

MICHIGAN PRODUCTION MACHINING INC.
TERMS AND CONDITIONS OF PURCHASE

1. **Offer/Acceptance**

- a. Each purchase order, together with these Terms and Conditions and any documents specifically referenced herein (collectively, "Purchase Order") is an offer by Michigan Production Machining Inc. or its applicable affiliate or subsidiary ("MPM") to the party to whom such Purchase Order is addressed and such party's applicable affiliates and subsidiaries ("Seller") to purchase the goods and/or services (collectively, "Supplies") described therein, and it shall be the complete and exclusive statement of such offer and agreement. A Purchase Order does not constitute an acceptance by MPM of any offer or proposal by Seller, whether in Seller's quotation, acknowledgement, invoice or otherwise. In the event that any Seller quotation or proposal is held to be an offer, that offer is expressly rejected and is replaced in its entirety by the offer made up of the Purchase Order.
- b. A contract is formed on the date that Seller accepts the offer of MPM. Each Purchase Order shall be deemed accepted upon the terms and conditions of such Purchase Order by Seller by shipment of goods, performance of services, commencement of work on goods, written acknowledgement, or any other conduct of Seller that recognizes the existence of a contract pertaining to the subject matter hereof. Additionally, each Purchase Order shall be deemed accepted five business days after MPM delivers the Purchase Order to Seller, if Seller fails to object to the Purchase Order. Acceptance is expressly limited to these Terms and Conditions and such terms and conditions as are otherwise expressly referenced on the face of the Purchase Order. No purported acceptance of any Purchase Order on terms and conditions which modify, supersede, supplement or otherwise alter these Terms and Conditions shall be binding upon MPM and such terms and conditions shall be deemed rejected and replaced by these Terms and conditions unless Seller's proffered terms or conditions are accepted in a physically signed writing by an authorized representative of MPM (a "Signed Writing"), notwithstanding MPM's acceptance of or payment for any shipment of goods or similar act of MPM. In the event of a conflict between the Purchase Order and any prior or contemporaneous agreement or document exchanged between MPM and Seller, the Purchase Order governs.
- c. MPM may from time to time administer purchasing for its affiliates and subsidiaries and issue Purchase Orders containing the MPM logo, but identifying a different MPM affiliate or subsidiary. Seller acknowledges and agrees that no such Purchase Order shall constitute or be interpreted to represent a Purchase Order of MPM or a guaranty by MPM of any obligations or liabilities of the MPM affiliate or subsidiary identified on the Order.

2. **Entire Agreement**

- a. The Purchase Order, together with these Terms and Conditions and the attachments, manuals, guidelines, requirements, exhibits and supplements specifically referenced in the Purchase Order or on the MPM's web site at ***www.michpro.com***, constitutes the entire agreement between Seller and MPM with respect to the matters contained in the Purchase Order and supersede all prior oral or written representations or agreements.
- b. Seller periodically shall review the MPM website at ***www.michpro.com*** and the manuals located therein. Seller's continued performance under the Purchase Order without providing written notice to MPM detailing Seller's objection to any modified or new supplier manual prior to the effective date of such modified or new manual will constitute Seller's acceptance of such modified or new manual.
- c. MPM may modify the Terms and Conditions from time to time by posting notice of such modified Terms and Conditions through links provided on the MPM web site at ***www.michpro.com*** at least ten (10) days prior to the modified Terms and Conditions becoming effective. Seller periodically shall review the MPM web site and the Terms and Conditions. Seller's continued performance under the Purchase Order without providing written notice to MPM detailing Seller's objection to any modified Terms and Conditions prior to the effective date of such modified Terms and Conditions will be subject to and will constitute Seller's acceptance of such modified Terms and Conditions. Except as provided in the preceding sentences or as otherwise provided in these Terms and Conditions, the Purchase Order may only be modified by a Signed Writing.

3. **Quantity and Duration**

- a. The quantity applicable to each Purchase Order is specified on the face of the Purchase Order. If the quantity is not so specified, then the quantity is for some portion, and may be for up to one hundred percent (100%), of MPM's requirements for the Supplies. The portion of the requirements is determined solely by MPM in its discretion and may change from time to time. Seller further acknowledges and agrees that Seller is obligated to provide Supplies to MPM in the quantity specified in any release issued by MPM ("Release"). A Release will specify a firm quantity of Supplies and/or a firm quantity of raw materials/components that MPM will be responsible for in the event of termination. Releases may include Projections (defined below), but Releases are only binding upon MPM for, and MPM will have no obligation or liability beyond, the firm quantity specified in the Release. Seller acknowledges and agrees to accept the risk associated with the lead times of the various components if they are beyond the firm Release quantities provided by MPM.
- b. Unless stated otherwise on the face of the Purchase Order, the duration of each Purchase Order shall be the life of the program(s) into which the Supplies ultimately are incorporated, plus applicable service and replacement parts

requirements. MPM and Seller acknowledge, however, that this Section 3.b does not affect or otherwise change MPM's rights of termination set forth herein.

- c. Upon the expiration of any Purchase Order, Seller shall cooperate with MPM and provide all reasonably requested support and information required by MPM to facilitate MPM's sourcing of the Goods to a replacement supplier.

4. **Volume and Duration Projections**

From time to time and in connection with quotations, requisitions, and Purchase Orders, MPM may provide Seller with estimates, forecasts or projections of its future volume or quantity requirements for the Supplies and/or the term of a program ("Projections"). Projections, unlike a Release for a firm quantity, are not binding on MPM. Seller acknowledges that Projections, like any other forward-looking estimates, are based on a number of economic and business factors, variables and assumptions, some or all of which may change over time, and may or may not be accurate at the time they were made or at any later time. MPM makes no representation, warranty, guaranty or commitment of any kind or nature, express or implied, regarding any Projections or other estimate, forecast or projection provided to Seller, including as to its accuracy or completeness. Seller accepts that Projections may not be accurate and that actual volume or duration could be less than or greater than the projections. Seller expressly accepts this risk and possible reward.

5. **Warranty**

- a. "Warranty Period" shall mean, for each of the Supplies provided, the time period beginning on the day of first use of the Supplies by MPM or acceptance by MPM, and continuing until the later of: (i) 18 months; (ii) the period provided under applicable law; or (iii) if the Supplies are utilized for new vehicles, the same period as the new vehicle warranty period offered to retail purchasers in the country in which the vehicle incorporating the Supplies is sold. Seller may contact MPM's representative for information regarding those countries in which vehicles incorporating the Supplies will be sold.
- b. In the event that MPM or its customer voluntarily or pursuant to a government mandate, makes an offer to owners of vehicles (or other finished products) on which the Supplies, or any parts, components or systems incorporating the Supplies, are installed to provide remedial action to address a defect or condition that relates to motor vehicle safety or reliability or the failure of the vehicle to comply with any applicable law, safety standard or guideline, whether in connection with a recall campaign or other customer satisfaction or corrective service action (a "Remedial Action"), the Warranty Period shall continue for such time period as may be dictated by MPM's customer or the federal, state, local or foreign government where the Supplies are used or provided and Seller shall fully comply with the requirements of this Purchase Order.
- c. Notwithstanding the expiration of the Warranty Period, Seller shall nonetheless be liable for cost and damages associated with any Remedial Action to the extent

that such Remedial Action is based upon a reasonable determination (including by use of statistical analysis or other sampling methodology) that the Supplies fail to conform to the warranties set forth in the Purchase Order. Where applicable, Seller shall pay all reasonable expenses associated with determining whether a Remedial Action involving the Supplies is necessary. MPM and Seller agree that any Remedial Action involving the Supplies shall be treated separately and distinctly from similar Remedial Actions of other goods of Seller; provided that such separate and distinct treatment is lawful and Seller shall in no event fail to provide at least the same protection to MPM on such Supplies as Seller provides to its other customers in connection with such similar Remedial Actions.

