



PURCHASE ORDER TERMS AND CONDITIONS

1. ACCEPTANCE AND TERM OF ORDER

- (a) Any expression of acceptance of this purchase order by Seller, including Seller's commencement of (i) work on the goods subject to the purchase order (the "Goods") or shipment of the Goods, whichever occurs first, or (ii) performance of all or any portion of the services subject to the purchase order (the "Services"), shall constitute an acceptance of Buyer's offer to purchase contained in the purchase order, upon Buyer becoming aware of such acceptance. Any acceptance of the purchase order is limited to and conditional upon Seller's acceptance of the express terms contained on the face of the purchase order, in these purchase order terms and conditions, and in any addendum, supplement, supplier manual and/or other document attached to, forming part of, or incorporated by reference in, the purchase order, in each case as expressly stipulated by Buyer (collectively, "this Order"). In the event of any conflict between the face of the purchase order and these purchase order terms and conditions, the face of the purchase order shall govern. Any proposal for additional or different terms or any attempt by Seller to vary any of the terms of this Order, whether in Seller's quotation form, acknowledgement form, invoice, correspondence or otherwise, shall be deemed material and is hereby objected to and rejected by Buyer, but any such proposal or attempted variance shall not operate as a rejection of this Order if Seller accepts Buyer's offer by commencement of work, shipment of the Goods or performance of the Services, or by other means acceptable to Buyer, in which case this Order shall be deemed accepted by Seller without any additional or different terms or variations whatsoever. This Order does not constitute an acceptance of any prior offer or proposal by Seller, and any reference in this Order to any such prior offer or proposal is solely to incorporate the description or specifications of the Goods and the Services in such offer or proposal, but only to the extent that such description or specifications are not directly in conflict with the description and specifications in this Order. If this Order is found to be an acceptance of any prior offer or proposal by Seller, such acceptance shall be limited to the express terms contained in this Order. Any additional or different terms in such prior offer or proposal shall be deemed material and are hereby objected to and rejected by Buyer. Buyer may cancel all or any part of this Order at any time prior to Buyer's actual knowledge of acceptance by Seller.
- (b) Subject to Buyer's termination rights, this Order is binding on Buyer and Seller for one year from the date the purchase order is transmitted to Seller or, if an expiration date or time period is specified in this Order, until such expiration date or end of such time period. Subject to Buyer's termination rights, this Order will automatically renew for successive one-year periods after the initial term, unless Seller provides written notice to Buyer, no less than one hundred and eighty (180) days prior to the end of the current term, of Seller's desire that this Order not be renewed, provided that, Buyer may extend the term of this Order for such period of time beyond the initial or current term as Buyer determines is necessary, acting reasonably and in good faith, to procure an alternate source of supply for the Goods or the Services that is acceptable to Buyer and to ensure an orderly transition of supply.

2. OEM CUSTOMER REQUIREMENTS

- (a) Where the Goods or Services under this Order are or will be sold, or incorporated into goods or services that are or will be sold, by Buyer to an original equipment manufacturer of vehicles, whether directly or indirectly through an upper tier supplier (such manufacturer or upper tier supplier, the "OEM Customer"), Seller shall take such steps, provide such disclosure, comply with such requirements and do all other things as Buyer deems necessary or desirable and within Seller's control to enable Buyer to meet Buyer's obligations under the terms and conditions of any purchase order or other document (the "OEM Terms") that may be applicable to Buyer from time to time in respect of its direct or indirect supply of such goods or services to the OEM Customer, including: delivery, packaging and labeling requirements; warranties and warranty periods; intellectual property rights and indemnification; confidentiality; access to facilities and records; and replacement and service parts. Buyer may, from time to time, in its sole discretion, provide Seller with information regarding the applicable OEM Terms, but, in any event, Seller shall be responsible for ascertaining the OEM Terms that may affect Seller's obligations hereunder.

- (b) If there is any conflict between the provisions of the OEM Terms and any provisions in this Order, Buyer shall have the right to have the provisions of the OEM Terms prevail to the extent necessary or desirable to resolve such conflict.

3. LABELING, PACKING AND SHIPMENT

- (a) The Goods are to be suitably prepared for shipment and must be labeled, packed and shipped in accordance with Buyer's specifications, as specified in this Order and/or in any written directions and/or instructions as may be provided by Buyer to Seller from time to time. If the Goods are not shipped in accordance with Buyer's specifications, Seller shall pay or reimburse Buyer for any excess costs occasioned thereby.
- (b) Unless otherwise expressly stated in this Order, Seller shall not charge Buyer for labeling, packing, boxing or crating.

4. DELIVERY AND PRODUCTION VOLUMES

- (a) Time is of the essence of this Order. Seller shall deliver the Goods in the quantities and on the delivery dates and times specified in this Order. Seller shall immediately notify Buyer in writing if Seller is unable to deliver the Goods in the quantities and on the delivery dates and times specified in this Order. Goods delivered in excess of the quantities or in advance of delivery dates or times specified in this Order shall be at Seller's risk and may be returned to Seller by Buyer, and all transportation charges both to and from the original destination shall be paid by Seller. Buyer shall not be required to make payment for any Goods delivered to Buyer that are in excess of the quantities specified in this Order. Unless otherwise expressly stated in this Order or authorized in writing by Buyer, Seller shall not make any commitments for raw materials or other inventory or manufacture any Goods in advance of the time necessary to permit shipments on the delivery dates. Buyer may on notice to Seller change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price of the Goods or the Services covered by this Order.
- (b) If the purchase order does not specify the quantities or the delivery dates and times, or specifies the quantities and/or the delivery dates and times "as scheduled", "as directed", "subject to Buyer's production releases" or in another similar fashion: (i) Seller shall deliver the Goods in such quantities and on such delivery dates and times as indicated in the firm delivery or shipping releases, authorizations, manifests, broadcasts or similar written instructions issued or transmitted by Buyer to Seller from time to time in reference to the purchase order (each a "Release"); and (ii) unless otherwise expressly stated in this Order, Buyer shall be required to purchase no less than one piece or unit of each of the Goods or the Services and no more than those quantities identified in a Release. All references herein to "this Order" shall include any Releases.
- (c) Seller warrants that any representation made in a quote or otherwise regarding its production capacity shall be considered a warranty that Seller can manufacture or produce the stated quantity of the Goods or the Services without the imposition of overtime charges or other surcharges. Seller acknowledges that any estimates or forecasts of production volumes or length of program, whether from Buyer or the OEM Customer, are subject to change from time to time, with or without notice to Seller, and shall not be binding upon Buyer. Unless otherwise expressly stated in this Order, Buyer makes no representation, warranty, guarantee or commitment of any kind or nature, whether express or implied to Seller in respect of Buyer's quantitative requirements for the Goods or the Services or the term of supply of the Goods or the Services.
- (d) Unless otherwise expressly stated in this Order, Buyer shall not be required to purchase the Goods or the Services exclusively from Seller.

