

TERMS AND CONDITIONS OF PURCHASE

1. **Offer; Acceptance.** This purchase order, including the face of the purchase order and these terms and conditions, ("Order") is an offer to Seller by Buyer for the purchase of goods and services ("Supplies"). This Order does not constitute an acceptance of any offer or proposal made by Seller. Any reference in this Order to any offer or proposal made by Seller is solely to incorporate the description or specifications of Supplies in the prior offer or proposal, but only to the extent that the description or specifications do not conflict with the description and specifications in this Order. Seller's written acceptance, Seller's commencement of any work under this Order or any other conduct by Seller that recognizes the existence of a contract with respect to the subject matter of this Order constitutes Seller's acceptance of these terms and conditions only. Any additional or different terms and conditions proposed by Seller, whether in Seller's proposal form, acknowledgment form, invoice or otherwise, are unacceptable to Buyer, are expressly rejected by Buyer and shall not become part of this Order. THE TERMS OF THIS AGREEMENT ARE EXCLUSIVE. In the event of any conflict between the face of this Order (including any continuation sheet) and these terms and conditions, the face of the Order shall govern.

2. **Invoicing and Pricing.** The price of Supplies include, as applicable, storage, handling, packaging, freight, insurance, transportation, and all other expenses, costs and charges of Seller, unless Buyer agrees otherwise in writing in this Order. All invoices under this Order must reference the purchase order number. The total price includes all freight, duty and tax, except for any value added tax (VAT) imposed by a non-USA jurisdiction, which must be shown separately on Seller's invoice for each shipment, and Buyer shall not be liable for any business activity taxes or taxes on or measured by net income, including without limitation any Michigan Business Tax.

3. **Delivery.** (a) Delivery of Supplies shall be F.O.B. Buyer's location and risk of loss shall pass from Seller to Buyer upon delivery to Buyer, unless otherwise agreed to in writing by the Buyer. (b) Time is of the essence under this Order. The Seller agrees to 100% on-time delivery of the quantities and at the times specified by Buyer, as set forth in this Order, unless otherwise negotiated and agreed in writing by the parties. Buyer may change the schedule from time to time. (c) Buyer is not obligated to accept early deliveries, late deliveries, partial deliveries or excess deliveries. (d) Seller is responsible for and shall pay premium freight costs over normal freight if an expedited shipping method is required to meet agreed upon delivery dates due to Seller's acts or omissions. (e) Buyer will not be liable for premium freight, unless specifically authorized and agreed to in advance, in writing, by Buyer. (f) Buyer will not reimburse the Supplier for any additional costs incurred without prior approval in writing from Buyer.

4. **Delay.** If Seller does not deliver Supplies timely in accordance with the requirements of this Order, Seller understands that Buyer's work will be disrupted and delayed, and Seller will be responsible to Buyer for any and all damages sustained as a result.

5. **Payment.** Payment shall be made as set forth in the Order. If not otherwise specified, Buyer's payment will be made on day 45 following of the later of delivery of the Supplies under the Order and receipt by Buyer of a conforming invoice covering such Supplies (Net 45 days). (In the case of services, delivery means the completion of the services.) Buyer may withhold payment pending receipt of evidence, in the form and detail requested by Buyer, of the absence of any liens, encumbrances or claims on Supplies provided under the Order. Payment will be made in the currency expressly stated in the Order; if no such currency is noted, payment will be made in U.S. Dollars. Payment will be made by mailing on or before the due date unless otherwise expressly agreed by Buyer.

6. **Changes.** Buyer reserves the right at any time to direct changes, or cause Seller to make changes, to the scope of the work covered by this Order, and Seller agrees to promptly make such changes. Any such changes shall be deemed not to affect time for performance or cost unless Seller notifies Buyer in writing within ten (10) days after mailing or other transmission of such order in writing, and in the case of such notification, any difference in price or time for performance resulting from such changes shall be equitably adjusted by Buyer after receipt of documentation in such form and detail as Buyer may direct. Such adjustment, if any, will constitute Seller's sole remedy on account of such change.