- d. Notwithstanding the foregoing, Seller agrees to waive the expiration of the Warranty Period in the event there are failures or defects discovered after the Warranty Period of a significant nature or in a significant portion of the Supplies, or a defect is discovered which, in MPM's reasonable opinion, constitutes a threat of damage to property or to the health and safety of any person.
- e. In addition to Seller's customer warranties, any express warranties set forth in this Purchase Order, any statutory warranties or any warranties implied by law, Seller expressly warrants that all of the Supplies provided under this Purchase Order and all other Purchase Orders: (i) do not, and are not claimed to, violate any patent, trademark or copyright, and may be properly imported into the United States or any other country; (ii) shall strictly conform with all specifications, drawings, statements on containers or labels, descriptions and samples furnished to or by MPM, and all industry standards, laws and regulations in force in countries where such Supplies or vehicles equipped with such Supplies are to be sold; (iii) shall be free from defects in design, material and workmanship and shall be new and of the highest quality; (iv) shall be free and clear of all liens, claims or other encumbrances, and that Seller is conveying good title to MPM; (v) shall be merchantable, of good material and workmanship, free from defects, and safe, fit and sufficient for the particular purposes intended by MPM, which purposes Seller acknowledges are known to it; (vi) shall be adequately contained, packaged, marked and labeled; (vii) in the case of services, all services performed on behalf of MPM shall be performed in a competent, workmanlike manner; (viii) the Supplies shall be manufactured in accordance with all applicable federal, state, and local laws, regulations, industry standards or other standards, labeling, transporting, licensing approval or certification requirements in the United States or any other country where the Supplies will be sold or used; and (ix) Seller has complied with IATF 16949:2016, ISO 9001:2015, ISO 14001, TS 16949, PPAP, APQP, and the various OEM End of Life Vehicle ("ELV") reporting and other requirements, as well as international softwood standards, including USDA Regulations on Wood Packaging Material Imports, in fulfilling this Purchase Order and all other Purchase Orders. These warranties shall survive inspection, test, delivery, acceptance, use and payment by MPM and shall inure to the benefit of MPM, its successors, assigns, customers, and the users of MPM's goods and services. These warranties may not be limited or disclaimed.

- f. If MPM experiences any breaches of the foregoing warranties, MPM shall have the right, in addition to exercising all other rights MPM may have under the Terms and Conditions, the Uniform Commercial Code and any other applicable statutes or law, to take the following actions, at MPM's option: (i) retain the defective Supplies in whole or in part with an appropriate adjustment in the price for the goods; (ii) require Seller to repair or replace the defective Supplies in whole or in part at Seller's sole expense, including all shipping, transportation, and installation costs; (iii) correct or replace the defective Supplies with similar items and recover the total cost relating thereto from Seller, including the cost of product recalls; or (iv) reject the defective Supplies.
- g. Without limiting the generality of the foregoing, should any Supplies fail to conform to the warranties set forth herein, MPM shall notify Seller and Seller shall, if requested by MPM, reimburse MPM for any special, incidental and consequential damages caused by nonconforming Supplies, including, but not limited to, costs, expenses and losses incurred by MPM (i) in inspecting, sorting, testing, repairing or replacing such nonconforming Supplies; (ii) resulting from production interruptions, (iii) in conducting Remedial Actions, and (iv) in connection with claims for personal injury (including death) or property damage caused by such nonconforming Supplies. If requested by MPM, Seller shall, without charge to MPM, administer and process warranty charge-backs for nonconforming Supplies in accordance with MPM's directions.

6. **Quality**

- a. Seller agrees to participate in MPM's quality and development program(s), if any, and to comply with all quality requirements and procedures specified by MPM, as revised from time to time. Based on MPM's assessment of responsibility, Seller may be held responsible for any and all costs associated with quality issue investigation, containment and Remedial Actions on account of Supplies provided by Seller to MPM (including third party activities identified and initiated by MPM). Seller is obligated to provide all reasonable support requested by MPM to address immediately and correct concerns regarding the quality of Supplies provided. Seller shall provide additional resources, as necessary and as identified by MPM, to support product development, process development, validation, production launch, or any issue that may jeopardize the success of the manufacture or assembly of any Supplies or of the program.
- b. Seller warrants that its overall equipment (shared and specific) and plant capacity are adequate to meet MPM's needs. Ongoing capacity analysis must account for at least: scrap variation, downtime, maintenance, and other customer requirements. Each production process must successfully complete a run-at-rate. The run-at-rate must demonstrate that Seller's production process can produce in less than 24 hours at least one day's quantity of acceptable quality Supplies to satisfy Seller's Capacity Planning Volume ("CPV"). MPM is not obligated to pay Seller any incremental costs as long as the Release quantities do not unreasonably

exceed Seller's CPV. The requirement for capacity and the CPV is not a volume, program or other commitment by MPM.

- c. Seller is responsible for all sub-tier providers of goods or services. Seller must maintain adequate development, validation, launch, and ongoing supervision to assure all Supplies provided to MPM conform to all specifications, standards, drawings, samples and descriptions, including, without limitation, as to quality, performance, fit, form, function and appearance, under the Purchase Order.

7. **Inspection, Work Progress, and Rejections**

MPM shall have the right (but not the obligation) to inspect, to review work progress, and to test all Supplies, special tooling, materials and workmanship to the extent practicable at all times and places during the period of manufacture. If any Supplies are defective in material or workmanship or otherwise not in conformity with the requirements of any Purchase Order, MPM shall have the right, notwithstanding payment, any prior inspection or test, custom or usage of trade, either to reject them or to require their correction by and/or at the expense of Seller promptly after notice.

8. **Delivery**

- a. Deliveries shall be made both in quantities and at times specified on the Purchase Order or on Releases furnished by MPM. Time and quantity of delivery are of the essence. Seller shall adhere to shipping directions specified on the Purchase Order or Releases. MPM shall not be required to make payment for Supplies delivered to MPM that are in excess of firm quantities and delivery schedules specified in Releases. Seller shall not procure, produce or ship any Supplies unless authorized in writing by MPM or as necessary to meet specific delivery dates. Shipments in excess of those authorized by MPM may be returned to Seller at Seller's expense, and MPM may debit Seller for the cost of such returns. MPM may change shipping schedules or direct temporary suspension of such scheduled shipments. MPM may 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 Supplies covered by any Purchase Order. With each delivery, Seller shall be deemed to have made the representations, warranties and covenants with respect to its financial and operating condition provided herein.
- b. Premium shipping expenses and/or other related expenses necessary to meet delivery schedules set forth in Releases shall be Seller's sole responsibility, unless the delay or expense was solely the result of MPM's negligence and Seller provides MPM with notice of any claim against MPM within ten (10) days after the occurrence of the alleged negligent action of MPM giving rise to such claim.
- c. Notwithstanding any agreement concerning payment of freight expenses, delivery shall not have occurred and the risk of loss shall not have shifted to MPM until

the Supplies have been delivered to MPM's facility and have been accepted at that facility.

