

TERMS OF PURCHASE

1. **Purchase Order.** Seller agrees with all terms set forth herein and in the Purchase Order, to which these terms are attached and/or are expressly incorporated by reference (collectively, the "Order"). These terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller's general terms and conditions of sale or any other documents issued by Seller.
2. **Timely Performance.** Seller acknowledges and agrees that time is of the essence in the delivery of the goods or completion of the services within the time frame mutually agreed upon by Buyer and Seller, is vital to the interest of Buyer, and that failure to complete the services within such timeframe constitutes a breach of the Order.
3. **Price and Payment.** All prices are firm. No additional charges of any kind will be allowed unless specifically agreed in writing by Buyer. Seller's price includes all shipping and packaging costs, all taxes, fees and/or duties applicable to the goods and/or services purchased under the Order; provided, however, that any value added tax ("VAT") and/or similar tax that is recoverable by Buyer will not be included in Seller's price but will be separately identified on Seller's invoice.

Buyer's payment of the purchase price does not indicate its acceptance of the goods or services.

4. **Price Warranty.** Seller warrants that the prices for the goods and/or services sold to Buyer are not less favorable than those currently extended to any other customer for the same or similar articles in similar quantities. In the event Seller reduces its price for such article during the term of the order, Seller agrees to reduce the prices hereof correspondingly.
5. **Changes.** Buyer reserves the right at any time prior to shipment to make a change as to: (1) specifications; (2) method of delivery; (3) place of delivery; (4) schedule of delivery and the (5) quantities of delivery. Seller shall provide a written quote with any prices changes as a result of Buyer's change request within two (2) days of Buyer's change request.
6. **Delivery.** Unless otherwise agreed upon by the parties in writing, Seller shall deliver the goods FCA, Seller's facility. Time of delivery or performance is of the essence. Seller shall deliver all goods and/or services within Buyer's delivery schedule as set forth in the Order. If Seller anticipates difficulty in complying with the required delivery date or meeting any other requirement set forth in the Order, Seller shall promptly notify Buyer in writing.

Unless otherwise stated on the face of the Order, if Seller fails to deliver the goods and/or services as scheduled, Seller shall pay five percent (5%) of the total amount of the Order per week or part of the week of delay, up to thirty percent (30%) of the total value of the Order. The parties agree that such amounts are a reasonable pre-estimate of the damages Buyer will suffer as a result of delay based on circumstances existing at the time of the Order and are to be assessed as liquidated damages and not as a penalty. The parties also agree that for any delay exceeding four (4) weeks, Buyer shall be entitled to recover any documented additional damages that Buyer incurs as a result of Seller's additional delay. Unless otherwise agreed in writing,

Buyer's remedies are cumulative and Buyer shall be entitled to pursue any and all remedies available under applicable law, including but not limited to Buyer's right to terminate the Order for default, purchase goods from third parties and charge Seller with the cost of cover. Furthermore, if Seller does not comply with Buyer's delivery schedule, Buyer may require delivery by fastest method at Seller's cost.

7. **Inspection and Rejection.** All goods are subject to final inspection and acceptance by Buyer at destination notwithstanding any payment. Such inspection will be made within a reasonable time after receipt of goods. Buyer shall notify Seller if any goods delivered hereunder are rejected, and at Buyer's election and Seller's risk and expense, such goods shall be held by Buyer or returned to Seller. No replacement or correction of nonconforming goods shall be made by Seller unless agreed to in writing by Buyer.
8. **Seller Representations and Warranties.** Seller represents and warrants that (a) Seller owns all rights, title and interest in the goods and services and has legal authority to sell, license or otherwise transfer the right to use or sell such items to the company; (b) the goods and/or services covered under the Order are of good and merchantable quality and free from defects in design, material and workmanship, are safe, and conform to applicable specifications, drawings, samples, and descriptions; (c) the goods and services are fit for the purposes for which Buyer intends them and free from faults and defects; (d) the goods will be delivered with good title, free and clear of all liens and encumbrances; (e) that the goods or services will conform to any statements made on the containers or labels or advertisements for such goods or services, and (f) that any goods will be adequately contained, packaged, marked and labeled. Upon Buyer's request, Seller shall give Buyer certificates of compliance with applicable laws and regulations.

Seller's warranty shall run to Buyer, its successors, assigns and customer, and users of product sold by Buyer. Seller agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty promptly, without expense to Buyer when notified of such nonconformity by Buyer. In the event of failure of Seller to correct defects in or replace nonconforming goods or services promptly, Buyer, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for the cost incurred by Buyer in doing so.

9. **Nonconforming Goods.** If the goods and/or services do not conform to the warranties or representatives set forth in the Order, Buyer may, at its sole option (1) require Seller to promptly repair or replace the goods or reperform the services within a commercially reasonable time, not to exceed five (5) business days, or other mutually agreed upon time, at Seller's sole expense; (2) return nonconforming goods to Seller, at Seller's risk and expense, and require Seller to give Buyer full credit against the price; (3) retain nonconforming goods and set off losses against any amount that Buyer owes Seller; or (4) repair or replace nonconforming goods or reperform nonconforming services and charge Seller with the expense. If Buyer incurs damages as a result of a nonconformity, including, without limitation, any cost of "cover" or from Buyer completing the manufacture or processing of the goods or services, Buyer will pay to Seller any unpaid part of the purchase price properly allocable to conforming Goods or Services,

work-in-process, and raw materials that Seller delivered to Buyer less Buyer's damages. In addition to Buyer's rights described in these Terms, Buyer reserves all rights and remedies that the law gives to buyers, including the right to recover incidental and consequential damages that result from Seller's breach. Buyer shall not lose any right just because it does not exercise that right. A reasonable time for Buyer to reject or revoke acceptance of the Goods is not less than one year from the date of delivery.