5. DELAYS IN DELIVERY OR ACCEPTANCE

- (a) If Seller fails or refuses to proceed with this Order or fails to deliver the Goods or perform the Services within the delivery dates and times specified in this Order, Buyer may, without limiting or affecting its other rights or remedies available hereunder or at law, cancel the then remaining balance of this Order, unless the delay is an excusable delay (as defined in subparagraph 5(b)). In addition, if Seller fails to meet the delivery dates or times of the Goods, other than by reason of an excusable delay, Buyer may, without limiting or affecting its other rights or remedies available hereunder or at law, direct expedited shipment and/or incur premium freight or transportation costs, and Seller shall pay upon demand all excess costs incurred thereby, including additional handling charges and other expenses (whether related or not) resulting therefrom. Seller shall be responsible for all other direct, consequential, and incidental damages incurred by Buyer as a result of Seller's failure to meet the delivery dates or times, other than by reason of an excusable delay, including the cost of any line

shutdown and the cost of obtaining goods from an alternate source. Buyer's actions in obtaining substitute or replacement products shall not limit the rights and remedies available hereunder or at law.

- (b) The term "excusable delay" means any delay in making or accepting deliveries or performance which results without fault or negligence on the part of the party involved and which is due to causes beyond its reasonable control, such as acts of God or of a public enemy, any preference, priority or allocation order issued by government or any other act of government, fires, floods, epidemics, quarantine restrictions, freight embargoes, unusually severe weather, explosions, riots, war, terrorism and delays of a supplier due to such causes. The term "excusable delay" shall not, however, mean or include any delay arising from or as a result of: (i) Seller's financial difficulties; (ii) a change in cost or availability of materials or components based on market conditions or supplier actions affecting Seller; or (iii) any labor strike or other labor disruption applicable to Seller or to any of its subcontractors or suppliers that are engaged in manufacturing or providing goods or services to Seller in connection with Seller's obligations under this Order.
- (c) An excusable delay shall not constitute a default hereunder, provided that if Seller is subject to one or more excusable delays that persist for more than thirty (30) days in the aggregate, Buyer may cancel the then remaining balance of this Order, without limiting or otherwise affecting its other rights or remedies available hereunder or at law.
- (d) Seller, at its expense, shall use its best efforts to mitigate any adverse effects or costs to Buyer due to any actual or potential delay, including: (i) the implementation of a production contingency plan; and (ii) upon Buyer's express written authorization, increasing Seller's inventory of finished Goods to a level sufficient to sustain deliveries during such delay.
- (e) Whenever any actual or potential delay threatens to delay deliveries or Seller's performance under this Order, Seller shall immediately give written notice thereof to Buyer. Such notice shall include all relevant information with respect to such delay, including the anticipated duration and impact of such delay. In addition, Seller will notify Buyer in writing: (i) at least sixty (60) days prior to the expiration of any labor contract or collective agreement; and (ii) as soon as Seller becomes aware of any actual or threatened labor strike or other labor disruption; in each case as may be applicable to Seller or to any of its subcontractors or suppliers that are engaged in manufacturing or providing goods or services to Seller in connection with Seller's obligations under this Order.
- (f) Buyer may delay acceptance of delivery of the Goods or performance of the Services by reason of an excusable delay, in which case Seller shall hold the Goods and/or delay performance of the Services, at Buyer's direction, until the cause of the excusable delay has been removed.
- (g) If, under the terms of this Order, Buyer grants Seller exclusive or "single source" rights to supply the Goods or the Services to Buyer, such rights shall not restrict Buyer's right to procure goods or services similar to the Goods or the Services in substitution therefor in the event of any delay.
- (h) Without limiting Seller's obligations hereunder, in the event of any supply allocation by Seller, including as a result of an excusable delay, Seller shall give preference to Buyer for all of the Goods and the Services ordered under this Order.

6. TRANSPORTATION CHARGES, CUSTOMS DUTIES AND TAXES

- (a) Unless otherwise expressly stated in this Order, all Goods shall be delivered by Seller "DDP - Buyer's plant" (as defined in Incoterms 2000), in which case: (i) all transportation charges (including terminal switching charges) shall be at Seller's expense; and (ii) Buyer shall not be liable for any insurance, storage, parking or detention charges.
- (b) Unless otherwise expressly stated in this Order, prices include customs duties and expenses, tariffs and all federal, provincial, state and local taxes (including all import taxes, excise taxes and sales taxes) applicable to the manufacture, sale or provision of the Goods or the Services.
- (c) Any reduction in Seller's cost resulting from a reduction in transportation charges, customs duties, import taxes, excise taxes and/or sales taxes from those in effect on the date of this Order shall be paid to Buyer by Seller as a reduction of the price.