9. **Customer Requirements**

- a. To the extent that this Purchase Order or any other Purchase Order covers Supplies which are parts, components, items, tooling, or services being supplied to or for the benefit of any customer of MPM, Seller acknowledges and agrees that such Supplies must be in compliance with all of the applicable requirements, specifications, standards, pricing requirements (even if such pricing differs from the Purchase Order price), audit standards, and terms and conditions for such Supplies which are set forth in the customer's purchase documents.
- b. Seller shall sell to MPM all Supplies necessary for MPM to fulfill MPM's and its customer's service and replacement parts requirements for its current model year at the then-current production prices plus any actual net cost differential for required unique packaging. If the Supplies are systems, modules or assemblies, Seller shall sell the component or parts of such systems, modules or assemblies at prices that will not in the aggregate exceed the then current production price of the system, module or assembly less the costs of labor involved in connection with the system, module or assembly plus any actual net cost differential for required unique packaging.

10. **Cost**

- a. Prices charged for Supplies listed on the Purchase Order are not subject to increase, including specifically any increase based upon currency fluctuations, changes in raw material or component pricing, labor or overhead, unless specifically agreed to by MPM in a Signed Writing.
- b. Seller represents that the price charged to MPM for Supplies is at least as low as the price charged by Seller to MPM of a class similar to MPM under conditions similar to those specified in the Purchase Order and that all prices comply with all applicable governmental laws and regulations in effect at the time of quotation, sale and delivery. Seller agrees that any price reduction implemented by Seller for any Supplies or related charges will apply to all shipments of such Supplies under the Purchase Order or any Purchase Order amendment from and after Seller's implementation of the price reduction. If Seller offers a lower price for the same or similar goods or services to any other customer during the term of a Purchase Order, then to the extent permitted by law, Seller will immediately offer MPM the same price for the Supplies on the same terms and conditions as was offered to the other customer. Seller shall ensure that the price charged to MPM for Supplies remains competitive with the price for similar goods or services available to MPM from other sellers.
- c. Seller agrees to participate in MPM's cost savings and productivity programs and initiatives and to implement Seller's own cost savings and productivity programs

and initiatives to reduce Seller's costs. MPM shall also receive the full benefit of all discounts, premiums and other favorable terms of payment customarily offered by Seller to its customers. In the event Seller reduces its price for similar goods and services during the term of this Purchase Order, Seller agrees to reduce the prices of the Supplies to MPM correspondingly. Seller warrants that the prices in this Purchase Order shall be complete, and no additional charges of any type shall be added without MPM's express written consent.

11. **Taxes**

Unless prohibited by law, Seller shall pay all federal, state or local tax, transportation tax, or other tax, including but not limited to customs duties and tariffs, which is required to be imposed upon the Supplies ordered, or by reason of their sale or delivery. All Purchase Order prices shall be deemed to have included all such taxes.

12. **Invoices**

All invoices for Supplies provided pursuant to each Purchase Order must reference the Purchase Order number, Purchase Order amendment or Release number, MPM's part number, Seller's part number where applicable, quantity of pieces in shipment, number of cartons or containers, Seller's name and number, and bill of lading number, before any payment will be made for Supplies by MPM. In addition, no invoice may reference any term separate from or different than these Terms and Conditions or the terms that appear on the face of the Purchase Order. MPM reserves the right to return all invoices or related documents submitted incorrectly. Payment terms will commence upon the receipt and input of a correct invoice into MPM's invoicing system. Any payment by MPM of a nonconforming invoice is not an acceptance of any non-conforming elements or terms on such invoice.

13. **Payment Terms**

- a. Payment terms will be set for Seller on MPM's payables system if Seller is included in MPM's payables system. If Seller is not included in MPM's payables system, payment terms are net 60. If a payment date falls on a non-business day, payment will occur on the following business day.
- b. Notwithstanding the particular payment terms applicable to a Purchase Order, (i) in no event will Seller have a right to payment for tooling before MPM is paid by its customer for such tooling, (ii) in no event will a Seller who is a directed supplier have a right to receive payment from MPM until MPM is fully paid by MPM's customer for the related Supplies or, as applicable, the goods into which such Supplies are incorporated, and (iii) MPM may, at its option, upon notice to Seller, revise its payment terms for production Supplies to take into account any change in the payment terms of MPM's customer applicable to the Supplies under any Purchase Order.

14. **Setoff and Recoupment**

- a. In addition to any right of setoff or recoupment allowed by law, all amounts due Seller, or any of its subsidiaries or affiliates shall be considered net of indebtedness or obligations of Seller, or any of its subsidiaries or affiliates to MPM or any of its subsidiaries or affiliates, and MPM may setoff against or recoup from any amounts due or to become due from Seller, or any of its subsidiaries or affiliates to MPM or any of its subsidiaries or affiliates however and whenever arising, including the MPM's attorneys' fees and costs of enforcement. In the event that MPM or any of its subsidiaries or affiliates reasonably feels at risk, MPM may withhold and recoup a corresponding amount due Seller or any of its subsidiaries or affiliates to protect against such risk.
- b. If an obligation of Seller or any of its subsidiaries or affiliates to MPM or any of its subsidiaries or affiliates is disputed, contingent or unliquidated, MPM or any of its subsidiaries or affiliates may defer payment of all or any portion of the amount due until such obligation is resolved. Without limiting the generality of the foregoing and by way of example only, in the event of a bankruptcy of Seller, if all of the Purchase Orders between MPM and Seller have not been assumed, then MPM may defer payment to Seller, via an administrative hold or otherwise, for Supplies against potential rejection and other damages.
- c. In the event of a Seller Insolvency (defined below), MPM also may setoff, recoup, and/or withhold from amounts due Seller or any of its subsidiaries or affiliates any amounts that Seller is obligated to indemnify MPM pursuant to this Purchase Order, regardless of whether such amounts become due before or after the filing of a petition for bankruptcy protection by Seller.

15. **Documentation**

Packing slips (which shall accompany the Supplies), shipping documents, and bills of lading shall show the Purchase Order number, vendor, and item and reference numbers. Shipping documents shall be mailed on the shipment date and must include the Bill of Lading or Packing Slip numbers relating to each shipment. Value of the Supplies shall not be declared on shipments F.O.B. point of origin. For each international shipment, Seller shall include a customs valuation invoice (using the value set forth in the Purchase Order), with a master packing slip and shall furnish all other required export/import documents. Export and trade credits shall belong to MPM. Seller shall furnish (i) all documents required to obtain export credits and customs drawbacks; (ii) certificates of origin of the materials and Supplies provided and the value added in each country; (iii) all NAFTA, AALA and other related documents; (iv) all required export licenses or authorizations; and (v) any other documents requested by MPM or any of its customers. Seller warrants that the contents of such documents shall be true and accurate. Seller shall indemnify MPM for any damages, including but not limited to duties, interest and penalties, arising from a false or inaccurate statement.

