



GKN SINTER METALS

TERMS AND CONDITIONS OF PURCHASE FOR DIRECT MATERIALS (U.S. & CANADA)

(Last revised October 2020)

1. **Applicability.**

(a) These GKN Sinter Metals Terms and Conditions of Purchase for Direct Materials (U.S. and Canada) (these “**Terms and Conditions**”), together with any additional terms or conditions set forth in: (i) the purchase order (the “**Purchase Order**”), nomination agreement or award letter executed by the parties or other document in which these Terms and Conditions are attached or are incorporated in by reference; (ii) GKN’s quality and other requirements and procedures applicable to the Goods; (iii) or any other document specifically agreed to in writing including, without limitation, specifications, drawings, quality requirements, or other requirements of Buyer’s customer (collectively, this “**Contract**”) apply to the purchase by either GKN Sinter Metals LLC (“**GKN US**”) or GKN Sinter Metals – St. Thomas, Ltd. (“**GKN Canada**”), in each case, to the extent listed on the Purchase Order (as applicable, “**Buyer**”) of the goods and related services described in this Contract (the “**Goods**”) from the seller party to whom a Purchase Order is addressed or who is otherwise a party to a signed agreement with Buyer for the Goods (“**Seller**”).

2. **Offer and Acceptance; Precedence.**

(a) Seller has read and understands this Contract. If Buyer and Seller are parties to a signed agreement relating to the Goods and incorporating these Terms and Conditions, Seller has accepted this Contract. If Buyer and Seller are not parties to a signed agreement, Seller accepts this Contract, and forms a binding agreement with Buyer, by doing any one of the following: (i) acknowledging its acceptance of the Purchase Order in writing; (ii) commencing any work under this Contract (including, without limitation, shipping the Goods); or (iii) engaging in any other conduct which recognizes the existence of a contract with Buyer with respect to the subject matter of this Contract. Seller’s failure to return an acknowledgment copy of a Purchase Order, even if expressly requested by Buyer, will not preclude acceptance in accordance with the foregoing terms.

(b) Unless otherwise agreed in writing with Buyer, Seller agrees that Seller’s acceptance is expressly limited to the terms of this Contract. Any additional or different terms proposed by Seller (whether in Seller’s quotation, proposal, acknowledgement, invoice or otherwise and whether or not delivered prior to or after entry into this Contract or delivery of a Purchase Order) are expressly rejected by Buyer, are not part of this Contract, and are not binding on Buyer without the express prior written acceptance of such terms by Buyer’s authorized representative. Any reference in this Contract to any quotation, proposal, or any other similar document provided by Seller is solely for the purpose of incorporating the description and specifications of the Goods contained in such document, but only to the extent that such description and specifications do not conflict with the description and specifications contained in this Contract. No employee or other representative of Buyer is authorized to make any oral contract of commitment for the purchase of Goods or to modify or change these Terms and Conditions or any other term of the Contract unless such modification or change is acknowledged in a signed writing by Buyer’s authorized representative. The parties have agreed, and it is their intent that the “battle of the forms” described in Section 2-207 of the Uniform Commercial Code will not apply to this Contract or to any invoice or acceptance form of Seller relating to this Contract.

(c) If there is a conflict in any of the documents making up this Contract, the documents will prevail over each other in the following order of precedence: (i) any document specifically agreed to in writing and signed by the parties; (ii) the terms of any Purchase Order (excluding these Terms and Conditions); (iii) these Terms and Conditions; and (iv) any other requirements or documents that make up this Contract.

3. **Duration.** Unless the Contract specifies otherwise, the term of this Contract begins on the Purchase Order date (the “**Effective Date**”) and continues until the quantities of Goods required to be provided under the Contract have been delivered and accepted by Buyer (the “**Term**”).

4. **Quantity; Delivery; Transfer of Title.**

(a) Unless this Contract (or a separate written agreement executed by Buyer’s authorized representative) requires Seller to manufacture, ship, and/or provide Buyer’s requirements for the Goods, this Contract is a fixed quantity contract under which Buyer is only obligated to purchase the quantity of Goods specified in the Purchase Order. Buyer may change the timing of scheduled shipments or direct, temporary suspension of scheduled shipments without entitling Seller to a price adjustment or other compensation.

(b) Time of delivery and quantity are of the essence. Deliveries must be made in the quantities and at the times specified in the Purchase Order or, if no time is specified, in accordance with Buyer’s written directions. Seller will promptly furnish all properly completed documents and other information required to satisfy all customs, tariffs or other applicable governmental regulations including, but not limited to, customs documentation, certificates of origin, and any other document required by the United States – Mexico - Canada Agreement (or any successor agreement that replaces such agreement). Should Seller experience or anticipate any delay in performing this Contract, whether or not such delay is excusable under any provision hereof, Seller shall immediately notify Buyer of such delay, its expected duration and the reasons thereof. Neither such notification nor an acknowledgment by Buyer shall constitute a waiver of any Purchase Order’s delivery schedule. Without limiting any rights of Buyer under this Contract, Seller will be liable for all damages, costs, and expenses incurred by Buyer for Seller’s failure to comply with Buyer’s delivery requirements (including, without limitation, an expedited or premium shipment or cover damages).

(c) Unless otherwise specified on a Purchase Order or agreed to in writing by the parties, Seller must deliver the Goods DDP (Incoterms 2020). Title and risk of loss to the Goods passes to Buyer upon receipt of the Goods by Buyer's carrier; provided, however, if Seller is required to contract with the carrier, title and risk of loss to the Goods passes to Buyer upon Buyer's receipt of the Goods.

5. **Packing; Marking; Shipping.** Seller must (a) properly mark, pack, and ship all Goods in accordance with the requirements of Buyer, Buyer's customers, the involved carriers, and any applicable Law; and (b) label and/or tag each package according to Buyer instructions or, if no instructions are provided, in accordance with the prevailing standards of the industry. Markings must be in English unless the Contract specifies otherwise. In addition to the foregoing, Seller agrees that all Goods will be packaged in clean returnable dunnage and the dunnage is free from contamination. Seller shall be responsible for dunnage cleaning. Seller must ensure that all dunnage provided by Buyer or Buyer's customer is not damaged, destroyed, lost, or stolen while on the Seller's premises. Seller is responsible for all costs associated with damaged or destroyed dunnage while the dunnage is on Seller's premises. If expendable packaging is required to ship the Goods and Buyer has agreed to pay the expendable cost, the expendable cost must be pre-approved by Buyer in writing. If recyclable packaging is requested by Buyer or its customer, then Seller must use recyclable packaging. Prior to shipment of the Goods, Seller must provide Buyer sufficient advance warning and notice in writing (including appropriate labels on the Goods, containers and packaging) of any hazardous, dangerous, or restricted material which is an ingredient or a part of any of the Goods, together with any special handling instructions as may be necessary to advise carriers, Buyer's customer, Buyer and their respective employees of how to exercise the measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use, or disposal of the Goods, containers, and related packaging shipped to Buyer. Unless otherwise agreed in writing by Buyer or set forth in a Purchase Order, Seller shall bear all costs and expenses of marking, packing, and shipping the Goods. Seller shall reimburse Buyer for any liabilities, expenses, and costs incurred as a result of improper packing, marking, routing, shipping or any other noncompliance with the requirements of this Section.