7. CUSTOMS DRAWBACK DOCUMENTS AND EXPORT CONTROLS

- (a) Upon request, Seller shall promptly furnish to Buyer all documents and other information required for customs drawback purposes, properly completed in accordance with applicable governmental regulations. Unless otherwise expressly stated in this Order, all customs drawback shall be reserved and retained for, or credited to, Buyer.

- (b) Export licenses or authorizations necessary for the export of the Goods shall be the responsibility of Seller unless otherwise expressly stated in this Order, in which case Seller shall provide such information as may be necessary to enable Buyer to obtain such licenses or authorizations. Seller shall undertake such arrangements as necessary for the Goods to be covered by any duty deferral or free trade zone programs of the country of import.
- (c) To the extent that any Goods covered by this Order are to be imported into the United States of America, Seller shall, upon Buyer's request, comply with all applicable recommendations or requirements of the United States Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism initiative or any successor or replacement initiative or program. To the extent that any Goods covered by this Order are to be imported into Canada, Seller shall, upon Buyer's request, participate in the Canada Border Services Agency's Partners in Protection program or any successor or replacement initiative or program. Upon request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against all liabilities, demands, claims, losses, costs, damages and expenses of any nature or kind (including legal and other professional fees) arising from or relating to Seller's non-compliance with the foregoing.

8. CERTIFICATES OF ORIGIN

Upon request, Seller shall promptly furnish to Buyer all certificates of origin or domestic value-added and all other information relating to the costs and places of origin of the Goods or the Services and the materials contained therein or used in the performance thereof, as may be required by Buyer to comply fully with all customs, tariffs and other applicable governmental regulations. Seller shall comply with all such regulations. Seller shall indemnify and hold Buyer, its subsidiaries and affiliates, their respective successors, assigns, representatives, employees and agents, and the OEM Customer harmless from and against all liabilities, demands, claims, losses, costs, damages and expenses of any nature or kind (including fines and penalties) arising from or as a result of: (i) Seller's delay in furnishing such certificates or other information to Buyer; (ii) any errors or omissions contained in such certificates; and (iii) any non-compliance by Seller with such regulations.

9. PAYMENT

Unless otherwise expressly stated in this Order, Buyer shall pay net invoices (subject to applicable withholding taxes, if any) by the later of: (i) sixty (60) days after the end of the month during which the Goods were delivered and/or the Services performed, as the case may be; or (ii) sixty (60) days after the invoice date.

10. SET-OFF, RECOUPMENT

In addition to any right of set-off or recoupment provided by law, all amounts due to Seller and its subsidiaries and affiliates shall be considered net of indebtedness or obligations of Seller and its subsidiaries and affiliates to Buyer and its subsidiaries and affiliates, and Buyer and its subsidiaries and affiliates may set-off against or recoup from any amounts due or to become due from Seller and its subsidiaries and affiliates to Buyer and its subsidiaries and affiliates however and whenever arising. Buyer may do so without notice to Seller or its subsidiaries or affiliates. If any obligations of Seller or its subsidiaries or affiliates to Buyer or its subsidiaries or affiliates are disputed, contingent or unliquidated, Buyer may defer payment of amounts due until such obligations are resolved.

11. CHANGES

- (a) Buyer reserves the right to make changes in the drawings, specifications and other provisions of this Order. If any such change results in an increase or a decrease in the cost of, or the time required for, manufacturing or delivering the Goods or performing the Services, an equitable adjustment may be made in the price or delivery schedule, or both, and this Order shall, subject to the agreement of Buyer and Seller, be modified in writing accordingly. No claim under this paragraph 11 shall be asserted by Seller after fourteen (14) days following the notification of the change by Buyer.
- (b) Seller shall not, without Buyer's prior written authorization, make any changes to specifications, designs, materials or part numbers (or other types of identification), any major changes in processes or procedures, or any changes in the location of the facilities used by Seller for the performance of its obligations under this Order.

12. PRICE WARRANTIES

- (a) Seller warrants that the prices for the Goods and the Services are and shall remain not less favorable to Buyer than the prices currently extended to any other customer of Seller for the same or substantially similar goods or

services in the same or substantially similar quantities and delivery requirements. If Seller reduces the prices of such same or substantially similar goods or services during the term of this Order, Seller shall reduce the prices of the Goods and the Services correspondingly.

- (b) Seller warrants that the prices in this Order shall be complete, and no surcharges, premiums or other additional charges of any type shall be added, without Buyer's prior written consent. Seller expressly assumes the risk of any event or cause (whether or not foreseen) affecting such prices, including any foreign exchange rate changes, increases in raw materials costs, inflation, increases in labor and other manufacturing costs.