16. **Transportation**

The Supplies provided by Seller shall be properly packed, marked, loaded and shipped as required by this Purchase Order and by the transporting carrier. Unless MPM instructs otherwise, the Supplies shall be shipped FOB MPM's designated location (Incoterms 2000 "DDL"), and shall be shipped in a manner that permits the lowest transportation rates to apply and adequately protects the quality of the Supplies. Seller shall reimburse MPM for all expenses, including damage to the Supplies, incurred due to improper packing, marking, loading or routing. The risk of loss or damage in transit shall be upon Seller, except where shipment is by MPM's vehicle, in which case the risk of loss or damage shall pass to MPM upon completion of loading.

17. **Technology**

- a. All Supplies, including, but not limited to, any idea, invention, concept, design, prototype, product configuration, process, technique, procedure, system, plan, model, program, software or code, data, specification, drawings, diagram, flow chart, documentation, or the like that are created in the course of performing any Purchase Order and any associated intellectual property rights therein are the sole and exclusive property of MPM. Seller agrees that all works of authorship created by Seller in connection with each Purchase Order are "works made for hire" on behalf of MPM as that term is used in connection with the U.S. Copyright Act. The term "intellectual property" as used herein means all patents, patent applications, patentable subject matter, copyrights, copyrightable subject matter, work of authorship, derivative works, trademark, trade name, trade dress, trade secrets, know-how, and any other subject matter, material, or information that is considered by MPM to be proprietary or confidential and/or that otherwise qualifies for protection under any law providing or creating intellectual property rights, including the Uniform Trade Secrets Act.
- b. Seller hereby assigns to MPM ownership of all right, title, and interest in the Supplies and any associated intellectual property, and further agrees to cooperate with MPM and to assist in the preparation and execution of all documents relating to any effort by or on behalf of MPM to apply for, obtain, maintain, transfer, or enforce any intellectual property right related to the Supplies at the request and expense of MPM. Seller expressly warrants that the Supplies shall not incorporate any intellectual property (including copyright, patent, trade secret, mask work, or trademark rights) of any third party, and further agrees that Seller shall not disclose to MPM any confidential information, including any trade secrets, of any third party. Seller grants to MPM an irrevocable, non-exclusive, royalty-free, worldwide license with the right to grant sublicenses to affiliates to use any technical information, know how, copyrights, and patents, or other intellectual property owned or controlled by Seller or its affiliates to make, have made, use, sell, and import any Supplies provided by Seller under a Purchase Order. Such license shall be effective from the first delivery under a Purchase Order.

- c. Seller expressly warrants that all Supplies will not and do not infringe any patent, trademark, copyright or other intellectual property of any third party. Seller (i) agrees to defend, hold harmless and indemnify MPM and its customers against all claims, demands, losses, suits, damages, liability and expenses (including actual fees for attorneys, experts and consultants, settlement costs and judgments) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright or other proprietary right by reason of the manufacture, use or sale of the Supplies, including infringement arising out of compliance with specifications furnished by MPM or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions; and (ii) waives any claim against MPM and its customers, including any hold-harmless or similar claim, whether known or unknown, contingent or latent, in any way related to a claim asserted against Seller or MPM for infringement of any patent, trademark, copyright or other proprietary right, including claims arising out of compliance with specifications furnished by MPM.
- d. Seller shall ensure that any subcontractors to Seller have contracts with Seller in writing consistent with the terms of this paragraph to ensure that the protections required by MPM from Seller are also received from subcontractors for the benefit of MPM and Seller.

18. **Confidentiality**

- a. Seller acknowledges and agrees that it will be obligated to maintain the secrecy and confidentiality of all information disclosed by MPM to Seller during the course of work under any Purchase Order ("Confidential Information"), including, but not limited to, any information regarding MPM or its business or its customers, the existence and terms of any Request for Quotation or Purchase Order, and any drawings, specifications, or other documents prepared by either party in connection with any Request for Quotation or Purchase Order. Seller agrees that it will not disclose Confidential Information to or use Confidential Information with or for the benefit of itself or any third party without prior written authorization from MPM. Seller also agrees to adopt measures to protect the secrecy and confidentiality of Confidential Information that are reasonable under the circumstances. Confidential Information shall not include any information that (a) was in the possession of Seller before receipt from MPM; (b) is or becomes available to the public through no fault of Seller; or (c) is received by Seller in good faith from a third party having no duty of confidentiality to MPM.
- b. The obligations of Seller with respect to Confidential Information shall remain in effect during the time that any Confidential Information is considered by MPM to be secret or confidential or otherwise qualify for protection under the Uniform Trade Secrets Act. At the request of MPM, Seller will return to MPM all materials (in any form) that include, incorporate, or otherwise Confidential Information of MPM.

- c. Unless otherwise agreed in a Signed Writing, all information provided by Seller to MPM in connection with each Purchase Order shall be disclosed on a non-confidential basis, and MPM shall have no duty to maintain the secrecy or confidentiality of such information.
- d. Seller shall not sell or dispose of, as scrap or otherwise, any completed or partially completed or defective Supplies manufactured hereunder without defacing or rendering them unsuitable for use.

19. **Changes**

- a. MPM reserves the right at any time to direct changes, or cause Seller to make changes, to the Supplies under any Purchase Order including, but not limited to, changes in the design (including drawings and specifications), processing, methods of packaging and shipping and the date or place of delivery of the Supplies covered by the Purchase Order or to otherwise change the scope of the work covered by the Purchase Order including work with respect to such matters as inspection, testing or quality control, and Seller agrees to promptly make such changes. Any such changes shall be deemed not to affect the time for performance or cost under the Purchase Order unless (i) Seller provides MPM with written notice of a claim for adjustment to time for performance or cost within ten (10) days after MPM's notice to Seller of the change and (ii) after auditing such claim, MPM determines that an adjustment (up or down) is appropriate. Any such claim by Seller for adjustment to time for performance or cost under a Purchase Order must be solely and directly the result of the change directed by MPM and any notice of such claim shall be effective only if accompanied by all relevant information sufficient for MPM to verify such claim. In addition, MPM shall have the right to audit all relevant records, facilities, work or materials of Seller to verify any claim Seller shall consider and advise MPM of the impact of a design change on the system in which the Supplies covered by the Purchase Order are used. Nothing in this paragraph shall excuse Seller from proceeding with the Purchase Order as changed.
- b. Without the prior approval of MPM on the face of a Purchase Order amendment or in a Signed Writing, Seller shall not make any changes to any Purchase Order or the Supplies covered by the Purchase Order, including, without limitation, changing (i) any third party supplier to Seller of services, raw materials or goods used by Seller in connection with its performance under the Purchase Order, (ii) the facility from which Seller or such supplier operates, (iii) the price of any of the Supplies covered by the Purchase Order, (iv) the nature, type or quality of any services, raw materials or goods used by Seller or its suppliers in connection with the Purchase Order; (v) the fit, form, function, appearance, performance of any Supplies covered by the Purchase Order; or (vi) the production method, or any process or software used in the production or provision of any Supplies under the Purchase Order. Any changes by Seller to any Purchase Order or the Supplies covered by the Purchase Order without the prior approval by MPM on the face of

a Purchase Order amendment or in a Signed Writing shall constitute a breach of the Purchase Order.