6. **Inspection; Nonconforming Goods.**

(a) All Goods are subject to Buyer's inspection and approval at the destination; provided, however, Seller agrees that Buyer may not perform inspections of incoming Goods and waives any right to require Buyer to conduct such inspections. In addition, Buyer or third parties designated by Buyer may, upon reasonable advance notice to Seller, inspect production processes and property and conduct testing at Seller's premises for the sole purpose of verifying Seller's performance under this Contract. Buyer's inspection, testing or failure to inspect or test the Goods does not constitute acceptance of the Goods, effect any right of Buyer, or relieve Seller of any of its responsibilities or warranties including Seller's obligation of testing, inspection, and quality control.

(b) Buyer may, at its option, reject any Goods that fail to conform strictly to the requirements of this Contract. If Buyer rejects any Goods, Buyer may elect to, without any liability to Seller, at no charge to Buyer, and at Seller's cost and expense (i) require Seller to repair or replace the Goods; (ii) purchase similar Goods from another source and reduce the quantities of the Goods under this Contract (and any corresponding payment); and/or (iii) exercise any other right(s) provided to Buyer in this Contract or available at Law. Seller agrees that Seller will not charge Buyer, and Buyer has no obligation to pay Seller, to make repairs to any nonconforming Goods. Seller will be liable for all liabilities, damages, losses, costs and expenses associated with Buyer's rejection of the Goods, including, without limitation, any costs associated with inspecting, sorting, testing, repairing or replacing Goods, transportation, effecting cover, or claims by Buyer's customers. Nonconforming Goods shall not be replaced without Buyer's written permission. Nonconforming Goods will be held by Buyer for disposal in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within ten (10) days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity, shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling, or to dispose of the Goods, without liability to Seller.

7. **Quality.**

(a) **General Requirements.** Seller must meet or exceed all quality requirements of Buyer and any specified customer requirements including, without limitation, all requirements, processes, and procedures set forth in Buyer's Supplier Quality Manual SM-100, as such manual may be updated from time to time and furnished to Seller. Unless otherwise waived by Buyer in writing, Seller represents and warrants (i) it is registered to ISO 9001: 2008 and ISO/TS16949:2009 (or a successor equivalent) by an accredited third party certification body or a registrar and (ii) Seller's quality systems are based on, and meet the requirements of, ISO 9001: 2008 and ISO/TS16949:2009. During the Term, Seller agrees to maintain the foregoing registrations and agrees that a failure to maintain such registrations will be deemed a material breach of the Contract. Seller acknowledges it has analyzed and reviewed Buyer's or Buyer's customer's specifications for the Goods and that Buyer's specifications are sufficient and adequate to manufacture the Goods in compliance with the Contract. Seller agrees it is solely responsible for maintaining all required quality processes to meet the foregoing specifications. Without limiting any rights or remedies of Buyer hereunder, all costs incurred by Buyer or its customer relating to quality issues in the Goods (including, without limitation, sorting charges, labor, damaged tooling, rework, downtime, expedited freight costs, etc.) are the responsibility of Seller, will be charged by to Seller, and may be taken by Buyer through debits, setoff, or otherwise. At Buyer's request, Seller will furnish to Buyer, at Seller's cost, test samples of Goods as may be reasonably required by Buyer to determine if the manufacture of the Goods are in accordance with this Section.

(b) **APQP and PPAP.** Seller must comply with the requirements of the Advanced Product Quality Planning and Control Plan ("**APQP**") issued by the Automotive Industry Action Group and any additional requirements of Buyer or Buyer's customer related to the Seller's quality processes. Seller must submit to Buyer an acceptable Production Part Approval Process ("**PPAP**") package to Buyer for review and approval using the most recent GKN PPAP Checklist requirements including, but is not limited to, a formal full dimensional layout, capability studies, Gauge MSA, and updated APQP documentation (Control Plans, PFMEAs, and Process Flow Diagrams) or as otherwise defined by Buyer (the "**PPAP Checklist**"). The PPAP submittal must meet the timing expectations as communicated by Buyer or Buyer's customer and also comply with the following: (i) Seller must submit annual PPAP submittals to Buyer and annual PPAP submittals must comply to the PPAP Checklist and (ii) any dimension identified as a significant characteristic by Buyer or Buyer's customer must be maintained by Seller to a Cpk of 1.67 or greater (short term) and a Ppk of 1.33 or greater (long term) along with implementing statistical process control within production and (iii) Buyer may require this capability data for all shipments. Unless waived by Buyer, (x)

any characteristic that is not capable to the required Cpk/Ppk shall be inspected 100% and defined on the control plan and (y) material certification by Seller must be received by Buyer with each shipment of Good(s). Failure to provide material certification with a particular shipment of Good(s) may result in rejection of that particular shipment or quarantine of that particular shipment until material certification is provided. Seller must conform to a safe launch process that not only increases the frequency of inspections within the manufacturing process, but also has a dedicated and separate safe launch area to certify material pursuant to Buyer's and Buyer's customer's requirements.

(c) Quality Issue Resolution. All significant quality problems identified by Seller must be resolved using Buyer's Concern Log problem solving process. In certain instances other prescribed problem solving formats may be required such as an A3, three-legged 5Y, and/or a fishbone analysis. These shall be uploaded in the Concern Log system in the corresponding concern. Notwithstanding the above (i) upon notification of an issue the Seller must implement containment actions with 24 hours and report these actions to Buyer using the Concern Log system; (ii) all suspect material must be certified to ensure print and specification compliance; (iii) material and packaging must be marked clearly to designate the material has gone through a quality certification and is compliant to requirements as defined within the print or any other specification; and (iv) corrective actions for the escape and occurrence must be addressed by the Seller and reported within the Concern Log system.

(d) Third Party Containment. In the event of quality system breakdown resulting in a quality spill, persistent quality systems that remained unresolved, controlled shipping by third party containment may be required and will be at Seller's cost and expense. Seller agrees to follow the process requirements that are detailed in Buyer's Standard P-8014 Enhanced Containment and documented in Buyer Concern Log concern management system. In the event of a quality system breakdown, Seller will only utilize a Buyer approved sorting company.

(e) MSDS. Seller is responsible for supplying all MSDS information and ensuring that all such documentation is maintained to current dates as deemed necessary by Buyer.

8. Price, Invoices, and Payment.

(a) Price. Unless otherwise provided in this Contract, the prices for the Goods as set forth in the Purchase Order (or otherwise in this Contract) (i) are fixed, (ii) constitute the total prices for the delivery and manufacture of Goods, (iii) are not subject to increase for any reason including, without limitation, changes in market conditions, increases in the cost of material, labor or overhead costs, and (iv) include, and Seller is solely responsible for, all costs and expenses relating to packaging, crating, boxing, transport, loading and unloading, customs, federal, state, provincial and local taxes (including sales, use, value-added and excise taxes), tariffs and duties, insurance and any similar fiscal contribution related to the Goods. Notwithstanding the foregoing, prices may be subject to decrease if specified elsewhere in this Contract. Seller agrees that the price listed on the Purchase Order (or otherwise in this Contract) is the sole and exclusive price to be paid by Buyer for the Goods and there are no additional charges or fees due to Seller for Goods including, without limitation, charges and fees for manufacturing, delivery, packaging, shipment, or otherwise. If the price listed on the Purchase Order does not include charges or fees that Seller intends to invoice Buyer, Seller must, prior to accepting any Purchase Order for the Goods, notify Buyer in writing to receive an updated Purchase Order with the correct price listed. Seller's shipment of the Goods is Seller's representation and warranty that the price on the Purchase Order is the total price to be charged to Buyer. Seller represents and warrants that the price charged to Buyer for the Goods is at least as low as the price charged by Seller to other buyers, and Seller will ensure that prices for the Goods remain competitive with the price of similar goods available from other sellers.