7. **Inspection; Non-Conforming Goods/Services.** (a) Buyer may enter Seller's facility to inspect the facility, Supplies, materials, and any of Buyer's property covered by this Order. (b) Buyer's inspection of Supplies, whether during manufacture, prior to delivery or within a reasonable time after delivery, does not constitute acceptance of any work-in-process or finished goods. Buyer's acceptance, inspection or failure to inspect does not relieve Seller of any of its responsibilities or warranties. Nothing in this Order releases Seller from the obligation of testing, inspection and quality control. (c) Payment for nonconforming Supplies is not an acceptance, does not limit or impair Buyer's right to assert any legal or equitable remedy, and does not relieve Seller's responsibility for latent defects. All cost incurred and damages sustained by Buyer as a result of rejections made under the provisions hereof shall be for Seller's account and Buyer may return such Supplies at Seller's expense.

8. **Warranties.** Seller expressly warrants/guarantees to Buyer and its customer(s) that all Supplies to be delivered to the Buyer under this Order shall: (i) conform to all applicable specifications, standards, drawings, or descriptions; (ii) conform to any applicable laws, orders, regulations or standards; (iv) be merchantable and free of defects in design (to the extent that Seller furnished the design), materials and workmanship; (v) be selected, designed (to the extent designed by Seller), manufactured or assembled by Seller based upon Buyer's stated use and be fit and sufficient for the purposes intended by Buyer; and (vi) that the title conveyed is good and all Supplies furnished hereunder are free from any lawful security interest, lien or encumbrance. If the Supplies fail to meet any or all of the foregoing warranties, then, upon Buyer's request for remedial work, Seller shall, at its sole expense, promptly either (x) repair or correct the Supplies, in place at the place of

installation, to the extent necessary to cause it to meet the foregoing warranties; or (y) remove the Supplies from its place of installation and either (I) repair or correct it to the extent necessary to cause it to meet the foregoing warranties and reinstall it at its place of installation, or (II) furnish and install at said place of installation new Supplies or a new part or parts which will meet the foregoing warranties and all other terms of this Order applicable to the Supplies. If Seller fails to comply with the provisions of items (x) or (y) above, promptly after any such request, Buyer shall have the right, after three (3) days' prior written notice by Seller of its intent to do so, to perform or cause to be performed, the work provided for in items (I) or (II) above and/or any other services required, and, after such work has been performed, Seller shall pay Buyer the cost thereof, as determined below, within thirty (30) days after receipt of invoice therefor.

- a. Labor shall be charged at actual cost including payroll additives.
- b. Material shall be charged at net delivered cost.
- c. Equipment and tool rentals shall be charged at prevailing rates in the area.
- d. Subcontracted services shall be charged at actual cost.
- e. Fifteen (15%) percent shall be added to items a – d above for Buyer's indirect costs, overhead, supervision and administration.

If the aforementioned specifications include a performance test, Seller warrants that the Supplies shall operate in accordance with said specifications continuously during said performance test, except to the extent any failure to so operate is due to a design specified by Buyer. The aforesaid performance test shall commence on or before the date specified in this Order for commencement of said test, or if no such date is specified, within eighteen (18) months after the date on which delivery of the Supplies to the place of delivery specified in this Order has been completed. If the Supplies fail to meet said warranty, then, upon Buyer's request, Seller shall, at its sole expense, promptly proceed with the remedies set forth in item (x) or (y) above, and, if within a reasonable time the Supplies fail to meet said warranty, Buyer shall, in addition to any other remedies available to Buyer at law or under this Order, have the right to rescind this Order and return the Supplies to Seller F.O.B. the place of installation, whereupon Seller shall promptly refund to Buyer all payments theretofore made by Buyer for the Supplies.

9. **Remedies.** The rights and remedies reserved to Buyer in this Order shall be cumulative with, and additional to, all other or further remedies provided in law or equity. Without limiting the foregoing, should any of the Supplies fail to conform to the warranties set forth in Paragraph 8, or should Seller otherwise fail to comply with or breach any of Seller's representations in this Order or any of the terms and conditions of this Order, or in the event of any other negligent or wrongful act or omission of Seller, Seller's agents, employees or subcontractors, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any incidental or consequential damages caused by such nonconforming Supplies.