13. WARRANTIES REGARDING THE GOODS AND THE SERVICES

- (a) Seller expressly warrants that the Goods and the Services, including any special tools, dies, jigs, fixtures, patterns, machinery and equipment, that are obtained at Buyer's expense for the performance of this Order and/or are or become the property of Buyer (including the Buyer's Property as defined in subparagraph 16(b)) shall: (i) conform to all drawings, specifications, samples and other descriptions furnished, specified or adopted by Buyer; (ii) comply with all applicable laws, regulations, rules, codes and standards of the jurisdictions in which the Goods or the Services, and the products containing the Goods and Services, are to be sold; (iii) be merchantable; (iv) be free from any defects in design, to the extent furnished by Seller or any of its subcontractors or suppliers, even if the design has been approved by Buyer; (v) be free from any defects in materials and workmanship; (vi) be fit, sufficient and suitable for the particular purpose for which Buyer intends to use the Goods or the Services, including the specified performance in the component, system, subsystem and vehicle location and the environment in which they are or may reasonably be expected to perform; and (vii) be free of all liens, claims and encumbrances whatsoever. For the purposes of clause (vi) above, Seller acknowledges that Seller knows the particular purpose for which Buyer intends to use the Goods or the Services. Seller further expressly warrants that, unless otherwise expressly stated in this Order, the Goods are manufactured entirely with new materials and none of the Goods is, in whole or any part, governmental or commercial surplus or used, remanufactured, reconditioned or of such age or condition so as to impair its fitness, usefulness or safety. The warranties in this subparagraph 13(a) are referred to in this Order as the "Seller's Warranties".
- (b) The Seller's Warranties are available to, and for the benefit of, Buyer, its subsidiaries and affiliates, their respective successors and assigns, the OEM Customer and users of products containing the Goods or the Services. The warranty period shall be that provided by applicable law, except that if Buyer is obligated to provide a longer warranty period to the OEM Customer pursuant to the OEM Terms, such longer period shall apply. The Seller's Warranties shall be in addition to all other warranties available under applicable law.
- (c) Seller shall indemnify and hold Buyer, its subsidiaries and affiliates, and their respective successors, assigns, representatives, employees and agents, and the OEM Customer harmless from and against all liabilities, claims, demands, losses, costs, damages and expenses of any nature or kind (including consequential and special damages, personal injury, property damages, lost profits, recall or other customer field service action costs, production interruption costs, inspection, handling and reworking charges, professional and other legal fees, and other costs associated with Buyer's administrative time, labor and materials) arising from or as a result of: (i) any breach of the Seller's Warranties; and (ii) any other acts, omissions or negligence of Seller or of any of its subcontractors or suppliers in connection with Seller's performance of its obligations under this Order. No limitations on Buyer's rights or remedies in any of Seller's documents shall operate to reduce or exclude such indemnification.

14. DEFECTIVE OR NON-CONFORMING GOODS OR SERVICES

- (a) If any of the Goods or the Services fail to meet the Seller's Warranties, Seller shall, upon notice thereof from Buyer at any time, promptly repair, replace or otherwise satisfactorily deal with the same in a manner acceptable to Buyer, all at Seller's expense and without limiting or affecting Buyer's other rights or remedies available hereunder or at law. The Seller's Warranties shall also apply to such repaired, replaced or otherwise satisfactorily dealt with the Goods or the Services.
- (b) If Seller fails to repair, replace or otherwise deal with any defective or non-conforming Goods or Services in a manner acceptable to Buyer, Buyer may, without limiting or affecting Buyer's other rights or remedies available hereunder or at law, cancel this Order as to the particular Goods or Services and/or cancel the then remaining balance of this Order.
- (c) After notice to Seller, all defective or non-conforming Goods shall be held at Seller's risk. Buyer may, and at Seller's direction shall, return such defective or non-conforming Goods to Seller at Seller's risk, and Seller

- shall promptly pay, upon Buyer's demand, all transportation and other applicable charges, both to and from the original destination.
- (d) Any payment made by Buyer for defective or non-conforming Goods or Services shall be refunded by Seller, except to the extent that Seller promptly replaces or corrects the same at Seller's expense.
 - (e) None of Buyer, its subsidiaries or affiliates, or their respective successors, assigns, representatives, employees, agents or customers shall be liable for, or be obligated to indemnify or hold any of Seller, its subsidiaries or affiliates, or their respective successors, assigns, representatives, employees, agents, subcontractors or suppliers harmless from and against, any liabilities, claims, demands, costs, damages or expenses of any kind or nature (including personal injury, property damage, consequential or special damages) arising from or as a result of the improper, unsafe or defective materials, workmanship or design of the Goods or the Services.

15. INSPECTION AND QUALITY CONTROL

- (a) Buyer has the right to inspect any and all of the Goods, both prior to and after making payment therefor. Seller acknowledges and agrees that Buyer may choose not to perform incoming inspections with respect to the Goods, without prejudice to any rights or remedies available to Buyer hereunder or at law, and Seller waives any rights to require Buyer to conduct such inspections.
- (b) Buyer also has the right to inspect or test all materials and workmanship utilized by Seller in the performance of this Order, and Seller shall permit such inspection or testing by Buyer and/or the OEM Customer to the extent practicable at all times and places, including during the period of manufacture. If any such inspection or testing is made on Seller's premises, Seller shall provide, without additional charge, all reasonable facilities and assistance. Inspection and approval at Seller's premises does not preclude rejection or other relief for any defects subsequently discovered. Seller shall provide and maintain, without additional charge, a testing and inspection system (which shall include documented quality control and reliability procedures) acceptable to Buyer covering the materials and workmanship utilized in the performance of this Order.
- (c) At Buyer's option, Buyer and/or the OEM Customer may from time to time review and inspect Seller's testing, inspection, quality control and reliability procedures, as well as the records and data supporting the same. Seller shall comply with Buyer's most recently adopted quality control specifications, inspection standards and quality assurance manuals as may be supplied by Buyer to Seller directly, or as may be posted on Buyer's internet website from time to time. Seller shall, if requested by Buyer, furnish certificates indicating such compliance.
- (d) Buyer's payment for and/or acceptance of the Goods or the Services shall not relieve Seller from any of its obligations and/or warranties under this Order. Subject to Buyer's rights under subparagraph 16(b) respecting Buyer's title to the Goods upon payment therefor, in no event shall payment for the Goods or the Services be deemed to constitute acceptance by or on behalf of Buyer for any other purposes hereunder or at law.