(b) Invoices. Seller must submit all invoices within five (5) days following Seller's delivery of the Goods. Each invoice must be accompanied by an appropriate proof of delivery for the Goods delivery, which may include proof of shipment along with appropriate shipment tracking information to allow Buyer to confirm the Goods were delivered. All invoices and proof of deliveries must be sent to the address or electronic mail address provided by Buyer, with a copy to the representative of Buyer who requested the Goods, in order to be processed for payment. All invoices for delivered Goods must be in English and include the purchase order number, quantity of pieces in the shipment, the price of the Goods, and the total amount due, net weights, Seller's name, and any other information necessary for identification of the Goods delivered. Seller's submission of an invoice constitutes a certification that the quantities and amounts of the delivered Goods contained on such invoice are true and accurate and that such Goods have been delivered in accordance with the terms of this Contract.

(c) Payment. Unless otherwise agreed in writing by Buyer or set forth in a Purchase Order, Seller's invoice will be due and payable ninety (90) days following the date that is the later of (i) Buyer's receipt of a complete and verifiable invoice, or (ii) Buyer's receipt of the Goods. Seller agrees to accept payment by check or other cash equivalent including electronic funds transfer. Payment is deemed to be made on the date Buyer's check is mailed or funds transfer is initiated. If a payment date falls on a non-business day in the State of Michigan, the payment due date will be the next business day. Payment of an invoice shall not constitute acceptance of Goods or otherwise be deemed a waiver of any breach of the Contract by Seller (including a breach of any warranty) or any amount otherwise due to Buyer, and does not limit or impair Buyer's right to assert any legal or equitable remedy. Regardless of the items listed on Seller's invoice, Buyer will only be obligated to pay for the Goods listed in a Scheduling Order and in the quantity required by Buyer. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absence of any liens, claim, encumbrances, or other rights on the Goods.

(d) Setoff and/or Recoupment. Notwithstanding the above, all amounts due from Buyer or its affiliates, subsidiaries or divisions ("**Buyer Group**") to Seller or its parent company or their affiliates, subsidiaries or divisions ("**Seller Group**") will be considered net of indebtedness of any member of Seller Group to any member of Buyer Group. In addition to any right of setoff, deduction or recoupment provided or allowed by Law, any member of Buyer Group may, without notice to Seller or any other member of Seller Group, set off against, and deduct and/or recoup from (i) any amounts due or to become due from any member of the Buyer Group to any member of the Seller Group or (ii) any amounts due or to become due from any member of the Seller Group to any member of the Buyer Group, including for damages resulting from breaches by Seller of its obligations under this Contract or any other contract between the parties.

9. **Audit.** Upon request by Buyer, Seller will provide Buyer or its authorized representatives copies of all of Seller's books, records and accounts, in any way related to (i) Seller's performance under this Contract (including Sellers' processes and procedures), (ii) the Goods, or (iii) any payment or other transaction occurring in connection with this Contract, in each case, for the purpose of auditing Seller's compliance with the terms of this Contract, including Seller's charges for the Goods. In addition, Seller will permit Buyer and its authorized representatives with access during regular business hours, or outside of regular business hours upon reasonable request, to Seller's management personnel and facilities to monitor, inspect, and audit Seller's operational performance of this Contract including, without limitation, the quality of the Goods and Seller's manufacturing processes. Seller agrees to cooperate fully with Buyer in connection with any audit or inspection.

10. **Changes.** Seller cannot make any changes without our written consent. Seller will promptly make any changes Buyer directs in writing with respect to the Goods or the general scope of this Contract, which may include, as applicable, changes in the design, drawings, specifications, processing, inspection, testing, quality control, methods of packing and shipping or the date or place of delivery. If any such change affects the cost or time of performance, Seller must provide Buyer a written notice of a claim for adjustment, along with all sufficient information and documentation in such form and detail as Buyer may direct, regarding the effect on Seller's costs or time of performance resulting from such change within five (5) days after Buyer's notice to Seller of such change. If necessary, under the circumstances, the parties will agree on an equitable adjustment (up or down) to the price or delivery terms of this Contract. Seller may not make any changes with respect to the Goods or scope of this Contract without Buyer's prior written consent, which may be given or withheld in Buyer's in sole discretion.

11. **Subcontracting.** Seller will not subcontract any of its obligations under this Contract without the prior written consent of Buyer. Any such consent of Buyer will not release Seller from, or limit any of, Seller's obligations, responsibilities, or warranties under this Contract. If Buyer approves a subcontractor, Seller warrants and guarantees that such subcontractor's performance will satisfy all requirements applicable to Seller under this Contract. Seller is solely responsible for all means, methods, techniques, sequences and procedures and for coordinating all portions of the work necessary to complete the Contract. Notwithstanding Buyer's approval of a subcontractor, Seller's is solely responsible for all payments due to that subcontractor. The direction and supervision of Seller's and any permitted subcontractor employees rest exclusively with Seller.

12. **Proprietary Rights.**

(a) **Work Product.** Upon request, Seller must furnish to Buyer all concepts, documents, reports, ideas, designs, drafts, models, samples and any other results produced in connection with Seller's performance of this Contract ("***Work Product***"). Work Product does not include concepts, documents, reports, ideas, designs, drafts, models, samples, patents, trademarks, trade names, copyrights and any other results or intellectual property rights produced by Seller prior to accepting the Contract or that Seller can prove by written documentation was produced by Seller without reference to Seller's obligations under this Contract.

(b) **Ownership of Work Product; Assignment and Transfer.** Unless otherwise agreed in a signed writing by Buyer, all Work Product is solely owned by Buyer. Seller agrees that all copyrightable materials of the Work Product will be deemed a "work made for hire" for the purposes of Title 17 of the United States Code, Section 101 et seq. In the event that (i) any of the Work Product may not be considered "work made for hire," or (ii) ownership of all right, title and interest to the legal rights in and to the Work Product, including, without limitation, all worldwide copyrights, industrial design rights, trademarks, patents or other intellectual property rights therein, does not vest automatically and exclusively in Buyer, then, without further consideration, Seller agrees to, and hereby does irrevocably, assign, convey, and otherwise transfer to Buyer, and Buyer's respective successors and assigns, all such right, title and interest, in and to all Work Product and any derivative works thereof. When Goods are made to Buyer's plans and/or specifications, the plans and specifications are owned by Buyer and shall not be used by Seller for any purpose except in the performance of this Contract and shall not be disclosed to any other person without Buyer's written consent. Seller shall not assert any claim with respect to technical information which Seller has disclosed or may hereafter disclose to Buyer in connection with the Goods covered by this Contract.

(c) **License.** To the extent the Goods incorporate any copyrights, industrial design rights, trademarks, trade secrets, patents or other intellectual property rights (collectively, "***Intellectual Property***") that is owned, invented, authored, licensed to, or developed by Seller, Seller hereby grants Buyer and its customers a nonexclusive, royalty-free, irrevocable, worldwide right and license, with the right to grant sublicenses, to use such Intellectual Property, and to make, have made, use, sell, offer for sale, or import into the United States (and all other countries in which Seller may have rights in such Intellectual Property) any processes, services, suppliers, or inventions incorporating or embodying the Goods, for the sole purpose of fulfilling Buyer's requirements to its customers or in furtherance of Buyer's responsibilities under this Contract or any contract that relates to the Goods furnished under this Contract. The foregoing license does not permit Buyer to use Seller's Intellectual Property on a stand-alone basis and does not grant Buyer the right to separately exploit Seller's Intellectual Property.