10. **Indemnification.** (a) To the fullest extent permitted by law, (i) Seller hereby assumes the entire, sole responsibility for any injury to person, including death, or damage to property of any kind or nature caused by, resulting from or in connection with the furnishing of Supplies by Seller, its subcontractors, officers, agents, or employees; (ii) Buyer shall not be responsible for any injury to person or damage to property resulting from use, misuse or failure of any apparatus furnished to Seller by Buyer, and the use of any such apparatus by Seller shall constitute acceptance by Seller of all responsibility for any claims for such injury or damage; and (iii) Seller will defend, indemnify and hold harmless Buyer, Buyer's Customers (both direct and indirect), and dealers and users of the products sold by Buyer (or the products in which they are incorporated), including their respective agents, customers, invitees, subsidiaries, affiliates, successors and assigns, against any and all claims, damages, losses, liabilities, and expenses (including actual attorneys' fees and other professional fees, settlements and judgments) arising out of or resulting in any way from any defective Supplies, or from any negligent or wrongful act or omission of Seller, or Seller's agents, employees or subcontractors, or any breach or failure by Seller to comply with any of Seller's representations or other terms and conditions of an Order (including any part of these Terms) -- including without limitation the cost of recall campaigns, customer field service actions or other corrective service actions that, in Buyer's reasonable judgment, are required because of nonconformities in some or all of the Supplies provided by Seller hereunder. Seller's obligation to defend and indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise except for claims that arise as a result of the sole negligence of Buyer. Buyer has the right to be represented by and actively participate through its own counsel in the defense and resolution of any indemnification matters, at Seller's expense. The indemnification obligations of Seller set forth in this Agreement, including this Section, are independent of and in addition to any insurance and warranty obligations of Seller.

(b) If Seller performs any work on Buyer's or Buyer's Customer's premises or utilizes the property of Buyer or Buyer's Customer, whether on or off Buyer's or Buyer's Customer's premises: (i) Seller will examine the premises to determine whether they are safe for the requested services and will advise Buyer promptly of any situation it deems to be unsafe; (ii) Seller's employees, contractors and agents will comply with all regulations that apply to the premises and may be removed from Buyer's premises at Buyer's discretion; (iii) Seller's employees, contractors and agents will not possess, use, sell, transfer or be under the influence of alcohol or unauthorized, illegal or controlled drugs or substances on the premises; and (iv) to the fullest extent permitted by law, Seller will indemnify and hold Buyer and Buyer's Customer (and their respective officers, directors, employees, agents, successors and assigns) harmless from and against any and all liability claims, demands or expenses (including actual attorney's fees and other professional fees, settlements and judgments) for damages to the property of or personal injuries to Buyer, its Customer, their respective employees or agents or any other person or entity if the claims arise from or in connection with Seller's work on the premises or Seller's use of Buyer's or Buyer's Customer's property, except for any liability, claim or demand arising out of the sole negligence of Buyer.

11. **Insurance.** Seller shall obtain and maintain, at Seller's expense, the insurance coverage listed below, or in additional amounts and coverages as may be reasonably requested by Buyer or (to the extent directed by Buyer) Buyer's Customer(s), in each case naming Buyer and its affiliates and Customer(s) (as applicable) as loss payees and as "additional insureds". Seller will furnish to Buyer a certificate showing compliance with this requirement or certified copies of all insurance policies within ten (10) days of Buyer's written request. The certificate will provide that Buyer (and, if applicable, Buyer's Customers) will receive thirty (30) days prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. The existence of insurance does not release Seller of its obligations or liabilities under an Order. The insurance certificates covering Seller's Workers Compensation insurance shall indicate a waiver of subrogation against Buyer.

Workers Compensation	Statutory requirements at the location of work and in accordance with Seller's established program for employees.
Employer's Liability	\$1,000,000 each occurrence.
General Bodily Injury	\$5,000,000 each occurrence.
General Property Damage	\$5,000,000 each occurrence.
Automobile Bodily Injury	\$5,000,000 each occurrence.
Automobile Property Damage	\$5,000,000 each occurrence.
Environmental Impairment Liability	\$5,000,000 each occurrence.