16. MATERIALS, EQUIPMENT, TOOLS AND FACILITIES

- (a) Unless otherwise expressly stated in this Order, Seller shall supply at its own expense all materials, equipment, tools, jigs, dies, fixtures, patterns, drawings, specifications, samples and facilities required to perform this Order (the "Seller's Property"). Seller grants Buyer an irrevocable option to take possession of and title to the Seller's Property that is special for the production of the Goods, upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of such items; provided, however, that this option shall not apply if the Seller's Property is used to produce goods that are the standard stock of Seller or if a substantial quantity of similar goods are being sold by Seller to others.
- (b) Notwithstanding any other provision in this Order, Seller expressly acknowledges and agrees that: (i) all materials, parts, components, assemblies, equipment, tools, jigs, dies, fixtures, patterns, drawings, specifications, samples and facilities, including any replacements thereof, any materials affixed or attached thereto and any special tooling produced by Seller for the performance of its obligations under this Order, that are furnished to Seller or specifically paid for, in whole or in part, by Buyer (including pursuant to subparagraph 16(a)) or by the OEM Customer; and (ii) all of the Goods that have been paid for, in whole or in part, by Buyer, whether or not Buyer has exercised its rights of inspection in respect thereof (all items in clauses (i) and (ii) above, collectively the "Buyer's Property"), shall be held by Seller on a bailment basis and remain the property of, with both title and the right of possession in, Buyer and without limitation to any rights and remedies available hereunder or at law. The Buyer's Property, while in Seller's custody or control and while in the custody or control of Seller's suppliers, contractors or agents, shall be held at Seller's risk, shall be kept insured by Seller at Seller's expense against loss or damage in an amount equal to the replacement cost thereof, and shall be subject to removal at Buyer's written request. Seller shall promptly notify Buyer of the

location of the Buyer's Property, if any are located at any place other than Seller's facility. Unless otherwise expressly stated in this Order, Seller shall maintain accounting and property control records for the Buyer's Property in accordance with sound industrial practices. Seller shall, at Seller's expense, maintain the Buyer's Property in good condition and repair, and shall replace any of the Buyer's Property if, as and when necessary or reasonably required. Buyer does not provide any warranties with respect to the Buyer's Property. Upon completion or termination of this Order, Seller shall retain on a bailment basis for Buyer, as aforesaid, the Buyer's Property still then in the physical possession of Seller, at Seller's expense, until disposition directions are received from Buyer. Upon receipt of Buyer's demand or disposition directions, Seller shall, at Seller's expense, prepare the Buyer's Property for shipment and shall deliver it to such locations as may be specified by Buyer. The Buyer's Property shall be in no less than the same condition as originally received by Seller, reasonable wear and tear excepted. If Buyer or Seller defaults under this Order, Seller shall upon Buyer's demand immediately deliver the Buyer's Property to Buyer and, if Buyer so requests, grant Buyer access to Seller's premises for the purpose of removing the Buyer's Property.

- (c) All materials, supplies and services to be manufactured, produced or provided in conjunction with this Order must be in strict accordance with the specifications set forth in this Order or as otherwise specified by Buyer to Seller.
- (d) Seller shall use the Buyer's Property referenced in clause 16(b)(i) solely for the purpose of performing its obligations under this Order.

17. INTELLECTUAL PROPERTY

- (a) Seller shall indemnify and hold Buyer, its subsidiaries and affiliates, their respective successors and assigns, the OEM Customer and users of products containing the Goods or the Services, harmless from and against all liabilities, demands, claims, losses, costs, damages and expenses of any nature or kind (including court costs and legal and other professional fees) arising from or as a result of the infringement or alleged infringement of any patent, trademark, copyright, industrial design or process of manufacture for or on account of the manufacture, sale or use of the Goods or the Services, or of the products containing the Goods or the Services. Seller expressly waives any claim against Buyer that any such infringement or alleged infringement arises out of compliance with Buyer's specifications. Buyer shall notify Seller of any suit filed against Buyer, its subsidiaries and affiliates, their respective successors and assigns, the OEM Customer or users of products containing the Goods or the Services, on account of any such infringement or alleged infringement and, at Seller's request, shall give Seller control of the defense of such suit, insofar as Buyer has the authority to do so, and reasonable information and assistance in connection therewith, all at Seller's expense. Buyer and other indemnified parties shall have the right to be represented by their own counsel and actively participate in any such suit, and the reasonable costs of such representation shall be paid by Seller on demand.
- (b) Seller hereby grants to Buyer, its subsidiaries and affiliates, their respective successors and assigns and, subject to Buyer's prior written consent, to the OEM Customer and users of products containing the Goods or the Services, a non-exclusive, royalty free, paid-up, irrevocable, worldwide license: (i) to use Seller's patents, industrial designs, processes of manufacture and other intellectual property relating to the Goods and the Services, including such a license to make, repair, reconstruct, rebuild, relocate, use and sell, and to have made repaired, reconstructed, rebuilt, relocated, used and sold, the Goods and the Services, and (ii) to use any copyrighted works of authorship fixed in any tangible medium of expression (including drawings, prints, manuals and specifications) furnished by Seller to any such party in the course of Seller's activity under this Order, including such a license to reproduce, distribute and display such works and to prepare derivative works based thereon, subject to the other provisions of this Order.
- (c) All patents, trademarks and industrial designs created or developed by Seller in connection with Seller's performance of its obligations under this Order shall be and remain the property of Buyer, with both title and the right of possession in Buyer.
- (d) Seller shall not manufacture or provide, or offer to manufacture or provide, any goods or services that are based in whole or in part upon Buyer's intellectual property and/or the drawings or specifications in respect of the Goods or the Services, or any derivative thereof, whether for its own purposes (other than to satisfy its obligations under this Order), for the OEM Customer or any other third parties, without Buyer's prior written consent. The foregoing restriction shall not apply in respect of "off-the-shelf" or "catalogue" goods or services that have been routinely manufactured or provided by Seller and developed by Seller, in each case prior to this Order and independently of its relationship with Buyer.

18. CONFIDENTIALITY AND NON-DISCLOSURE

- (a) Seller shall consider and treat all Information (as defined in subparagraph 18(b)) as confidential and shall not disclose any Information to any other person, or use any Information itself for any purpose other than pursuant to and as required by this Order, without Buyer's prior written consent. Buyer retains all rights with respect to the Information, and Seller shall not acquire, nor attempt to obtain, any patent, trademark, copyright, license or other rights in respect of the Information. Seller shall not allow any Information to be reproduced, communicated or in any way used, in whole or in part, in connection with services or goods furnished to others, without Buyer's prior written consent.
- (b) For the purposes of this Order, "Information" means all drawings, reproductions, specifications, designs, engineering instructions, photographs, reproducible copy, parts lists, plans, reports, working papers, computations and other information furnished by Buyer and shall include any information relating to this Order.
- (c) Seller shall not advertise or otherwise disclose the fact that Buyer has contracted to purchase the Goods or the Services from Seller, without Buyer's prior written consent.