13. **Confidentiality.**

(a) **Existing NDA Governs.** If a confidentiality agreement or non-disclosure agreement (the "***NDA***") exists between Buyer and Seller covering the Goods, this Contract, or the relationship between Buyer and Seller, the term of such NDA shall be and is hereby extended to be co-terminus with this Agreement, and such NDA is incorporated herein by reference and shall govern the use and disclosure of any confidential or proprietary information exchanged between Buyer and Seller.

(b) **No NDA.** If there is no NDA between Buyer and Seller covering this Contract, the following terms apply: all Intellectual Property and all other confidential and proprietary information provided by Buyer to Seller under this Contract including, without limitation, any samples, drawings, know-how, processes, and other technical, business, or financial information, whether provided orally, in writing, by demonstration, or otherwise (collectively, "***Confidential Information***"): (i) is owned by Buyer; (ii) must be kept confidential by Seller and may not be disclosed by Seller to third parties without the express prior written consent of Buyer; *provided, however,* Seller may disclose Buyer's Confidential Information to Seller's

employees, attorneys, agents, and subcontractors who have a “need to know” the Confidential Information for purposes of carrying out Seller’s obligations under this Contract as long as such individual and entities are bound by confidentiality terms no less restrictive than those contained in this Contract; and (iii) may not be used by Seller other than is required for Seller to perform its obligations under this Contract. The confidentiality restrictions in this Section 13(b) do not apply to information which is (A) already known by Seller prior to the date of this Contract and without breach of the confidentiality restriction that Seller was subject; (B) acquired by Seller from a third party which was not, to the knowledge of Seller, under an obligation to Buyer not to disclose such information; (C) which is or becomes publicly available through no breach by Seller of confidentiality restrictions to which Seller is or was subject; or (D) independently developed by Seller without the use of Buyer’s Confidential Information. Notwithstanding the above, Seller may disclose Buyer’s Confidential Information if required by a judicial or government request, requirement, or order as long as (x) to the extent not prohibited by law, Seller gives Buyer written notice prior to such disclosure and (y) Seller only discloses that portion of Confidential Information required to comply with such requirement, request, or order. Upon the termination or expiration of this Contract, Seller agrees to return, or destroy (to the extent feasible), Buyer’s Confidential Information in Seller’s possession.

14. **Warranty.**

(a) **Seller’s Warranty.** Seller warrants to Buyer, its customers, and their end-users that all Goods will: (i) conform, in all respects, to the specifications, standards, drawings, samples, descriptions, quality requirements (including any fit, form and function requirements), furnished, specified or approved by Buyer for the Goods; (ii) be useable and merchantable; (iii) be of good quality and workmanship; (iv) be free from defects, latent or otherwise, in design (unless Buyer’s provided the entire design), materials and workmanship; (v) comply with all applicable Laws and industry standards including, without limitation, the Laws where the Goods are manufactured and the Laws of the countries whether the Goods (or the vehicles incorporating the Goods) will be sold; (vi) be new, of the highest quality, and conveyed by Seller to Buyer with good title, free and clear of all liens, claims, encumbrances, interests or other rights of Seller or third parties; and (vii) not, either upon delivery or in the future, infringe upon, violate or misappropriate any present or future patent, trademark, service mark, trade secret, copyright, proprietary or other intellectual property right of any third party. Seller acknowledges that Seller knows of Buyer’s intended use of the Goods and expressly warrants that the Goods are fit and sufficient for the particular purposes (x) intended by Buyer and Buyer’s customer and (y) applicable to the design, function and use of the Goods. To the extent Seller is providing a service to Buyer, Seller also warrants such service will be performed in a competent and workmanlike manner.

(b) **Incorporation of other Warranties.** All warranties are intended to provide Buyer with protection from all warranty claims brought against Buyer by its customers. This includes, but is not limited to, meeting any customer-required warranties relating to the Goods or products, equipment, machinery, or other items into which the Goods are incorporated or used in connection with. All customer-required warranties are incorporated into these Terms and Conditions by reference. Seller agrees the warranties provided by Seller to Buyer under these Terms and Conditions (i) are in addition to all other warranties, express or implied, provided by Law; (ii) extend to the Goods’ future performance; (iii) survive Seller’s delivery of the Goods and Buyer’s receipt, inspection, testing, acceptance, use of the Goods and Buyer’s payment for the Goods; (iv) may not be limited or disclaimed by Seller and (v) do not commence until the Goods are received by Buyer’s ultimate end-user (which may be Buyer’s customer or the end users of those customers). Buyer’s approval of Seller’s designs, materials, processes, drawings, specifications or similar requirements will not be construed to relieve Seller of any warranties. The warranty period for Seller’s warranties under these Terms and Conditions are the longer (x) the period provided by law or (y) the warranty period required by Buyer’s customers for the products the Goods are incorporated into (including any products supplied by Buyer). Any applicable statute of limitations on Buyer’s claims for breach of warranty will commence no earlier than the date Buyer or its customer discovers the breach of the applicable warranty.

(c) **Rights Upon Breach of Warranty.** In addition to any rights and remedies of Buyer specified in this Contract or available at Law, in the event of a breach of Seller’s warranties, Buyer shall have the right, at its option, to take the following actions: (i) retain the defective Goods in whole or in part with an appropriate adjustment in the price for the goods; (ii) require Seller to repair or replace the defective Goods in whole or in part at Seller’s sole expense, including all shipping, transportation, and installation costs; (iii) correct or replace the defective Goods with similar items and recover the total cost relating thereto from Seller, including the cost of product recalls; or (iv) reject the defective Goods.

(d) **No Buyer Warranty.** **SELLER ACKNOWLEDGES THAT ANY SPECIFICATIONS, STANDARDS, DRAWINGS, SAMPLES, DESCRIPTIONS, OR OTHER QUALITY REQUIREMENTS PROVIDED BY BUYER RELATING TO THE GOODS, AND ANY INTELLECTUAL PROPERTY ASSOCIATED THEREWITH, IS PROVIDED BY BUYER TO SELLER ON AN “AS IS, WHERE IS” BASIS, AND THAT BUYER MAKES NO REPRESENTATIONS, WARRANTIES OR COVENANTS WHATSOEVER WITH RESPECT THERETO, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE OR ANY OTHER WARRANTIES THAT MAY BE IMPLIED UNDER APPLICABLE LAW, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED.**

15. **Directed Supplier.** If Buyer’s customer (the “*Customer*”) directed, recommended, requested, suggested or otherwise identified Seller as the source from which Buyer is to obtain the Goods, then notwithstanding the particular payment terms otherwise applicable to the purchase order or anything to the contrary in these Terms and Conditions: (a) Seller will resolve all commercial issues (including pricing disputes), collection and/or insolvency risks of Customer and/or Seller, warranty charges, product liability claims, termination claims, intellectual property matters and production interruptions arising from or relating to the Goods (except in each case to the extent solely caused by Buyer (it being expressly understood that a termination by Buyer of a Customer’s purchase order as a result of Customer’s default is not caused by Buyer)) directly and exclusively with Customer and Seller will indemnify and hold harmless Buyer for these matters; (b) any debits claimed by Customer arising from or relating to the Goods will be passed through Buyer to Seller and (c) Buyer will have no obligation to make payment Seller unless and until Buyer receives the properly allocable portion of such payment from Customer.