12. **Technical Information and Ownership.** Unless otherwise agreed to in writing by the Buyer: (a) no information disclosed in any manner at any time by Seller, or Seller's contractors, to Buyer, or Buyer's Customers, will be treated as confidential, and (b) Seller agrees not to assert any claim (other than a claim for patent infringement) against Buyer, Buyer's Customers or their respective suppliers, with respect to any information that Seller, or Seller's contractors, have disclosed or may disclose to Buyer, or Buyer's Customers, in connection with the Supplies. Seller may not release or disclose Buyer's Property to any third party without the express written permission of Buyer. All information, materials, inventions, drawings, dies, tooling and patterns created, developed, or acquired, by or on behalf of Seller, along with all intellectual property rights relating thereto, paid for or to be paid for by Buyer, are the sole and exclusive property of Buyer. Seller will promptly disclose in an acceptable form and assign to Buyer all such information, materials, inventions, drawings, dies, tooling, patterns and intellectual property. To the extent that any works of authorship (including, without limitation, software) are created by or on behalf of Seller and are paid for or to be paid for by Buyer under the Order, such works shall be considered "work made for hire". To the extent that such works do not qualify as "work made for hire," Seller hereby assigns to Buyer all right, title, and interest in all copyrights and moral rights therein.

13. **Security Interest.** Buyer hereby reserves, and Seller hereby grants to Buyer, a security interest in the Supplies, to the extent, and in the amount, of the payments made by Buyer to Seller under this Order in advance of delivery of such Supplies to Buyer. As used in this paragraph, "Supplies" shall include supplies in a fully completed or partially completed form, and any and all subassemblies, component parts and/or materials which are acquired by Seller for use in the manufacture of the Supplies. Seller hereby authorizes Buyer, and will assist Buyer, in filing a financing statement or any other document necessary to enable Buyer to perfect and continue a security interest in the Supplies in which Buyer has a security interest. In addition, Seller hereby agrees that this Order and all documentation relating thereto shall be deemed to be a writing signed by Seller for use in connection with perfecting and obtaining a security interest in the Supplies. Seller shall segregate from its other property the Supplies in which Buyer has a security interest and shall attach or affix thereto an identification specifying that said Supplies is the property of Buyer. Seller shall not permit any liens or encumbrances to be placed upon any such Supplies and shall cause any such liens or encumbrances to be promptly discharged.

14. **Intellectual Property Indemnification.** Seller shall protect and indemnify Buyer from and against all alleged claims, claims, damages, judgments, expenses, settlement amounts, and costs (including attorneys' fees) arising out of, related to or resulting from Buyer's use or sale of any Supplies (or part thereof) delivered hereunder based on any violation or alleged violation of any third party's intellectual property rights, and Seller shall defend or settle at its own expense any claim, suit or proceeding brought against Buyer for such violation, provided that Seller is notified promptly in writing of such claim or the commencement of such suit or proceeding and is given authority, information and assistance by Buyer for the defense or settlement thereof. Furthermore, in the event that Buyer should be enjoined in such suit or proceeding from using any of the Supplies (or part thereof), Seller, at its option, shall promptly either (a) secure termination of the injunction and procure for Buyer the right to use such Supplies (or part) without any obligation or liability, (b) replace said Supplies (or part) with non-violating Supplies or modify same to become non-violating, all at Seller's expense and to Buyer's satisfaction, or (c) remove said Supplies at Seller's expense and refund to Buyer the amount paid to Seller therefor. The provisions of this paragraph, however, shall not apply to (x) violation caused by specifications furnished by Buyer or to (y) the use of any of the Supplies in combination with materials or processes other than with which the Supplies normally are intended to be used. SELLER REPRESENTS TO THE BEST OF ITS KNOWLEDGE AND BELIEF THAT THE SUPPLIES AND THEIR INTENDED USE DOES NOT INFRINGE OR VIOLATE, AND IS NOT SUBJECT TO ANY SUIT OR CLAIM ASSERTING INFRINGEMENT OR VIOLATION OF, ANY PATENT OR OTHER INTELLECTUAL PROPERTY RIGHT OF A THIRD PARTY.