19. DISCLOSURE TO BUYER

Unless otherwise expressly stated in this Order and except as may be agreed in a prior written agreement between Buyer and Seller, no commercial, financial or technical information furnished or disclosed in any manner or at any time by Seller to Buyer shall be deemed to be secret or confidential, and Seller shall have no rights against Buyer or the OEM Customer with respect to any use or disclosure of such information.

20. COMPLIANCE WITH LAWS

- (a) Seller's performance of its obligations under this Order shall be in compliance with all federal, provincial, state and local laws, ordinances, rules, codes, standards and regulations that are applicable to this Order (collectively, "Laws"). Seller shall furnish Buyer with certificates of compliance, where required under such applicable Laws or when requested by Buyer. Each invoice rendered to Buyer under this Order shall constitute written assurance by Seller that Seller has fully complied with all applicable Laws.
- (b) Seller shall package, label and transport the Goods and their containers, in particular those which constitute a health, poison, fire, explosion, environmental, transportation or other hazard, in compliance with all applicable Laws in effect in the place to which the Goods are shipped or as otherwise specified by Buyer. Upon request, Seller shall furnish Buyer with information regarding the ingredients of the Goods.
- (c) Seller represents that neither it nor any of its subcontractors or suppliers will utilize slave, prisoner or any other form of forced or involuntary labor in the supply of the Goods or the Services under this Order.
- (d) Seller shall indemnify and hold Buyer, its subsidiaries and affiliates, their respective successors, assigns, representatives, employees and agents, and the OEM Customer harmless from and against all liabilities, claims, demands, losses, costs, damages and expenses of any kind and nature (including personal injury, property damage, consequential and special damages) arising from or as a result of Seller's failure to comply with this paragraph 20.

21. SELLER'S ENTRY UPON BUYER'S PREMISES

If Seller or any of its representatives, employees, agents, subcontractors or suppliers (collectively, "Seller Parties") enter upon the premises owned or controlled by Buyer or its subsidiaries or affiliates (the "Buyer's Premises") in connection with Seller's performance of its obligations under this Order, Seller shall: (i) indemnify and hold Buyer, its representatives, employees, agents, customers, invitees, subsidiaries and affiliates, their respective successors and assigns, harmless from and against all liabilities, demands, claims, losses, costs, damages and expenses of any kind or nature (including legal and other professional fees) by reason or on account of property damage, death and/or personal injury, arising from or as a result of Seller's performance of its obligations under this Order, which is or are occasioned by Seller Parties' actions, omissions or negligence; and (ii) ensure that Seller Parties are in compliance with all requirements of any workers' compensation legislation of the jurisdictions in which the Buyer's Premises are located.

22. INSURANCE

- (a) Seller shall maintain and carry: (i) property and general liability insurance, including public liability, property damage liability, product liability and contractual liability coverages; and (ii) workers' compensation and employers' liability insurance covering all employees engaged in the performance of this Order; in each case in

such amounts and with such limits (subject to subparagraph 22(c)) and with such insurers that are reasonably acceptable to Buyer.

- (b) Unless otherwise expressly stated in this Order, Seller's liability insurance policies shall have combined single limits of no less than U.S.\$5,000,000 per occurrence and in the aggregate; provided that such limits shall not limit Seller's liability under this Order. Seller's property insurance policies shall be written on a "replacement cost" basis and Seller's workers' compensation policies shall be in compliance with applicable statutory requirements and limits.
- (c) Seller shall furnish Buyer with certificates or other satisfactory proof of insurance confirming the foregoing insurance coverages within ten (10) days of Buyer's request. Any such certificate shall provide for terms and conditions satisfactory to Buyer whereby, among other things: (i) the interest of Buyer in such insurance coverage has been recognized, whether by way of designating Buyer as loss payee or otherwise, as may be requested by Buyer from time to time; and (ii) Buyer will receive not less than thirty (30) days prior written notice from the insurer before any termination or reduction in the amount or scope of coverage can occur, with Buyer having the right, but not the obligation, to maintain such insurance coverage prior to the expiration of such notice. The receipt or review of such certificates or other proof of insurance coverage at any time by Buyer shall not relieve Seller from its insurance obligations hereunder or reduce or modify such insurance obligations.