16. **Buyer Property.**

(a) All tooling, dies, gauges, fixtures, molds, patterns, specifications, spare parts, trial parts, ancillary products, and related software, drawings and other documentation relating to the foregoing (including any replacement thereof, or any additions, attachments, improvements, accessories and repairs related to the foregoing) that have been furnished to Seller by or on behalf of Buyer or its customer or otherwise paid for by Buyer or its customer (whether in full or amortized into the price of the Goods) (collectively “**Buyer Property**”), are and will remain property of Buyer. Seller agrees that all right, title, and interest in Buyer Property is held by Buyer and Buyer Property is being held by Seller on a bailment basis only.

(b) Seller will (i) properly house, maintain, and safely store Buyer Property on Seller’s premises and, at its own expense, keep Buyer Property in good working condition and replace when necessary; (ii) not use, or permit others to use, Buyer Property for any purpose other than for performance under this Contract; (iii) prominently mark Buyer Property as property of Buyer; (iv) refrain from commingling Buyer Property with the property of Seller or with that of a third party; (v) adequately insure Buyer Property against loss or damage, including but not limited to maintaining full fire and extended coverage insurance for replacement value and naming Buyer as an additional insured and loss payee, as applicable; (vi) take reasonable steps to ensure that Buyer Property does not become subject to any liens or other claims; (vii) not move Buyer Property to another location whether owned by Seller or a third party, without the prior written consent of Buyer, and (viii) upon request by Buyer, provide a written inventory of all Buyer Property.

(c) Seller hereby assigns to Buyer any contract rights or claims that Seller has an interest with respect to Buyer Property and execute bills of sale or other documents reasonably requested by Buyer to evidence its or its customer’s ownership of Buyer Property. Seller authorizes Buyer to file a UCC-1 financing statement or similar document with the appropriate filing authority to give notice of Buyer’s ownership interest in Buyer Property. Failure to file a financing statement will not alter or amend Buyer’s ownership rights to Buyer Property.

(d) Seller will not file, prosecute or permit, and hereby waives to fullest extent permissible under all Laws, any statutory, equitable or other liens, including, without limitation, any molder liens, tool liens, builder liens and the like, that Seller has or may have against Buyer Property whether or not arising from designing, manufacturing, improving, maintaining, servicing, using, assembling, fabricating or developing Buyer Property. Seller will indemnify, defend and hold Buyer harmless from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all attorney’s fees and all other cost of litigation that are in any way related to releasing, terminating or otherwise removing all liens placed on the Buyer Property that arise from or otherwise related to Seller.

(e) Upon request by Buyer, Seller shall provide access to permit Buyer to inspect the Buyer Property. Seller must use Buyer Property in a careful and safe manner and shall indemnify, defend and hold Buyer completely harmless against any-and-all claims, liabilities, expenses and damages arising from or related to the installation, use, storage, or repair of the Buyer Property. Upon request by Buyer, Seller must immediately release the Buyer Property, prepare it for shipment, and deliver it to Buyer F.C.A. Seller’s Plant (Incoterms 2020), properly packed and marked in accordance with the requirements of Buyer’s designated carrier. Seller agrees it cannot hold or retain possession of Buyer Property from Buyer for any reason and Seller will immediately release Buyer Property to Buyer or its designee at any time, with or without cause, and without payment of any kind.

(f) To the extent Buyer has agreed to pay for Buyer Property, Buyer will only pay Seller the amount set forth in this Contract. If no amount is set forth in this Contract, Buyer’s payment to Seller will not exceed (i) if Buyer Property is manufactured by a third party, Seller actual and documented cost paid to such third party or (ii) if Buyer Property is manufactured by Seller, Seller’s actual and document cost of purchased materials, components, and services plus Seller’s actual cost of labor and overhead allocable to the Buyer Proper

17. **Seller Property.**

(a) Unless otherwise agreed to by Buyer, Seller, at its expense, will furnish, keep in good condition, and replace when necessary all machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns and other items that are not Buyer Property, are owned by Seller, and are necessary for the production of the Goods (“**Seller Property**”). Seller will insure the Seller Property with coverage for all losses for its replacement value.

(b) Seller grants Buyer an irrevocable option to take possession of and title to the Seller Property that is used exclusively for the production of the Goods and not used by Seller to produce goods for other parties upon payment to Seller of its net book value or the unamortized acquisition costs, whichever is less, minus (i) any amounts that Buyer has previously paid to Seller for the cost of such items and (ii) any amounts otherwise owing to Buyer by Seller. If Seller has financed any portion of the Seller Property, the Seller will obtain from its financing source any waiver, release or approval necessary for Buyer to exercise the rights granted under this Section.

18. **Compliance with Laws.**

(a) **General.** Seller will perform all of its obligations under this Contract in accordance with, and ensure the Goods and any related packaging conform fully to, any applicable statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any federal, state or local government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any arbitrator, court or tribunal of competent jurisdiction (collectively, “**Laws**”) including, without limitation, all Laws relating to environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents and warrants that neither it nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of the Goods under this Contract. Upon Buyer’s request, and without limiting Seller’s obligations hereunder, Seller will provide Buyer with: (i) written certification of Seller’s compliance with the foregoing; (ii) written certification of the origin of any ingredients or materials in the

Goods; and (iii) any additional information regarding the Goods requested by Buyer such that Buyer may comply in a timely manner with its obligations under applicable Law. Seller shall indemnify and hold Buyer harmless from and against any liability claims, demands or expenses (including, without limitation, attorneys' or other professional fees) arising out of or in connection with Seller's noncompliance with the foregoing.

(b) Health, Safety, and Environmental Regulations. Seller warrants that the Goods will conform to the requirements of the Occupational Safety and Health Act of 1970 as amended and all regulations and standards formulated thereunder. Seller further warrants that the Goods will be in compliance with applicable product safety and environmental regulations. Seller warrants that each chemical substance contained in the Goods is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency in conjunction with the Toxic Substances Control Act, as amended.

19. Compliance with Export Control Laws and Regulations.

(a) Export. Seller agrees to comply with all applicable export control Laws including, but not limited to, the requirements of the International Emergency Economic Powers Act, 50 U.S.C. 1701 et seq., the Export Administration Act, 50 U.S.C. app. 2401-2420, and the Export Administration Regulations, 15 C.F.R. 730-774, including the requirement for obtaining any export license or agreement, if applicable (collectively, "**Export Controls**"). Without in any way limiting the foregoing, Seller agrees that it will not transfer any Export Controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without authority of an export license, agreement or applicable exemption or exception.

(b) Violation and Indemnification. Seller shall provide prompt written notification to Buyer in the event of any violation or potential violation of the Export Controls, or the initiation or existence of a government investigation that could affect Buyer or Seller's performance under this Contract. Seller shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorney's fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, suppliers, agents, or subcontractors at any tier in the performance of any of its obligations under this Section.