15. **Compliance with Laws.** Seller, and any Supplies supplied by Seller, shall comply with all applicable laws, rules, regulations, orders, codes, conventions, ordinances or standards that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the Supplies, including, but not limited to, those relating to environmental matters, wages, hours and conditions of employment, subcontractor selection, discrimination and occupational health/safety. Seller shall indemnify and hold Buyer harmless from and against any liability claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's noncompliance.

16. **Insolvency.** This Order may be terminated immediately by Buyer without liability to Seller in the event of any of the following and Seller shall reimburse Buyer for all costs incurred by Buyer in connection with any of the following, including but not limited to all attorney's and other professional fees: (a) Seller becomes insolvent, (b) Seller files a voluntary petition in bankruptcy, (c) an involuntary petition in bankruptcy is filed against Seller, (d) a receiver or trustee is appointed for Seller, (e) Seller needs accommodations from Buyer, financial or otherwise, in order to meet its obligations under this Order, or (f) Seller executes an assignment for the benefit of creditors.

17. **Termination for Breach or Nonperformance.** Buyer reserves the right to terminate all or any part of this Order, without liability to Seller, if Seller: (a) repudiates, breaches or threatens to breach any of the terms of this Order (b) fails to perform or threatens not to perform services or deliver Supplies as specified by Buyer, (c) fails to make progress so as to endanger timely and proper completion or delivery of Supplies and does not correct the failure or breach within ten (10) days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying the failure or breach.

18. **Termination for Convenience.** Buyer reserves the right to terminate this Order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work under this Order, and observe any instructions from Buyer as to work in progress. Seller shall be paid an equitable adjustment for work already performed, but in no event shall Seller be paid lost profits on work not yet performed. In no event shall the sum of the such amount exceed the total amount which would have been earned under this Order if manufacture of all the Supplies had been completed. In the event the amounts previously paid under this Order exceed the aforesaid sum, Seller shall refund said excess to Buyer promptly after Seller's receipt of said notice of termination. Promptly after receipt of payment from Buyer as above provided, or promptly after Seller's receipt of said notice of termination if Seller is obligated to make a refund hereunder, Seller shall deliver to Buyer all documents prepared or in process under this Order, all units of the Supplies completed under this Order, all partially manufactured units of Supplies, and all materials and parts paid for by Buyer hereunder.

19. **Force Majeure.** Any delay or failure of either party to perform its obligations shall be excused if, and to the extent, that it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence, such as acts of God, actions taken by any governmental authority (whether valid or invalid), embargoes, fires, floods, riots, natural disasters, wars, or sabotage; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party as soon as possible after the occurrence (but in no event more than ten (10) days thereafter). The change in cost or availability of materials or components based on market conditions or supplier actions will not constitute force majeure. During the period of such delay or failure to perform by Seller, Buyer, at its option, (i) may purchase Supplies from other sources and reduce its schedules to Seller by such quantities, without liability to Seller, or (ii) acquire possession of all finished goods, work in process and parts and materials produced or acquired for work under the Order, and Seller will deliver such articles to Buyer at Buyer's expense.

20. **Non-Assignment.** Seller may not assign or delegate its obligations under this Order without Buyer's prior written consent. In the event of any approved assignment or delegation authorized by Buyer, Seller retains all responsibility for Supplies, including, without limitation, all related warranties and claims, unless otherwise expressly agreed in writing to Buyer.

21. **Governing Law.** This Order is to be construed according to the laws of the State of Michigan, exclusive of the choice of law rules thereof.

22. **Severability.** If any term of this Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, the term shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with applicable law. The remaining provisions of this Order shall remain in full force and effect.

23. **Entire Agreement; Modifications; No Implied Waiver.** (a) This Order constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this Order and supersedes all prior oral or written representations and agreements. This Order may only be modified by a written amendment executed by authorized representatives of each party. (b) The failure of either party at any time to require performance by the other party of any provision of this Order shall in no way affect the right to require performance at any later time, nor shall the waiver of either party of a breach of any provision of this Order constitute a waiver of any later breach of the same or any other provision of this Order.