23. TERMINATION FOR CONVENIENCE UPON NOTICE

- (a) In addition to any other rights of Buyer to terminate this Order, Buyer may, in its sole discretion, upon thirty (30) days prior written notice to Seller or, if applicable, such shorter period as may be required by the OEM Customer, terminate this Order for convenience or any other reason, in whole or in part at any time, and notwithstanding the existence of any excusable delay or other events or circumstances affecting Seller. Buyer's notice to Seller may be given by facsimile, e-mail or other form of electronic transmission, and shall state the extent and effective date of termination. Seller may not terminate this Order for convenience or any other reason, except as otherwise expressly provided in this Order.
- (b) Upon receipt of notice of termination from Buyer, Seller shall, to the extent directed by Buyer or its representatives: (i) stop work under this Order and any other orders related to work terminated by such notice; and (ii) protect all property in Seller's possession or control in which Buyer has or may acquire an interest, including the Buyer's Property. Seller shall promptly submit to Buyer any claims relating to such termination, and in any event within twenty one (21) days (unless Buyer agrees otherwise) from the effective date of such termination. Seller hereby grants Buyer the right to audit and inspect its books, records and other documents relating to any termination claims.
- (c) If Buyer and Seller cannot agree within a reasonable time upon the amount of fair compensation for Buyer's termination of this Order, Buyer shall, in addition to making payment of the price specified in this Order for the Goods and the Services delivered or performed and accepted by Buyer prior to the effective date of termination, pay to Seller the following amounts, without duplication: (i) the price specified in this Order for the Goods and the Services manufactured or provided in accordance with the terms of this Order but not previously paid for; and (ii) the actual costs of work in process and raw materials incurred by Seller in performing its obligations under this Order, to the extent such costs are reasonable in amount and are properly allocated or apportioned under generally accepted accounting principles to the terminated portion of this Order. Buyer shall not be obligated to make any payment for: (x) the Goods, the Services, or work in process or raw materials inventory that are manufactured, provided or procured by Seller in amounts in excess of those authorized in any Release or that are damaged or destroyed; (y) any undelivered Goods that are in Seller's standard stock or that are readily marketable; or (z) raw materials inventory that can be returned to Seller's suppliers or subcontractors for credit. Payments made under this paragraph 23 shall not exceed the aggregate price for the Goods or Services that would be manufactured or provided by Seller under any Release outstanding at the effective date of termination. Except as provided in this subparagraph 23(c), Buyer shall not be liable for and shall not be required to make payments to Seller, directly or indirectly (whether on account of claims by Seller's subcontractors or otherwise), for any loss arising from or attributable to failure to realize anticipated revenue, savings or profit, 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 a termination of this Order. In the event of a termination of this Order by Buyer as a result of Buyer ceasing to be a supplier to the OEM Customer for the vehicle program in respect of which Buyer issued this Order, Buyer shall only be obligated to compensate Seller for any costs under this paragraph if, when and to the extent that the OEM Customer reimburses Buyer for such costs.

- (d) Subject only to paragraph 16(b), Seller may, with Buyer's prior written consent, retain or sell at an agreed price any of the Goods, the Services, work in process or raw materials inventory, the cost of which is allocated or apportioned to this Order under clause 23(c)(ii), and shall credit or pay the amounts so agreed or received as Buyer directs, with an appropriate adjustment for any delivery cost savings. Seller shall, if directed by Buyer, transfer title to and make delivery of any Goods, work in process or raw materials inventory not so retained or sold.

24. TERMINATION UPON SELLER'S DEFAULT OR CHANGE OF CONTROL

- (a) Buyer may terminate this Order, in whole or in part, for default occasioned by Seller's: (i) breach of any terms of this Order; (ii) failure to perform in accordance with the requirements of this Order; or (iii) failure to make progress so as to endanger timely and proper delivery of the Goods or completion of the Services and, in each such case, Seller does not correct such breach or failure within ten (10) 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 this Order.
- (b) Buyer may terminate this Order, in whole or in part, in the event of a change of control of Seller. For the purposes of this Order, a "change of control" includes: (i) any sale, lease or exchange of a substantial portion of Seller's assets used in connection with Seller's performance of its obligations under this Order; (ii) any sale or exchange of a sufficient number of shares of Seller, or of any affiliate that controls Seller, to effect a change in management of Seller; or (iii) the execution of a voting or other agreement of control in respect of Seller, or of any affiliate that controls Seller. Seller shall notify Buyer in writing within ten (10) days of any change of control of Seller, and Buyer may terminate this Order by giving written notice to Seller at any time up to sixty (60) days after Buyer's receipt of Seller's notice of change of control.
- (c) Any termination under this paragraph 24 shall be without liability to Buyer, except for the Goods delivered or the Services performed by Seller and accepted by Buyer.

25. TERMINATION UPON INSOLVENCY, BANKRUPTCY, ETC.

- (a) Either party may terminate this Order, without liability to the other party: (i) in the event of the insolvency, bankruptcy, reorganization, arrangement, receivership or liquidation by or against the other party; (ii) in the event that the other party makes an assignment for the benefit of its creditors or ceases to carry on business in the ordinary course; or (iii) if a receiver is appointed in respect of the other party or all or part of its property. In the event of such termination, the other party shall be liable for all costs, damages and expenses suffered by the party that terminates this Order. Any such termination shall not affect the entitlement of Buyer with respect to the Buyer's Property, including pursuant to subparagraph 16(b).
- (b) In the event that Buyer does not terminate this Order upon the occurrence of an event in subparagraph 25(a) in respect of Seller, Buyer may make such equitable adjustments in the price and/or delivery requirements under this Order as Buyer deems appropriate to address the change in Seller's circumstances, including Seller's ongoing liability to perform its obligations regarding warranty, defective Goods or Services or other requirements under this Order.

26. ASSIGNMENT

- (a) Seller shall not assign this Order or any portion hereof or work hereunder or any interest herein, except that Seller may, with Buyer's prior written consent, make an assignment of monies due or which may become due hereunder to a bank or other financing institution; provided that any such assignment by Seller shall be subject to set-off, deduction, recoupment or any other lawful means of enforcing any present or future claims that Buyer may have against Seller, and provided further that any such assignment shall not be made to more than a single assignee. In the event of any such assignment, Seller shall provide to Buyer, in addition to written notice of the assignment, a true copy of the instrument of assignment for Buyer's information only and, notwithstanding such receipt by Buyer, such notice of assignment and/or instrument of assignment shall not be deemed to vary or waive the provisions of this paragraph.
- (b) Buyer shall have the right to assign this Order or its interest herein, without Seller's consent, to any of its affiliates or to any purchaser or successor to Buyer's business.

27. RIGHT OF BUYER TO PERFORM

If Seller fails to perform any of its obligations under this Order, Buyer and its agents may, without limiting or affecting its other rights and remedies available hereunder or at law, but shall not be obligated to, perform such

obligations without waiving or releasing Seller from such obligations. Where applicable, Buyer and its agents shall be entitled to enter upon Seller's premises to perform, or to remove the tooling and all materials necessary to perform, such obligations. All costs, damages and expenses incurred directly or indirectly by Buyer in connection with the foregoing, including legal and other professional fees and Buyer's administrative time, labor and materials, shall be paid by Seller to Buyer on demand or, at Buyer's sole option, may be set off against and deducted from any amounts then owing by Buyer to Seller.