20. Force Majeure. Any delay or failure of either party to perform its obligations under this Contract will be excused to the extent that the delay or failure was caused by an event beyond such party's control, without such party's fault or negligence and that by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable (which events may include natural disasters, acts of God, acts of a governmental entity, embargoes, explosions, riots, wars, acts of terrorism, fires, floods, epidemics, quarantine, restrictions, or freight embargoes) (each, a "**Force Majeure**"). Notwithstanding anything in this Section 20 to the contrary, (i) labor problems of Seller, its subcontractors and/or its suppliers, including, without limitation, lockouts, strikes and slowdowns (ii) the inability of Seller, its subcontractors and/or its suppliers to obtain power, materials, labor, equipment or transportation, (iii) Seller's or its subcontractor's financial inability to perform, (iv) changes in the cost or availability of materials, components, services, or market conditions, and (v) Seller actions or contract disputes with subcontractors are not, in each case, a Force Majeure and will not, in each case, excuse performance by Seller under this Contract or otherwise excuse performance by Seller on theories of force majeure, commercial impracticability, or otherwise, and Seller expressly assumes these risks. Seller must give Buyer prompt notice of any event or circumstance that is reasonably likely to result in a Force Majeure and the anticipated duration of such Force Majeure. Seller must use all diligent efforts to end the Force Majeure, ensure that the effects of any Force Majeure are minimized, and resume full performance under this Contract. During any Force Majeure, Buyer may, at its option (x) purchase the Goods from other sources and reduce the quantities (and any corresponding payment) set forth in this Contract without liability to Seller or (y) have Seller provide the Goods from other sources at the price set forth in this Contract. If requested by Buyer, Seller will, within five (5) days of such request, provide adequate assurances that the delay will not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurance (within a commercially reasonable time not to exceed ten (10) days from the date of the request) that the delay will cease within thirty (30) days, Buyer may immediately cancel this Contract without liability to Seller of any kind or nature. Without limiting the foregoing, Seller, at its expense, shall take such actions as are necessary to ensure the supply of goods to Buyer for a period of at least ninety (90) days during any anticipated labor disruption or resulting from the expiration of Seller's labor contracts.

21. Insurance. Seller must carry and maintain, at its own expense, the following insurance coverage in reasonable amounts: workers compensation, comprehensive general liability (including products/completed operations, contractual liability, person injury, and blanket contractual liability), and automobile liability. Seller will name Buyer as an additional insured under all such insurance policies. Seller must also fully insure any and all property of Buyer which is in Seller's possession (including any work-in-process for which Buyer has paid for whether or not title has passed) against loss or damage to the extent of its insurable value, without deductible, at Seller's cost, and designate Buyer as the loss payee. Without limiting the foregoing, Seller must obtain and maintain, at its own expense, product liability insurance with worldwide validity and a minimum coverage in the amount of \$5 million per occurrence for personal injury and property damage or other amount agreed to in writing with Buyer. All insurance coverage shall be primary coverage to Buyer regardless of any other coverage Buyer receives or is entitled to receive. Seller shall not cancel, allow to lapse, or reduce the foregoing insurance without Buyer's prior written consent. Upon request, Seller shall provide Buyer with certificate of insurances evidencing the required insurance coverages.

22. Event of Default. The following occurrences shall constitute events of default by Seller (each, an "**Event of Default**"): (i) Seller repudiates, breaches, or threatens to repudiate or breach any of the terms of this Contract or any of its obligations hereunder including, without limitation, Seller's warranties; (ii) Seller fails to timely perform any of its obligations under this Contract or fails to provide Buyer with adequate and reasonable assurance of Seller's ability to timely perform any of Seller's obligations under this Contract including Seller's ability to deliver Goods conforming to the requirements of this Contract; (iii) Seller conditions the continued full performance of its obligations under this Contract on Buyer's agreement to modify the terms of this Contract; (iv) Seller becomes insolvent or there is filing of a voluntary or involuntary petition in bankruptcy by or against Seller, or there is an appointment of a receiver or trustee for Seller, or there is an execution of an assignment for the benefit of Seller's creditors, provided that such petition, appointment or assignment is not vacated or nullified within thirty (30) days of such event; (v) Seller sells all or substantially all of its assets to, or fifty percent (50%)

or more of its voting shares are sold. Upon the occurrence of an Event of Default under subsections (i)-(iii) of this Section, such occurrence shall not be deemed an Event of Default if Seller corrects such failure or cures such breach (to the extent correctable or curable) within a commercially reasonable time period (but in no case exceeding fifteen (15) days). All Events of Default will be deemed to occur on the date the specific event occurs and any written notice from Buyer describing an Event of Default is only provided to Seller as a courtesy and will not be deemed to start any cure period unless expressly set forth in the written notice from Buyer.

23. **Termination.**

(a) **Termination.** In addition to any other rights or remedies of Buyer under this Contract or applicable Law, Buyer may terminate this Contract or any of its obligations under this Contract, in whole or in part (i) upon an Event of Default (subject to the provisions of Section 22) (a “***Termination for Cause***”), or (ii) at any time for any reason upon at-least ten (10) days prior written notice to Seller (a “***Termination for Convenience***”). Buyer shall have the right to a Termination for Cause or a Termination for Convenience notwithstanding the existence of a Force Majeure event. The effective date of any termination will be on the date of Buyer’s written notice of termination or such later date as set forth in the notice. Buyer shall have no obligation to Seller, Seller’s subcontractors, Seller’s suppliers, or any other entity of any kind upon a Termination for Cause. In the event Buyer did not have a right to a Termination for Cause, Seller agrees any termination notice by Buyer to Seller will be deemed a Termination for Convenience. Notwithstanding anything contained herein, and in recognition of Buyer’s commitments to its customers are made in reliance of Seller’s commitments under this Contract, Seller has no right to terminate this Contract.

(b) **Obligations on Termination.** Upon any expiration or termination of the Agreement, Seller will immediately return and deliver to Buyer (i) all Buyer’s Property (including any Buyer or customer paid tooling); (ii) any or all drawings, designs and all other documents provided by Buyer, and (iii) any other property of Buyer or Buyer’s customer including, without limitation, all raw materials, packaging, and dunnage. Buyer shall have the right to inspect Seller’s premises to confirm that Seller has returned all such materials to Buyer. For the avoidance of doubt, the termination or expiration of this Contract whether by contract or by law shall in no event impede Buyer’s ability to peaceably enter Seller’s facilities and recover its tooling, confidential information or any other property (including Buyer Property) residing at or in the possession of Seller.

(c) **Termination Claim.** Upon a Termination for Convenience, (i) Seller shall immediately stop all work under this Contract and shall immediately cause any and all of its suppliers or subcontractors to cease such work and (ii) Buyer will, following Seller’s compliance with Section 23(b), pay to Seller, without duplication, the price for finished and completed Goods that conform to the requirements of this Contract and delivered to Buyer; *provided, however*, if Buyer’s customer terminates its contract with Buyer for convenience or otherwise terminates its needs for the Goods, Buyer will only be obligated to make payments to Seller upon Buyer’s receipt of corresponding payment from Buyer’s customer and Buyer’s obligation to Seller will be limited to allocable or proportionate amount of the payment that is due to Seller. Buyer will use commercially reasonable efforts to pursue cancellation costs from Buyer’s customer upon Seller’s written request. Notwithstanding the foregoing, payments made under this Section will not exceed the purchase price that otherwise would have been payable by Buyer for finished Goods that would have been produced by Seller under this Contract on the date of termination pursuant to outstanding Scheduling Order. Buyer will not be liable, and will not be required to make payments to Seller (whether arising for a Termination for Convenience, Termination for Cause, or otherwise) directly or indirectly, on account of claims by Seller’s subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, general and administrative burden charges, or any other charges from termination of this Contract or otherwise. Seller shall furnish to Buyer, within thirty (30) days after the effective date of termination, Seller’s termination claim, which shall consist only of the approved items listed above. Buyer may audit Seller’s records before or subsequent to payment to verify Seller’s termination claim. Any payment of a termination claim will not be deemed a waiver of any of Buyer’s other rights arising under this Contract or applicable Law. A termination claim is Seller’s sole and exclusive remedy for a Termination for Convenience. Seller’s failure to timely submit a termination claim shall be a bar to any future action on such claim. Buyer shall have no obligation to Seller, Seller’s subcontractors, Seller’s suppliers, or any other entity of any kind upon a Termination for Cause.