10. Indemnification. Seller shall indemnify and hold Buyer and its directors, officers, and employees (collectively, "Representatives") harmless as to any claims, liabilities, losses, damages, and expenses, including, without limitation, attorneys' fees and other legal expenses, brought against Buyer or its Representatives for (1) breach of this Order or any other obligation imposed upon Seller in connection with this Order; (2) any claim that any Good or Service provided by Seller to Buyer infringes any intellectual property right; (3) any death, injury, or damage to any person or property alleged to have been caused by the Goods or Services or by Seller's manufacture of the Goods or performance of the Services.

11. Force Majeure. Neither party shall be liable for any non-performance or delay in performance caused by a strike, lockout, riot, war, insurrection or act of God or any other event or circumstance beyond the other party's reasonable control ("Force Majeure Event"). Upon a Force Majeure Event, Seller must immediately notify Buyer and give Buyer a detailed description of the non-performance or delay that it will cause. Buyer shall then have the right to terminate the Order, without liability to Seller.

12. Termination.

- a. **Termination for Convenience of Buyer.** 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 hereunder, and shall immediately cause any of its suppliers or subcontractors to cease such work. Unless the Order is for a stock item, Seller shall be paid a termination charge consisting of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination. Seller shall not be paid for any work performed after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided, nor for any costs associated with a stock item.
- b. **Termination for Cause.** Buyer reserves the right to terminate the Order, or any portion thereof, without liability, if: (a) Seller defaults in the performance of any of Seller's obligations to Buyer under the Order; (b) Seller ceases to conduct its operation in the normal course of business; (c) Seller is unable to meet its obligations as they mature; (d) proceedings are institute against Seller under the bankruptcy laws or any other laws relating to the relief of creditors; (e) a receiver is appointed or applied for by Seller; (f) any assignment is made by Seller for the benefit of creditors; or (g) Seller makes a materially false or misleading warranty or representation to Buyer in connection with the Order. Buyer also reserves the right to terminate for any other reason permitted by the Uniform Commercial Code then in effect in the State of Michigan. In the event of

termination, Buyer shall have no further obligations to Seller except to pay for deliverables that were provided to and accepted by Buyer prior to such termination.

- 13. Confidentiality.** All information, in any form, provided or made available by Buyer or its Affiliates to Seller that is identified as confidential or that Seller knows or should know to be confidential given the nature of the information shall only be disclosed on a need-to-know basis (“Confidential Information”). Seller acknowledges that it is, may be or will be privy to Buyer’s Confidential Information. Seller agrees that it will use the Confidential Information only in furtherance of its work under the Order and shall not transfer or otherwise disclose the Confidential Information to any third party except with written authorization from an officer of Buyer.
- 14. Insurance.** If Seller is to perform any services for Buyer on any premises owned or controlled by Buyer or elsewhere, Seller agrees to: (1) keep such premises and work free and clear of all mechanic’s liens, and furnish to Buyer proper affidavits and/or waivers certifying thereto; (2) perform such services at Seller’s sole risk prior to its written acceptance by Buyer, and replace at Seller’s sole expense all property damaged or destroyed by any cause whatsoever; (3) carry worker’s compensation insurance covering all employees to be used by Seller or Seller’s subcontractors in connection with such services and public liability insurance covering Seller’s liability hereunder; and (4) prior to commencing the performance of any services hereunder, furnish to Buyer certificates of its insurance carrier showing that such worker’s compensation and liability and property damage insurance is in force. All shipments shall be insured for full value for goods herein. This insurance shall include the full value of any materials furnished by Buyer whether or not these materials have been altered by Seller. Seller accepts full responsibility for financial reimbursement to Buyer for all materials lost or damaged and not insured.
- 15. Intellectual Property.** “Buyer Intellectual Property” means any trademarks, trade dress, patents, copyrights, trade secrets and industrial design rights of Buyer and its related companies. All Buyer Intellectual Property disclosed to Seller remains the exclusive property of Buyer and can only be used by Seller in performance of the Purchase Order. Seller shall not disclose Buyer Intellectual Property rights to any third party without Buyer’s prior written agreement.
- 16. Buyers’ Property.** Any designs, drawings, specifications, methods of manufacture, intellectual property, documents, and other information and any tooling, equipment or other property that Buyer furnishes to, or acquires from Seller in connection with Seller’s manufacture of the Goods or performance of the Services (“Buyer Property”) are and shall at all times be Buyer’s sole and exclusive property. Seller shall (1) maintain the Buyer Property in good condition, (2) mark the Buyer Property as belonging to Buyer; (3) not commingle the Buyer Property with other property, and (4) return the Buyer Property upon Buyer’s request.
- 17. Subcontractors.** No part of this Order may be assigned or subcontracted without the prior written approval of the Buyer.

- 18. Waiver.** Buyer's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or Purchase's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.
- 19. Applicable Law.** The Order shall be construed according to the laws of Michigan. The parties agree and consent to the exclusive jurisdiction of the Circuit Court for Kent County or the U.S. District Court for the Western District of Michigan, as applicable, provided that Buyer may, in its discretion, elect to bring an action against Seller in any court having jurisdiction over Seller.
- 20. Complete Agreement.** The Order constitutes the entire agreement between Seller and Buyer with respect to the subject matters of the Purchase Order and supersedes all prior oral or written communications, representations, understandings, discussions and agreements.