20. **Property of MPM**

- a. The right, title and interest to all supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, designs, drawings, specifications, spare parts, trial parts, ancillary products, items owned by MPM and other items furnished by MPM or its customers to Seller for use in manufacturing Supplies, or for which Seller is reimbursed by MPM or its customers (“MPM’s Property”), shall be and remain the property of MPM and/or its customers. Seller shall bear the risk of loss of and damage to such MPM’s Property. Seller will (i) properly house and maintain the MPM’s Property on Seller’s premises; (ii) not use the MPM’s Property for any purpose other than for performance under the Purchase Order; (iii) prominently mark the MPM’s Property as property of MPM; (iv) refrain from commingling the MPM’s Property with the property of Seller or with that of a third party; (v) adequately insure the MPM’s Property against loss or damage, including but not limited to maintaining full fire and extended coverage insurance for replacement value and naming MPM as an additional insured; (vi) take reasonable steps to ensure that the MPM’s Property does not become subject to any liens or other claims; and (vii) not move the MPM’s Property to another location whether owned by Seller or a third party, without the prior written consent of MPM. MPM will have the right to enter Seller’s premises at reasonable times to inspect the MPM’s Property and Seller’s records pertaining thereto.
- b. Seller expressly waives and releases, and agrees not to file or otherwise assert or prosecute or suffer to permit any statutory, equitable or other liens, including but not limited to equitable or other liens, including but not limited to any molder liens, tool liens, builder liens and the like, that Seller has or might have on or in connection with the MPM’s Property for all work, including but not limited to, designing, manufacturing, improving, maintaining, servicing, using, assembling, fabricating or developing the MPM’s Property.
- c. Seller hereby agrees to indemnify, defend and hold harmless MPM 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 such liens placed on the MPM’s Property. Seller will assign to MPM any claims Seller has against third parties with respect to MPM’s Property. Seller shall assume all risk of death or injury to persons or damage to property arising from use of the MPM’s Property.
- d. Unless otherwise agreed to in writing by MPM, Seller at its own expense shall keep the MPM’s Property in good condition and repair, including repair necessitated by wear and tear and other usage by Seller. In the event that it

becomes necessary, as determined by either MPM or Seller, to replace the MPM's Property due to normal use by the Seller, or otherwise, said replacement of MPM's Property shall be at the sole expense of the Seller and said replacement MPM's Property shall remain the property of the MPM. Seller will pay personal property taxes for all MPM's Property in Seller's possession or under Seller's control.

- e. MPM does not guarantee the accuracy of any MPM's Property or the availability or suitability of any supplies or material furnished by it. Seller assumes sole responsibility for inspecting, testing and approving all MPM's Property or other materials supplied by MPM prior to any use by Seller. Seller agrees that it will comply with obligations hereunder to release MPM's Property notwithstanding any offsetting claim that it may have against MPM.
- f. Seller acknowledges and agrees that (i) MPM may not be the manufacturer of the MPM's Property nor the manufacturer's agent nor a dealer therein; (ii) MPM is bailing the MPM's Property to Seller for Seller's benefit; and (iii) Seller has inspected the MPM's Property and is satisfied that the MPM's Property is suitable and fit for its purposes, and (iv) MPM HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE MPM'S PROPERTY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. MPM shall not be liable to Seller for any loss, damage, injury or expense of any kind or nature caused, directly or indirectly, by the MPM's Property, including, without limitation, its use or maintenance, or its repair, service or adjustment, or by any interruption of service or for any loss of business whatsoever or howsoever caused, including, without limitation any anticipatory damages, loss of profits or any other indirect, special or consequential damages.
- g. Seller authorizes MPM to file a UCC-1 financing statement or similar document with the appropriate filing authority to give notice of MPM's ownership interest in the MPM's Property. Failure to file a financing statement will not alter or amend MPM's ownership rights to the MPM's Property. Seller shall provide MPM, upon MPM's request, with a written inventory of all MPM's Property.

21. **Compliance With Laws; Toxic Substances; OSHA**

- a. Seller shall comply with all applicable laws, rules, regulations, orders, conventions, or standards enacted by the United States of America that regulate the manufacture, labeling, transportation, licensing, approval or certification of Products or Services, including but not limited to, those relating to environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety, and each Purchase Order shall be deemed to incorporate by reference all the clauses required by the provisions of said laws, orders, rules, regulations and

ordinances. Among other things, Seller agrees to comply with the Occupational Safety & Health Act, 29 U.S.C. §§651 et seq. and the Toxic Substance Control Act, 15 U.S.C. §§2601 et seq.

- b. All purchased materials used in manufacture of the Supplies shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale. Prior to shipment, Seller will furnish applicable Material Safety Data Sheets as well as information on the safe use and hazards associated with use of the Supplies. Seller must be in compliance with ISO14001, TS16949 and ELV or their successors, as amended from time to time. 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 corrupt business practices, in the supply of the Supplies under this Purchase Order. At MPM's request, Seller shall certify in writing its compliance with the foregoing.
- c. Seller shall indemnify and hold MPM 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 non-compliance with the provisions of this paragraph 21.

22. **Insurance**

Seller shall maintain insurance in amounts acceptable to MPM, naming MPM as an additional insured, and covering general liability, public liability, product liability, product recall, completed operations, contractor's liability, automobile liability insurance, Worker's Compensation, and employer's liability insurance as will adequately protect MPM against such damages, liabilities, claims, losses and expenses (including attorney's fees). Seller agrees to submit certificates of insurance, evidencing its insurance coverage when requested by MPM.

23. **Indemnification**

- a. Seller shall indemnify and hold harmless MPM and its affiliated companies, their directors, officers, employees, invitees, agents and customers ("Indemnitees") from and against all liability, demands, claims, losses, costs, actions, judgments, fines, penalties, damages of any nature and expenses, including attorney's fees (collectively, "Liabilities") incurred by MPM or its affiliated companies by reason of or on account of any breach of this Purchase Order, warranty claims, product recall claims, product liability claims, injuries to persons, including death, or damage to property caused by Seller, its employees, agents, subcontractors, or in any way attributable to the performance of Seller, its employees, agents, or invitees; provided, however, that Seller's obligation to indemnify MPM shall not apply to any liabilities solely arising from MPM's negligence. Seller waives the application of the doctrine of comparative negligence and other doctrines that

may otherwise allocate the liability covered by Seller's indemnity. This indemnification obligation shall be in addition to Seller's warranty obligations.