24. **Transition of Supply.** Upon the expiration or termination of this Contract for any reason, whether in whole or in part, Seller agrees to take all actions necessary in order to ensure that there is no interruption in the supply of Goods to Buyer. Without limiting the foregoing, Seller agrees to take such actions as may be reasonably required (and requested) to transition the Goods from Seller to a successor supplier. Seller agrees that such transition assistance will include all industry standard transition assistance and Seller shall (a) provide all notices necessary or desirable for Buyer to resource this Contract to the successor supplier; (b) provide a sufficient bank of Goods to ensure the orderly transition to the successor; (c) provide to Buyer or the successor supplier all Buyer Property and any other property furnished by or belonging to Buyer or any of Buyer’s customers in as good a condition as when received by Seller, reasonable wear and tear excepted; (d) provide access to Seller’s premises, at a mutually acceptable date and time, to Buyer and the successor supplier so that Buyer and such supplier can view and actively participate during the disconnect or disassembly process of Buyer’s Property; and (e) if requested by Buyer at Buyer’s option, (i) assign to Buyer any or all supply contracts or contracts for raw material or components relating to this Contract, (ii) sell to Buyer, at Seller’s cost any or all perishable tooling and inventory relating to this Contract, and/or (iii) sell to Buyer any of Seller’s property relating to the parts specific to this Contract, at a price equal to the unamortized portion of the cost of such items less any amounts Buyer previously has paid to Seller for the cost of such items and Seller shall provide documentation supporting the original cost of any unamortized items.

25. **Service and Replacement Parts.** Seller will sell to Buyer all Goods necessary for Buyer to fulfill its current model service and replacement parts requirements at the price(s) set forth in this Contract. During the 15-year period after Buyer completes current model purchases, or such longer period as prescribed by applicable law or Buyer’s customers, Seller will sell Goods to Buyer to fulfill Buyer’s past model service and replacement parts requirements. Unless otherwise agreed to by Buyer and Buyer’s customer for special packaging or reduced lot size, the price(s) during this period will be those in effect at the conclusion of current model purchases. When requested by Buyer, Seller will make service literature and other materials available at no additional charge to support Buyer’s service-part sales activities.

26. **Indemnification.** In addition to any other indemnification set forth in this Contract or available at Law, Seller will indemnify,

defend, reimburse, and hold harmless Buyer, its present and future directors, officers, shareholders, members, employees, attorneys, agents, representatives, parents, affiliates, subsidiaries, customers, and their users (the “**Buyer Indemnitees**”) from and against any and all claims, costs, demands, losses, indirect and direct damages (including lost profits, incidental, consequential, and punitive damages), liabilities, causes of action, judgments, settlements, awards, fines, penalties, assessments, and expenses (including costs of defense, mediation, settlement and reasonable attorneys’ and other professionals’ fees), however described or denominated, incurred by the Buyer Indemnitees or brought by any third party (including, without limitation, Seller’s employees, subcontractors, laborers, agents, and assigns) arising out of, incidental to, or resulting from Seller’s performance of the Contract including (a) any negligent or willful act or omission of Seller or its respective subcontractors, agents, employees or other representatives; (b) Seller’s, its subcontractors’, agents’, employees’ or representatives’ commission of any Event of Default or other breach of any provision of this Contract (including, without limitation, Seller’s warranties); or (c) Seller’s, its subcontractors’, agents’, employees’ or representatives’ violation of any Law. Notwithstanding anything contained herein, Buyer shall have the right, at Seller’s expense, to select and retain counsel of its choosing in defense of the foregoing and to enter in any settlement or compromise related to the foregoing.

27. **Remedies.** The rights and remedies reserved to Buyer in this Contract shall be cumulative, and in addition to all other or further remedies provided at Law. Without limiting the foregoing, should any Goods fail to conform to the warranties set forth above or are alleged to or are determined to cause injury to third parties, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any damages caused by such nonconforming Goods (including any claims or expenses charged to Buyer by Buyer’s customer), including, but not limited to, costs (including all reasonable attorney’s or other professional fees), expenses and losses incurred by Buyer in (a) inspecting, sorting, containing, repairing or replacing such nonconforming Goods, (b) claims or litigation arising from personal injury (including death) or property damage caused by such nonconforming Goods, (c) in conducting recall campaigns or other corrective service actions (whether customer or governmental initiated). If requested by Buyer, Seller shall, without charge to Buyer, administer and process warranty chargebacks for nonconforming Goods in accordance with Buyer’s directions. In addition, Seller shall reimburse Buyer for all liability, claims, demands or expenses (including reasonable attorney’s or other professional fees) arising from or relating to Seller’s breach or anticipatory repudiation of this Contract or any other contract between Seller and Buyer, a request or demand by Seller to modify or change the terms of this contract, or legal proceedings involving Seller that in the reasonable judgment of Buyer may impact Seller’s continued or future performance under this Contract, or if Seller is a party to a court case or proceedings in which Buyer appears, participates, monitors or becomes a party. Without limiting any rights or remedies of Buyer under this Contract or at Law, in the event that Seller fails or refuses to deliver Goods, or otherwise repudiates any provision of this Contract, Seller agrees that Buyer may seek specific performance of Seller’s obligations under this Contract (including permanent or temporary injunctive relief) without the need to post a bond or any other type of security. In the event this Contract is issued or renewed after Seller becomes a debtor in bankruptcy, Buyer shall be entitled to all of its attorney’s or other professional fees arising from or relating to the bankruptcy case, including for monitoring the case.

28. **Duty to Advise.** Seller will promptly notify Buyer in writing of any of the following events or occurrences, or any facts or circumstances reasonably likely to give rise to any of the following events or occurrences: (a) any failure by Seller to perform any of its obligations under this Contract; (b) any delay in delivery of Goods under this Contract; (c) any defects or quality problems relating to the Goods; (d) any deficiency in Buyer specifications, samples, prototypes or test results relating to this Contract; or (e) any failure by Seller, or its subcontractors or common carriers, to comply with applicable Laws, including with respect to transportation of Goods.

29. **Governing Law and Venue.**

(a) **GKN US.** If GKN US is the Buyer, then (i) this Contract, and all related documents and matters arising out of or relating to this Contract, are governed by, and will be construed in accordance with, the Laws of the State of Michigan, without regard to any conflict of law provisions; (ii) the United Nations Convention on Contracts for the International Sale of Goods does not apply to this Contract; (iii) Buyer and Seller each irrevocably and unconditionally agree that the sole and exclusive forum and venue for any legal or equitable action or proceeding arising out of or in connection with this Contract will lie in the United States District Court for the Eastern District of Michigan, the courts in the State of Michigan sitting in Oakland County, and any appellate court with jurisdiction over such courts; and (iv) each party hereby irrevocably and unconditionally submits to the sole and exclusive personal jurisdiction of such courts and Seller agrees not to bring any action, litigation, or proceeding in any other court.

