the terms and conditions required by the purchasing documents, all of which are material to CRH;
 - (ii) Seller's failure to give Buyer, upon request, reasonable assurances of Seller's future performance;
 - (iii) insolvency, bankruptcy, liquidation or dissolution of Seller; or
 - (iv) any other event which causes CRH concern as to Seller's ability to render the high quality performance required under these Terms and Conditions of Purchase. If, after termination for Default, it is determined that Seller was not in Default, the rights and obligations of the parties will be the same as if the termination occurred under paragraph 11(a) above.
- (c) **Seller May Not Terminate:** Due to the nature of motor vehicle manufacturing and buyer's commitments to its customers, seller may not terminate this agreement. Seller recognizes that Buyer supplies its customers in a "just in time" manufacturing environment and that irreparable harm would occur to vehicle manufacturers and thousands of employees if Buyer refused to deliver its products. Accordingly, Seller will not terminate this Agreement or "non-ship" Buyer without Buyer's permission or without first notifying Buyer of its intent to seek judicial relief and thereafter obtaining a Court Order from a Court with jurisdiction over Buyer, after notice to Buyer of the application or hearing, permitting Seller to cease deliveries.
- (d) **Cooperation:** In all instances of termination, seller must cooperate with buyer in the event supply of the goods and services is transferred to a new vendor. This includes, but is not limited to, producing a parts bank, meeting with representatives of the new vendor, transferring tooling and all such other activities necessary to ensure that buyer supplies its customers with an uninterrupted supply of parts.
- (e) **Default Remedies:** In the event of Default, Buyer may, upon written notice to Seller but without further liability to Seller,

(i) waive all or any part of the Default;

(ii) agree in writing to any change in or modification of this Order as Buyer may in its sole and absolute discretion deem advisable;

(iii) cancel this Order in whole or in part;

(iv) purchase goods in substitution for those to be supplied by Seller and charge Seller for any excess cost resulting; and/or

(v) exercise any other rights or remedies Buyer may have under applicable law. Seller's liability for Default includes Buyer's incidental and consequential damages including, but not limited to, all damages and expenses arising from or necessary to providing CRH customers with an uninterrupted supply of CRH goods and services, such as sorting, storage, rework, expedited freight, shutdown penalties, and warranty and recall expenses. Seller will reimburse Buyer for attorneys' and other professional fees and court costs incurred by Buyer in connection with any Default by Seller or any action by Buyer to enforce its rights under this Order including the costs of investigating the default.

11. Confidentiality/Advertising: (a) In the absence of a separate confidentiality agreement, Seller will consider all information furnished by Buyer (including drawings, specifications, or other documents prepared by Seller for Buyer in connection with this Order) confidential and will not disclose any of the information to any other person or use the information itself for any purpose other than performing this Order unless Seller first obtains Buyer's written permission. Seller will not advertise or publish the fact that Buyer has contracted to purchase Goods from Seller or disclose any information relating to the Order without Buyer's written permission.

(b) Unless otherwise agreed in writing, no information disclosed in any manner or at any time by Seller to Buyer is secret or confidential, and Seller has no rights against Buyer except such rights as may exist under patent laws.

12. Proprietary Information: (a) All patent rights and other intellectual property rights in (i) any specifications created by, or in accordance with the instructions of, Buyer, (ii) any information of a proprietary or confidential nature disclosed to Seller by Buyer, and (iii) all material in whatever medium supplied to Seller by Buyer in connection with the supply of the Goods belongs to, vest in and remains vested in Buyer. Seller and its sub-contractors are authorized to use these rights, including the right to use tooling, only for the purpose of the work required of Seller under the purchasing documents.

(b) Seller grants to Buyer a nonexclusive, royalty-free, irrevocable, worldwide license to repair, rebuild, reconstruct and relocate the Goods and to make or have made and sell and/or distribute the Goods. Seller also grants to Buyer a nonexclusive, paid-up, irrevocable, worldwide license to use all copyrighted materials of Seller which are furnished to Buyer during the course of Seller's performance and which relate to any Goods. Without limiting the generality of the foregoing, Buyer's use of such copyrighted materials pursuant to such license may include reproduction, distribution to customers and others and public display.