- b. Within a reasonable time of becoming aware of any actual or potential Liabilities, MPM shall notify Seller. Seller, at MPM's option and at Seller's expense, will undertake defense of such actual or potential Liabilities through counsel approved by MPM. Provided, however, that Seller shall first obtain authorization from MPM before settlement is made of the actual or potential Liabilities if the terms of such settlement could materially adversely affect MPM, including any terms which admits the existence of a defect in Supplies or a failure of MPM to fully and faithfully perform its obligations. In the alternative, MPM may elect to undertake defense of such Liabilities to the extent it is asserted against MPM, and Seller shall reimburse MPM on monthly basis for all expenses, attorney fees, and other costs incurred by MPM.

24. **Seller Financial and Operational Condition**

- a. Seller represents and warrants to MPM as of the date of each Purchase Order (which representations and warranties shall be deemed repeated as of the date of Seller's acceptance of each Release under the Purchase Order and at the time of each delivery under the Purchase Order) that: (i) it is not insolvent and is paying all debts as they become due; that it is in compliance with all loan covenants and other obligations; (ii) all financial information provided by Seller to MPM concerning Seller is true and accurate; (iii) such financial information fairly represents Seller's financial condition; and (iv) all financial statements of Seller have been prepared in accordance with generally accepted accounting principles, uniformly and consistently applied.
- b. Upon MPM's request, Seller shall provide copies of its quarterly and/or annual financial statements, Seller shall permit MPM and its representatives to review Seller's books and records concerning compliance with each Purchase Order and Seller's overall financial condition, and Seller also shall provide MPM with full and complete access to all such books and records for such purpose. Seller agrees that, if Seller experiences any delivery or operational problems, MPM may, but is not required to, designate a representative to be present in Seller's applicable facility to observe Seller's operations. Seller agrees that, if MPM provides to Seller any accommodations (financial or other, including providing designated representatives as set forth above) that are necessary for Seller to fulfill its obligations under any Purchase Order, Seller shall reimburse MPM for all costs, including attorneys' and other professionals' fees, incurred by MPM in connection with such accommodation and shall grant a right of access to MPM to use Seller's premises, machinery, equipment and other property necessary for the production of Supplies covered by such Purchase Order (and a lien to secure the access right) under an access and security agreement. Additionally, Seller agrees to provide prompt written notice to MPM of any impending or threatened insolvency of the Seller.

25. **Seller Insolvency**

MPM may immediately terminate each Purchase Order without any liability of MPM to Seller upon the occurrence of any of the following or any other similar or comparable event (each, a “Seller Insolvency”): (i) insolvency of Seller; (ii) Seller’s inability to promptly provide MPM with adequate and reasonable assurance of Seller’s financial capability to perform timely any of Seller’s obligations under any Purchase Order; (iii) filing of a voluntary petition in bankruptcy by Seller; (iv) filing of an involuntary petition in bankruptcy against Seller; (v) appointment of a receiver or trustee for Seller; or (vi) execution of an assignment for the benefit of creditors of Seller. Seller shall reimburse MPM for all costs incurred by MPM in connection with a Seller Insolvency, including but not limited to, all attorneys’ fees and other professional fees.

26. **Rights of Entry, Reclamation, and Inspection**

MPM shall have the right to enter Seller’s facility during normal business hours or, in the event of a Seller shutdown, at reasonable times, to inspect the facility, Supplies, materials and any property of MPM covered by each Purchase Order and, without the necessity of a court order, may enter upon Seller’s property and remove property belonging to MPM or any customer of MPM, including, without limitation, MPM’s Property and other goods, inventory or Seller’s Property that has been or is agreed to be sold to MPM under the Purchase Order. MPM’s inspection of the Supplies, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work in process or finished Supplies.

27. **Audit Rights**

MPM and its customers shall have the right at any reasonable time to examine all relevant documents, records, materials, equipment, tooling and Supplies in the possession or under the control of Seller relating to any of Seller’s obligations under this Purchase Order or any other Purchase Order. Seller agrees to reasonably cooperate in any such audit request by the MPM.

28. **Termination for Default**

MPM reserves the right to terminate immediately all or any part of each Purchase Order, without any liability of MPM to Seller, in the event of any default by Seller. The following are causes, among others, allowing MPM to terminate the Purchase Order: (i) if Seller repudiates, breaches or threatens to breach any of the terms of the Purchase Order including, without limitation, Seller’s warranties; (ii) if Seller fails to perform or deliver Supplies as specified by MPM; (iii) if Seller fails to provide MPM with adequate and reasonable assurance of Seller’s ability to perform timely any of Seller’s obligations under any Purchase Order, including, without limitation, delivery of Supplies; (iv) if MPM terminates for breach any other Purchase Order issued by MPM to Seller in accordance with the terms of such Purchase Order (whether or not such other Purchase Order is related to the Purchase Order); or (v) if Seller fails to remain competitive with respect to price, quality, delivery, technology, payment terms, or customer support. In the event that an act of termination by MPM is determined to be improper for any

reason, the damages available to Seller shall be limited to the damages that Seller would have been entitled to receive if MPM had terminated for convenience pursuant to paragraph 30.

29. **Termination for Change of Control**

In addition to its other remedies, MPM may, at its option, terminate this MPM Order without any liability to Seller for a change of control of Seller. A change of control of Seller includes: (a) the sale, lease or exchange of a substantial portion of Seller's assets used for the production of Supplies, or the entrance into an agreement by Seller regarding the same; (b) the sale or exchange of more than 20% of Seller's stock or other ownership interest (or of such other amount as would result in a change of control of Seller), or the entrance into an agreement regarding the same; (c) the execution of a voting or other agreement providing a person or entity with control of Seller or control of more than 20% of Seller's stock or other ownership interest (or of such other amount as would result in a change of control of Seller). Seller shall notify MPM promptly in writing in the event of the earlier of (i) the entrance into an agreement, or (ii) the occurrence of an event, described above in this paragraph. In the event of a termination pursuant to this paragraph, MPM shall give Seller written notice of the termination at least thirty (30) days prior to the effective termination date.

30. **Termination for Convenience**

In addition to any other right of MPM to terminate each Purchase Order, MPM may at its option, immediately terminate all or any part of the Purchase Order at any time and for any reason by giving written notice to Seller.

31. **Termination Claims**

- a. Upon receipt of notice of termination pursuant to paragraphs 28, 29, or 30, Seller, unless otherwise directed in writing by MPM, shall (i) terminate immediately all work under the Purchase Order; (ii) transfer title and deliver to MPM the usable and merchantable finished Supplies, work in process, and raw materials/components that Seller produced or acquired in accordance with firm Release amounts under the Purchase Order and which Seller cannot use in producing Supplies for itself or for others; (iii) settle all claims by subcontractors approved by MPM on the face of a Purchase Order or Purchase Order amendment or in a Signed Writing, if any, for reasonable actual costs that are rendered unrecoverable by such termination; (iv) take actions reasonably necessary to protect property in Seller's possession in which MPM has an interest and (v) upon MPM's request, cooperate with MPM in effecting the resourcing of the Supplies covered by the Purchase Order to an alternative supplier designated by MPM.
- b. Upon termination of any Purchase Order by MPM under paragraphs 29 or 30, MPM shall pay to Seller the following amounts without duplication: (i) the Purchase Order price for all finished and completed Supplies that conform to the requirements of the Purchase Order and not previously paid for; (ii) Seller's reasonable actual cost of the usable and merchantable work in process and raw materials/components transferred to MPM in accordance with subsection A

hereof; (iii) Seller's reasonable actual cost of settling claims for the obligations Seller would have had to the subcontractors approved by MPM on the face of a Purchase Order or Purchase Order amendment or in a Signed Writing in the absence of termination, and (iv) Seller's reasonable actual cost of carrying out its obligations under subsections A(iv) and A(v).