(b) **GKN Canada.** If GKN Canada is the Buyer, then (i) this Contract, and all related documents and matters arising out of or relating to this Contract, are governed by, and will be construed in accordance with, the Laws of the Province of Ontario and of Canada, without regard to any conflict of law provisions; (ii) the United Nations Convention on Contracts for the International Sale of Goods does not apply to this Contract; (iii) Buyer and Seller each irrevocably and unconditionally agree that the sole and exclusive forum and venue for any legal or equitable action or proceeding arising out of or in connection with this Contract will lie in the courts sitting in the Province of Ontario, Canada, and any appellate court with jurisdiction over such courts; and (iv) each party hereby irrevocably and unconditionally submits to the sole and exclusive personal jurisdiction of such courts and Seller agrees not to bring any action, litigation, or proceeding in any other court.

30. **General Terms.**

(a) **Notices.** All notices, claims and other communications to Buyer required or permitted under this Contract will be made in writing and will be effective only upon receipt by Buyer. Any notices that claims a breach of this Contract by Buyer must be addressed to Buyer’s Director of Supply Chain or Chief Operating Officer. Seller’s failure to provide any notice, claim, or other communications to Buyer in the manner and within the time period specified in this Contract will constitute a waiver by Seller of any and all rights and remedies that otherwise would have been available to Seller upon making such notice, claim, or other communication.

(b) **No Advertising; Customer Communications.** Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the Goods or use any trademarks or trade names of Buyer in Seller’s advertising or promotional materials. Seller may not make direct contact with Buyer’s customers unless specifically directed to by Buyer or where Seller has

obtained Buyer's written permission prior to any contact. In the event Buyer's customer contacts Seller directly, Seller is to immediately notify Buyer and disclose the content of the communication.

(c) Severability. If any clause in this Contract is determined by a court of competent jurisdiction to be invalid, the invalidity of such clause shall not affect the validity of the remainder of this Contract.

(d) Non-Solicitation. Seller agrees that it will not, without the prior written consent of Buyer, solicit, recruit, hire, or otherwise employ or retain any employee of Buyer to perform any of the Seller's obligations as stated herein. This restriction includes any former employee of Buyer who has performed work for Buyer related to any of Seller's obligations as stated herein any time during the period commencing two years preceding the date of the Contract and ending on the date of Seller's final completion of work under the Contract. Further, during the term of this Contract and for two years thereafter, Seller agrees that it will not, without the prior written consent of Buyer, solicit or recruit or assist in the recruiting or soliciting for employment, including as a consultant, any employee of Buyer. The provisions of this Section will not restrict in any way the right of Seller to solicit or recruit generally, and will not prohibit Seller from hiring any Buyer employee who answers an advertisement directed at a general audience or who otherwise voluntarily applies for hire without having been personally solicited or recruited by Seller.

(e) Assignment. Seller may not assign this Contract (by operation of law or otherwise), whether whole or in part, or assign or delegate it rights or obligations under this Contract (by operation of law or otherwise), whether whole or in part, in each case, without Buyer's prior written consent, which may be withheld in Buyer's sole discretion. Any purported assignment in violation of this Section will be null and void and of no force or effect.

(f) Waiver. Except as otherwise provided in this Contract, the failure of either party at any time to require performance by the other party of any provision of this Contract shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this Contract constitute a waiver of any succeeding breach of the same or any other provision.

(g) Relationship of Parties. Seller and Buyer are independent contracting parties and nothing in this Contract will make either party the agent or legal representative of the other for any purpose, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. Seller's personnel will in no event be considered employees of Buyer and Seller will remain responsible for all wages, taxes, benefits, payroll deductions, remittances and other obligations with respect to its personnel.

(h) No Third-Party Beneficiary. Except as otherwise provided in this Contract, Seller acknowledges and agrees that the rights and interests of the parties under this Contract are intended to solely benefit Buyer and Seller.

(i) Interpretation. For purposes of this Contract (i) whenever the word "including" (or any variation thereof) is used, it is deemed to be followed by the words "without limitation"; (ii) the word "or" is not exclusive; (iii) section headings are for convenience or reference only, and do not affect the meaning of this Contract; (iv) references to "Sections," and "Exhibits" (if any) are to sections and exhibits in these Terms and Conditions and attached to these Terms and Conditions unless otherwise indicated; (v) words such as "herein" and "hereunder" refer to Contract as a whole; and (vi) any agreement, instrument, statute, law, regulation or rule defined or referred to herein shall be deemed to mean such agreement, instrument, statute, law, regulation or rule as from time to time amended, modified or supplemented, and includes, in the case of agreements and instruments, references to all attachments thereto and instruments incorporated therein.

(j) Survival. Sections 1-2, 4-9, 11-17, 22-27, 29 and 30 (together with any other section or provision that by its terms should survive and remain valid) of the Terms and Conditions shall survive and remain valid after the expiration or termination of this Contract.

(k) **LIMITATION OF LIABILITY. BUYER'S OBLIGATIONS TO SELLER ARE EXPRESSLY LIMITED TO PROCUREMENT OF THE GOODS PURSUANT TO THE TERMS OF THIS CONTRACT. EXCEPT AS EXPRESSLY STATED HEREIN, BUYER WILL NOT BE LIABLE FOR, UNDER ANY CIRCUMSTANCE, ANY LOST PROFIT, GOODWILL, OR SIMILAR COMPENSATION FOR THE TERMINATION OR CANCELLATION OF THIS CONTRACT. IN NO EVENT SHALL BUYER BE LIABLE TO SELLER OR ANY OTHER THIRD PARTY, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR UNDER ANY OTHER LEGAL OR EQUITABLE THEORY, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT THIS CONTRACT OR OTHERWISE RELATING TO THE GOODS OR SERVICES, INCLUDING, WITHOUT LIMITATION, PERSONAL INJURY OR PROPERTY DAMAGES, ATTORNEY'S FEES OR ANY OTHER RELATED COSTS OR EXPENSES, ANY DIRECT OR INDIRECT LOSS OF PROFITS, REVENUE, OR BUSINESS OPPORTUNITY, DOWNTIME, DELAY DAMAGES OR ANY OTHER ECONOMIC LOSS, REGARDLESS OF WHETHER SUCH LOSS OR DAMAGE WAS FORESEEABLE BY BUYER OR BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH POTENTIAL LOSS OR DAMAGE.**

(l) **CONSULTATION WITH COUNSEL. BUYER AND SELLER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO CONSULT WITH COUNSEL OF THEIR CHOICE BEFORE ENTERING INTO THIS CONTRACT AND ARE DOING SO WITHOUT DURESS, INTIMIDATION, OR COERCION AND WITHOUT RELIANCE UPON ANY REPRESENTATIONS, WARRANTIES, OR COMMITMENTS OTHER THAN THOSE REPRESENTATIONS, WARRANTIES, OR COMMITMENTS SET FORTH IN THIS CONTRACT.**

(m) **JURY TRIAL WAIVER. BUYER AND SELLER ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH OF BUYER AND SELLER, AFTER CONSULTING (OR HAVING**

THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CONTRACT OR ANY OTHER DOCUMENT PERTAINING TO THIS CONTRACT.

(n) Entire Agreement. This Contract, including any attachments, exhibits or supplements attached hereto or incorporated herein by specific reference, constitutes the entire agreement between Seller and Buyer with respect to the subject matter of this Contract and supersedes all prior or contemporaneous oral or written discussions, understandings, representations and agreements. This Contract is being entered into among competent persons who are experienced in business. Therefore, no provision in this Contract may be construed against any party as the drafter. This Contract may only be modified in writing signed by Buyer's authorized representative.

*****End of GKN Sinter Metals Terms and Conditions of Purchase for Direct Materials (U.S. & Canada)*****