13. Indemnity/Insurance: (a) To the extent Seller's agents, employees or subcontractors enter upon premises occupied by or under the control of Buyer or any of its customers or suppliers in the course of the performance of this Order, Seller will take reasonable steps to prevent any injury to persons or property arising out of acts or omissions of such agents, employees, or subcontractors. Except to the extent that any such injury or damage is due solely and directly to Buyer's negligence, Seller will indemnify, defend and hold Buyer, its officers, employees and agents, harmless from and against any and all losses, expenses, damages, claims, suits, or any liability whatsoever (including incidental and consequential damages, court costs and attorneys' fees) arising out of any act or omission of Seller, its agents, employees or subcontractors.

(b) Seller must maintain and require its subcontractors to maintain the following types of insurance, for the duration of the agreement, with minimum limits as follows: (i) General liability covering liability arising from premises, operations, independent contractors, products completed operations, personal and advertising injury and blanket contractual liability – USD \$5,000,000 or equivalent each occurrence. (ii) Automobile Liability covering all owned, hired and non-owned vehicles – USD \$1,000,000 or equivalent each occurrence, including all applicable statutory cover. (iii) Workers' compensation and employer's liability insurance covering all employees engaged in the performance of this Order for claims arising under any applicable workers' compensation, occupation disease or health and safety laws and/or regulations. All required policies of insurance must be written as primary policies; not contributing with or in excess of coverage that the Buyer may carry. Seller will furnish certificates evidencing such insurance which will expressly provide that no expiration, termination or modification will take place without thirty (30) days' written notice to Buyer. Any property of Buyer used by Seller in the performance of this Order will be deemed to have been under the sole custody and control of Seller during the period of such use by Seller.

14. Buyer's Property: (a) All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller to perform this Order, or for which Seller has been reimbursed by Buyer, or for which Buyer has agreed to reimburse Seller (such reimbursement being by way of specific payment or amortization in the piece price), will be and remain the property of Buyer and held by Seller on a bailment basis ("Buyer's Property") and must be marked or tagged by Seller as such. Buyer's Property includes 3D models CAD data, tooling, and other information used to produce Buyer's Property. Seller bears the risk of loss of and damage to Buyer's Property. Buyer's Property will not be used by Seller for any purpose other than the performance of this Order; will not be commingled with the property of Seller or with that of a third person; and will not be moved from Seller's premises or altered without Buyer's prior written consent. Seller will keep adequate records of Buyer's Property, which records will be made available to Buyer upon request, and will store, protect, preserve, repair and maintain Buyer's Property in accordance with sound industrial practice, all at Seller's expense. Any Buyer's Property repaired, rebuilt, modified or replaced by Seller will remain the property of Buyer, regardless of whether Buyer has reimbursed Seller for such repair, rebuild, modification or replacement. Buyer will have the right to enter Seller's premises at reasonable times to inspect Buyer's Property. To the extent permitted by law, Seller waives any lien or other rights that Seller might otherwise have on any of Buyer's Property for work performed on such property or otherwise.

(b) If Buyer's Property becomes lost or damaged while in Seller's possession, Seller will indemnify Buyer or replace such property at Seller's expense, in accordance with Buyer's request. Upon the request of Buyer, Buyer's Property will be immediately released to Buyer or delivered to Buyer by Seller either (i) FOB (Incoterms 2000) properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer will pay to Seller the reasonable costs of delivering such property to such

location. Seller's obligations to release or deliver Buyer's Property shall not be subject to any set off or counterclaim arising from this or any other transaction with Seller except that if Buyer agreed to amortize the purchase price of Buyer's Property in a written amortization schedule, Buyer will pay the unamortized balance of such purchase price contemporaneously with the release or delivery of such item of Buyer's Property. To the extent that Buyer's Property is in the possession or control of a subcontractor or supplier to Seller, Seller will cause such party to release such property to Buyer in accordance with this paragraph.

15. Seller's Property: (a) Unless otherwise specified in this Order, Seller, at its expense, will furnish, keep in good condition, and replace when necessary all machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns and other items ("Seller's Property") necessary for the production of the Goods. Seller will insure Seller's Property with full fire and extended coverage for its full replacement value.

(b) Seller grants Buyer an irrevocable option to take possession of and title to any of Seller's Property that is used for the production of the Goods upon Buyer's payment to Seller of the net book value of such of Seller's Property less any amounts that Buyer has previously paid to Seller for the cost of such items; provided, however, that this option will not apply to any item of Seller's Property that is used to produce a substantial quantity of products for other customers of Seller.

16. Compliance with Laws: (a) In the performance of this Order, Seller will comply with all applicable laws and will hold Buyer harmless from any liability resulting from Seller's failure to so comply.