- c. Upon termination pursuant to paragraph 28, Seller shall not be entitled to any further payments by MPM.
- d. Except as expressly set forth in paragraph 31, MPM shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontracts, for any other alleged losses or costs, whether denominated as loss of anticipated profit, unabsorbed overhead, interest on claims, consequential or incidental damages, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, ancillary exit charges (including, but not limited to, costs of riggers, warehousing, premium manufacturing costs, loading of trucks or other standard business procedures related to transitioning production to an alternative supplier), or general and administrative burden charges resulting from termination of the Purchase Order or otherwise. Notwithstanding anything to the contrary, MPM's obligation to Seller upon termination shall not exceed the obligation MPM would have had to Seller in the absence of termination.
- e. Within thirty (30) days after the effective date of termination under paragraphs 29 or 30, Seller shall furnish to MPM its termination claim, together with all supporting data which shall consist exclusively of the items of MPM's obligation to Seller that are listed in this Purchase Order. MPM may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

32. **Transition of Supply**

Upon the expiration or earlier termination of any Purchase Order for whatever reason, Seller agrees to take all actions necessary in order to ensure that there is no interruption in the supply of Supplies to MPM. Among other things, Seller agrees to take such actions as may be reasonably required by MPM to accomplish the transition from Seller to an alternative seller, including without limitation the following: (a) Seller shall provide all notices necessary or desirable for MPM to resource the Purchase Order to an alternative seller; (b) Seller shall provide a sufficient bank of goods covered by the Purchase Order to ensure the orderly transition to any alternative seller chosen by MPM; and (c) Seller shall provide to MPM all tooling and any other property furnished by or belonging to MPM or any of MPM's customers in as good a condition as when received by Seller, reasonable wear and tear excepted; (d) MPM and the alternative seller reserve the right to access and actively participate during the disconnect or disassemble process for the MPM's Property, and the location, time and date of the exit shall be mutually agreeable between the MPM and Seller; and (e) Seller shall, at MPM's option: (i) assign to MPM any or all supply contracts or Purchase Orders for raw material or components relating to the Purchase Order; (ii) sell to MPM, at Seller's cost any or all perishable tooling and

Supplies inventory relating to the Purchase Order; and/or (iii) sell to MPM any of Seller's property relating to the Purchase Order, at a price equal to the unamortized portion of the cost of such items less any amounts MPM previously has paid to Seller for the cost of such items. Seller shall provide documentation supporting the original cost of any unamortized items. The term "alternative seller" expressly includes, but is not limited to, a MPM-owned facility.

33. **No Termination Right by Seller**

Because MPM's commitments to its customers are made in reliance on Seller's commitments under each Purchase Order, Seller has no right to terminate any Purchase Order.

34. **Force Majeure**

- a. Any delay or failure of either party to perform its obligations shall be excused if it is caused by an extraordinary and unforeseeable event beyond the control of the nonperforming party and without the nonperforming party's fault or negligence, such as acts of God, fires, floods, windstorms, explosions, riots, natural disasters, wars and sabotage. Written notice of such delay, including the anticipated duration of the delay, must be given by the nonperforming party within two (2) days of the event. During the period of any delay or failure to perform by Seller, MPM, at its option, may purchase Supplies from other sources and reduce its schedules to Seller by such quantities, without liability to MPM, or cause Seller to provide the Supplies from other sources in quantities and at times requested by MPM and at the price set forth in this Purchase Order. If requested by MPM, Seller shall, within five (5) days of such request, provide adequate assurance that the delay will not exceed such period of time as MPM deems appropriate. If the delay lasts more than the time period specified by MPM, or Seller does not provide adequate assurance that the delay will cease within such time period, MPM may, among its other remedies, immediately cancel the Purchase Order, and all outstanding Releases issued pursuant thereto, without liability. Additionally, Seller shall reimburse MPM for any increase in price that MPM is required to pay to a substitute supplier in order to obtain the Supplies.
- b. If a force majeure event continues for longer than five (5) calendar days, then MPM, at its sole option, may terminate any Purchase Order affected thereby in whole or in part without any obligation or liability except that MPM is still responsible for payment for Supplies that have been delivered to and accepted by MPM prior to Force Majeure notice receipt. Seller acknowledges and agrees that the following will not excuse performance by Seller under theories of force majeure, commercial impracticability or otherwise and Seller expressly assumes these risks: (i) change in cost or availability of materials, components or services based on market conditions, supplier actions or contract disputes; (ii) failure of Seller's internal business systems related to the proper processing of date information that results in any defect or failure in products or services, deliveries, or any other aspect of performance by Seller or its subcontractors.

- c. In addition to its rights under paragraph 30, MPM may cancel any Purchase Order at any time prior to delivery or performance if its business is interrupted for reasons beyond MPM's reasonable control. MPM shall give prompt notice of such cancellation to Seller.

35. **Labor Disputes**

Seller shall notify MPM in writing of any actual or potential labor dispute delaying or threatening to delay timely performance of this Purchase Order. Seller shall notify MPM in writing 6 months in advance of the expiration of any current labor contracts. Seller shall deliver a supply of finished Supplies at least 30 days prior to the expiration of any such labor contract, in quantities and for storage at sites designated by MPM.

36. **Remedies for Breach by Seller**

- a. The rights and remedies reserved to MPM in each Purchase Order shall be cumulative with, and additional to, all other or further remedies provided in law or equity.
- b. Seller acknowledges and agrees that money damages would not be a sufficient remedy for any actual, anticipatory or threatened breach of any Purchase Order by Seller with respect to its delivery of Supplies to MPM and that, in addition to all other rights and remedies which MPM may have, MPM shall be entitled to specific performance and temporary, preliminary and permanent injunctive or other equitable relief as a remedy for any such breach, without proof of actual damages and without bond or other security being required
- c. Seller also acknowledges and agrees that shutting down a customer's plant creates issues for which money damages are not a sufficient remedy. While the cost of a plant shutdown may easily generate substantial costs, the damages to MPM's relationship with MPM's customer through potential loss of business, and other damages which are equally difficult to calculate, are far worse. Because of these risks, in the event of a breach or threatened breach by Seller of any of the representations, warranties or covenants of Seller, MPM may, without notice to Seller, resource the production of Supplies from Seller to another supplier or dual source any of the Supplies covered hereby (i.e., have another supplier produce or be prepared to produce Supplies being produced by Seller), to protect MPM and its customers. This process of moving business may take a considerable amount of time and Seller understands that, given the risks posed by the possible shutdown of MPM's customer, MPM is justified in initiating and transferring business without prior notice to Seller.
- d. Notwithstanding anything to the contrary contained in any Purchase Order, MPM does not release or waive any claim against Seller that is based in whole or in part on any fraud or duress in connection with the Purchase Order or any breach or anticipatory breach of the Purchase Order or any other Purchase Order between MPM and Seller (even if that Purchase Order relates to other products).