28. REMEDIES

- (a) The remedies reserved in this Order shall be cumulative and not alternative and may be exercised separately or together, in any order or combination, and are in addition to any other remedies provided for or allowed by law, at equity or otherwise.
- (b) Seller expressly acknowledges and agrees that any failure of Seller to deliver the Goods on the delivery dates and times as specified in this Order will cause irreparable harm to Buyer and that Buyer shall be entitled to equitable relief, including injunction, in such event.

29. WAIVER

Either party's failure to insist on the performance by the other party of any term or condition hereof or failure to exercise any right or remedy reserved in this Order, or either party's waiver of any breach or default hereunder by the other party shall not, thereafter, waive any other terms, conditions, rights, remedies, breaches or defaults, whether of the same or a similar type or not.

30. MODIFICATIONS

- (a) No modification of this Order, including any waiver of or addition to any of these terms and conditions, shall be binding upon Buyer, unless made in writing and signed by Buyer's authorized representative.
- (b) Buyer may modify these purchase order terms and conditions with respect to future purchase orders, at any time and from time to time, by posting revised terms and conditions to its internet website, as specified on the face of the purchase order, and such revised purchase order terms and conditions shall apply to all purchase orders issued thereafter.

31. TORT OBLIGATIONS

Buyer's rights and Supplier's obligations under this Order shall not limit in any way whatsoever Seller's common-law tort obligations or Buyer's right to sue in tort in addition, or as an alternative, to suing in contract. Seller hereby waives the right to sue in tort in respect of any matter that is addressed, in whole or in part, by the terms and conditions of this Order.

32. RIGHT TO AUDIT

Seller grants to Buyer and to Buyer's authorized agents and representatives access to all pertinent information, including books, records, payroll data, receipts, correspondence and other documents, for the purpose of auditing Seller's charges under this Order. Seller will preserve such information for a period of two (2) years after the final payment under this Order. In addition, all work, materials, inventories and other items provided for under this Order must at all times be accessible to Buyer and to Buyer's authorized agents and representatives, including parts, tools, fixtures, gauges and models. Seller will segregate its records and otherwise co-operate with Buyer so as to facilitate any audit pursuant to this paragraph.

33. SUBCONTRACTS

Seller will ensure that the terms of its contracts with its subcontractors provide Buyer and the OEM Customer with all of the rights specified in this Order, including but not limited to those set forth in paragraph 2.

34. RELATIONSHIP OF THE PARTIES

Seller and Buyer are independent contracting parties and nothing in this Order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does this Order grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. None of the persons engaged by Seller in the performance of its obligations under this Order shall be considered as employees of Buyer.

35. SEVERABILITY

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

36. ADDITIONAL REQUIREMENTS ON BUYER'S WEBSITE

Buyer's internet website, as specified on the face of the purchase order, may contain specific additional requirements for certain items covered by this Order, including labeling, packaging, shipping, delivery and quality specifications, procedures, directions and/or instructions. Any such requirements shall be deemed to form part of this Order and are binding on Seller and Buyer. Buyer may periodically update such requirements by posting revisions thereto on its internet website and, in such event, Buyer will notify Seller of such updates and revisions. In the event of any inconsistency between this Order and Buyer's internet website, the terms of this Order shall prevail, unless the requirements specified on such website expressly provide otherwise.

37. NOTICES

Unless otherwise expressly stated in this Order, any notice given or other communication sent under this Order shall be in writing and shall be properly delivered to its addressee by hand, prepaid courier, registered mail, e-mail or facsimile at the applicable address noted on the face of the purchase order. Any notice or communication given as provided herein shall be deemed to have been received at the time of its delivery if delivered by hand, on the business day following its dispatch if transmitted by courier, e-mail or facsimile or on the third business day following its mailing if transmitted by registered mail. Either party may notify the other party, in the manner provided for herein, of any change of address, for the purpose of giving notices or sending communications under this Order.

38. ENTIRE AGREEMENT

This Order contains the entire agreement between Buyer and Seller and, except as otherwise expressly stated in this Order or in any prior written agreement, supersedes all prior agreements, orders, quotations, proposals and other communications relating to the subject matter hereof. There are no understandings or agreements, verbal or otherwise, in relation hereto that exist between Buyer and Seller, except as otherwise expressly stated in this Order.

39. SURVIVAL

The obligations of Seller to Buyer shall survive termination of this Order, except as otherwise expressly provided herein.

40. GOVERNING LAW AND JURISDICTION

- (a) If the location of Buyer from which this Order issued is in the United States of America, this Order shall be interpreted and enforced in accordance with the local, domestic laws of the State of Michigan and of the United States of America, exclusive of the choice of law rules thereof. If the location of Buyer from which this Order issued is in Canada, this Order shall be interpreted and enforced in accordance with the local, domestic laws of the Province of Ontario and of Canada, exclusive of the choice of law rules thereof. Except as otherwise expressly stated in this Order, if the location of Buyer from which this Order issued is other than as set forth above and is not in Europe, this Order shall be interpreted and enforced in accordance with the local, domestic laws of the State of Michigan and of the United States of America, exclusive of the choice of law rules thereof. For greater certainty, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Order.
- (b) Any litigation on contractual claims arising from this Order may be brought by Buyer in any court having jurisdiction over Seller or, at Buyer's option, in any court having jurisdiction over any Buyer's locations specified in this Order, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any claim or proceeding by Seller against Buyer may be brought by Seller only in the court having jurisdiction over the location of Buyer from which this Order issued. Seller irrevocably waives and agrees not to raise any objection it might now or hereafter have to any such claim or proceeding in any such court, including any objection that the place where such court is located in an inconvenient forum or that there is any other claim or proceeding in any other place relating in whole or in part to the same subject matter.