(b) In particular and without prejudice to the generality of clause 18(a):

(i) Any Goods supplied under the Order shall be so formulated, designed, constructed, finished and packaged as to be without risk to health, safety and the environment and comply with all legal and other recognized standards of health, safety and the environment including any applicable government mandated marking requirements and as required shall bear a proper mark or certificate of conformity and comply with all necessary technical specifications. Goods must also comply when incorporated in or combined with other goods which are either referred to in the Order or with which they would be incorporated or combined in the normal course and must be supplied in accordance and compliance with the Buyer's Health & Safety policy in force from time to time.

(ii) Seller agrees before delivery to furnish Buyer in writing with a list by name and description of any potentially harmful properties or ingredients in the Goods or packaging supplied, whether in use or otherwise, and after delivery Seller has a continuing duty to supply Buyer with information concerning any changes in such properties or ingredients. Buyer will rely on the supply of such list and information from the Seller in order to satisfy its own obligations under all relevant health and safety requirements.

(iii) Seller agrees to comply with all End of Life Vehicle (ELV) reporting requirements for Goods sold to Buyer. Full disclosure of composition of these Goods will be provided by Seller, in accordance with International Material Data System (IMDS) reporting requirements.

17. Taxes: Seller's prices will be exclusive of any taxes levied upon, or measured by, the sale, the sales price, or use of the Goods. Seller will list separately on its invoice any such tax lawfully applicable to the Goods and payable by Buyer with respect to which Buyer does not furnish to Seller lawful evidence of exemption.

18. Set off: In addition to any right of setoff or recoupment provided by law, all amounts due to Seller are net of indebtedness or other obligations of Seller and its affiliates or subsidiaries to Buyer and its affiliates or subsidiaries, and Buyer has the right to set off against or to recoup from any amounts due to Seller and its affiliates or subsidiaries from Buyer and its affiliates or subsidiaries any amounts due from Seller or its affiliates or subsidiaries to Buyer or its affiliates or subsidiaries including, but not limited to, amounts owed as a result of buyer's activities to provide its customers with an uninterrupted supply of goods despite Seller's delivery of non-conforming goods.

19. Payments: Buyer will pay the prices stipulated on this Order for Goods delivered and accepted, less deductions, if any, as provided, but only

(i) upon submission by Seller of an invoice and then payment will be made net 60 days from receipt of invoice or

(ii) pursuant to other mutually agreed-upon arrangements in other purchasing documents. The prices for Goods will not be subject to any variation without the prior written consent of Buyer.

20. Property and Risk: Unless otherwise agreed between Seller and Buyer, the property and risk in the Goods shall pass to the Buyer when the Goods have been delivered in the condition and to the address specified in the Order, and an authorized representative of the Buyer has signed the Seller's delivery note.

21. Remedies: The rights and remedies provided Buyer are cumulative and in addition to any other remedies provided by law or equity. Buyer's waiver of a breach of any provision of these terms and conditions or any other purchasing document is not a waiver of any prior or subsequent breach.

22. Severability: If one or more provisions of these terms and conditions or the other purchasing documents become invalid or unenforceable, the balance of the agreement remains in full force and effect. In this event, the parties will substitute the invalid or unenforceable provision by a valid one which as closely as possible achieves the economic purpose of the invalid or unenforceable provision.

23. Assignments and Subcontracting: No part of this Order for the purchase of goods may be assigned or subcontracted without the prior written approval of Buyer. If Seller is authorized to use subcontractors, Seller will obtain from each such subcontractor rights and obligations no less favorable to Buyer than these terms and conditions and the other purchasing documents.

24. Service and Replacement Parts: Seller will sell Buyer Goods necessary for Buyer to fulfill its current model service and replacement parts requirements at the prices set forth in this Order. During the 15-year period after Buyer completes current model purchases, Seller will sell Goods to Buyer to fulfill Buyer's past model service and replacement part requirements. Unless otherwise agreed to by Buyer, the prices during the first five



years of this period will be the OE prices in effect at the conclusion of the current model purchases. For the remainder of the period, the prices will be the OE prices in effect at the conclusion of current model purchases plus agreed adjustments to compensate for reduced volumes. As used in this paragraph, the term "OE prices" means the prices of Goods that are used in products that are shipped directly or indirectly to a vehicle assembly plant to support vehicle production.

25. Governing Law: This Order will be governed by the laws of the state of Michigan/ Alabama (select one) without regard to its rules on conflicts of law. The parties stipulate irrevocably that they submit to the personal jurisdiction of the courts of the state of Michigan/Alabama and waive all challenges to the personal jurisdiction of such courts.