- e. Also in addition to all other rights of MPM contained in these Terms and Conditions, Seller shall reimburse MPM for all losses, costs and damages, including consequential and incidental, caused by nonconforming Supplies. Such costs and damages may include, without limitation, costs, attorney and expert or professional fees, expenses and losses of MPM and/or its customers arising from (i) inspection, sorting, testing, repair or replacement of any nonconforming Supplies or any system or component that incorporates such nonconforming Supplies, (ii) production interruptions or slowdowns, (iii) off-lining of vehicles or component systems, (iv) field service campaigns and other corrective service actions, including, without limitation, the amounts paid to distributors and/or dealers for materials and replacement parts (including reasonable mark-up to recover administrative costs or other capital expenses) and the labor costs to perform such work, and (v) claims for personal injury (including death) or property damage caused by such nonconforming Supplies.

37. **No Waiver**

A waiver by MPM of any right or remedy shall not affect any rights or remedies subsequently arising under the same or similar clauses. The failure of the MPM to insist upon the performance of any term or condition of this Purchase Order, or to exercise any right hereunder shall not be construed as a waiver of the future performance of any such term or condition or the exercise in the future of any such right.

38. **Relationship of Parties**

Seller and MPM are independent contracting parties and nothing in this Purchase Order shall make either party the agent or legal representative of the other for any purpose whatsoever, 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 party.

39. **Assignment**

This Purchase Order is issued to the Seller in reliance upon Seller's personal performance of the duties imposed. Seller agrees not to, in whole or in part, assign this Purchase Order or delegate the performance of its duties without the written consent of MPM. Any such assignment or delegation without the previous written consent of MPM, at the option of MPM, shall effect a cancellation of this Purchase Order. Any consent by MPM to an assignment shall not be deemed to waive MPM's right to recoupment from Seller and/or its assigns for any claim arising out of this Purchase Order. Assignment shall not relieve Seller from its obligations of confidentiality under paragraph 18 hereof. MPM shall have the right to assign any benefit or obligation under this Purchase Order to any third party upon notice to Seller.

40. **Limitations on MPM's Liability**

In no event shall MPM be liable to Seller for any lost profits or for any incidental, consequential, special, exemplary or punitive damages. Without limiting the foregoing, the parties further agree that:

- a. With respect to a claim arising out of or in connection the termination of this agreement or any purchase order, Seller's damages, if any, shall be limited to the damages set forth in paragraph 31 (Termination Claims); and
- b. With respect to all other claims, Seller's damages shall be limited to the value of products purchased by MPM from Seller.

41. **Services/Consulting**

To the extent this is a Purchase Order that includes services or consulting services, Seller hereby assigns to MPM all rights, title and interest in and to any and all ideas, inventions, improvements, materials, copyrightable material, drawings, documents or the like, conceived or made by Seller as a result of or relating to work done or services performed for MPM pursuant to this Purchase Order. Such assignment includes all proprietary rights appurtenant thereto, and Seller will execute any documents necessary to confirm such assignment.

42. **Claims From Seller**

Any action by Seller under Purchase Order or other agreement must be commenced within one year after the breach or other event giving rise to Seller's claim occurs, regardless of Seller's lack of knowledge of the breach or other event giving rise to such claim.

43. **Severability**

If any term(s) of the Purchase Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term(s) 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 the Purchase Order shall remain in full force and effect.

44. **Notices**

All notices, claims and other communications to MPM required or permitted under the Purchase Order shall be made in writing and sent by certified or registered mail, return receipt requested and proper postage prepaid to the following address and shall be effective only upon receipt by MPM in the form set forth in this paragraph:

***Michigan Production Machining Inc
16700 23Mile Rd
Macomb, MI 48042
Attn: Purchasing***

Seller's failure to provide any notice, claim or other communication to MPM in the manner and within the time periods specified in the Purchase Order shall 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.

45. **Electronic Communications and Electronic Signatures**

Seller shall comply with any method of electronic communication specified by MPM, including requirements for electronic funds transfer, Purchase Order transmission, production Releases, electronic signature, and communication.

46. **Choice of Law/Jurisdiction**

The construction, interpretation and performance of this Purchase Order and all transactions thereunder shall be governed by the law of the State of Michigan, without regard to principles of conflicts of law The United Nations Convention on the International Sale of Goods is expressly excluded. Seller consents to the exclusive jurisdiction of the appropriate state court in Oakland County, Michigan or, if original jurisdiction can be established, in the federal court in the U.S. District Court for the Eastern District of Michigan, Southern Division, for any legal or equitable action or proceeding arising out of, or in connection with, each Purchase Order. Seller specifically waives any and all objections to venue in such courts.

47. **Audit Rights**

At its discretion and expense, Buyer or its designated representative may audit, inspect and test: the Goods; relevant records; Seller's inventory, delivery, quality and production processes, including at the Seller's premises; Seller's ability to fulfill its obligation under this Agreement; Seller's compliance with Applicable Laws; and its actual performance under this Agreement.

MICHIGAN PRODUCTION MACHINING INC.
PURCHASE ORDER FORM

- The Purchase Order should state: “This Purchase Order expressly incorporates the MPM’s Terms and Conditions, a copy of which is available on request and also is available on the MPM’s website at *www.michpro.com*.”
- The Purchase Order should state: “This Purchase Order is effective and expressly conditional on Seller’s assent to all terms and conditions in this Purchase Order that are additional to or different from those stated in Seller’s quotation or other offering documents. Seller’s assent to this provision will be manifested by delivery or any portion of the goods designated herein. MPM’s terms and conditions are available upon request, and also are provided on MPM’s website.”
- The Purchase Order should include a specific reference to a quantity or the percentage of the MPM’s requirements that the Seller is going to be supplying. It should be standard practice and procedure for purchasing representatives to fill in either the appropriate percentage, or a specific spot-buy quantity, if applicable.
- The Purchase Order should include a specific reference to the time period for the supply agreement. Under the Terms and Conditions, the default rule will be “life of program”, but there may be a number of items (e.g., nonproduction) that are purchased on a spot-buy basis.
- The Purchase Order should reflect whether it is a “Production Purchase Order (Requirements Contract),” a “Production Purchase Order (Spot Buy),” a “Tooling Order” or a “Nonproduction Purchase Order.” We assume that a few boxes could be added to the Purchase Order form, one of which simply would be “checked” by the issuing MPM authorized representative.
- To the extent that there are additional specific contract documents that you want to incorporate into the Purchase Order by reference (e.g., scope of work), the issuing MPM authorized representative should reference those documents in the Purchase Order itself.
- Other than the above provisions, the Purchase Order need not contain (and should not contain) other clauses that may be somewhat prevalent in purchase order forms, because they create a risk of conflicting with the Terms and Conditions themselves.
- Any other purchasing documents that are commonly used by MPM and other representatives in their daily interactions with suppliers (RFQ forms, APQP docs, etc.) should be reviewed and revised to ensure that they all reference and incorporate the new Terms and Conditions.