

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. The Contract.

1.1 Offer and Acceptance. Each scheduling agreement or purchase order issued by GKN Driveline Newton LLC (“**Order**”) is an offer by GKN Driveline Newton LLC (“**Buyer**”) to purchase the products (“**Products**”) and/or services (“**Services**”) identified in that Order. A contract is formed on the date that Seller accepts the offer of Buyer. Each Order shall be deemed accepted upon the terms and conditions of such Order by Seller by shipment of Products, performance of Services, commencement of work on Products, written acknowledgement, or any other conduct of Seller that recognizes the existence of a contract pertaining to the subject matter hereof. Additionally, each Order shall be deemed accepted five business days after Buyer delivers the Order to Seller, if Seller fails to object to the 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 Order. No purported acceptance of any Order on terms and conditions which modify, supersede, supplement or otherwise alter these Terms and Conditions shall be binding upon Buyer and such terms and conditions shall be deemed rejected and replaced by these Terms and conditions. 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 Order. Specific terms and conditions on the Order and the other documents comprising the Contract will take priority over any inconsistent provision in these General Terms and Conditions.

1.2 Upon acceptance, the Order, together with these General Terms and Conditions and any specifications, drawings, requirements of Buyer’s customer, quality requirements, and other documents incorporated in the Order, including, without limitation, any scheduling agreements and the additional items referenced or identified in Section 26.12 hereof, as well as the documents located on Buyer’s website at, <https://supplierweb.gkndriveline.com/public/newton/> will constitute the binding contract between Buyer and Seller (collectively, the “**Contract**”).

1.3 Seller periodically shall review Buyer’s website at <https://supplierweb.gkndriveline.com/public/newton> and the manuals located therein. Seller’s continued performance under the Contract without providing written notice to Buyer 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. Buyer may modify the General Terms and Conditions from time to time by posting notice of such modified General Terms and Conditions through links provided on the Buyer’s website at <https://supplierweb.gkndriveline.com/public/newton> at least ten (10) days prior to the modified General Terms and Conditions becoming effective. Seller periodically shall review Buyer’s web site and the General Terms and Conditions. Seller’s continued performance under the Contract without providing written notice to Buyer detailing Seller’s objection to any modified General Terms and Conditions prior to the effective date of such modified General Terms and Conditions will be subject to and will constitute Seller’s acceptance of such modified General Terms and Conditions.

1.4 Changes.

(a) All Contract changes must be in a writing signed by an authorized representative of Buyer’s purchasing department (a “**Signed Writing**”).

(b) Buyer may from time to time by notice to Seller make reasonable changes, within the scope of the Contract, to the drawings, specifications, materials, packaging, testing, quantity, time or method of delivery or shipment, or other requirements prescribed in the Contract. At Seller’s request with appropriate supporting documentation, the parties will agree upon an equitable adjustment to the Contract prices and times for performance as a result of Buyer’s changes. Among other things, Buyer shall be entitled to carry out changes in the drawings or specifications relevant to any Product. In the event that Buyer advises Seller of a modification a Product, the Seller shall examine the requested change and inform Buyer immediately but not later than within ten (10) business days in writing on the effects of the modification on the production process, the time schedule and the delivery times as well as the piece price by presenting verifiable documentation. A price increase can only be made after Buyer’s explicit approval in writing.

(c) Without the prior approval of Buyer on the face of a Contract amendment or in a Signed Writing, Seller shall not make any changes to any Contract or the Products or Services covered by the Contract, 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 Contract, (ii) the facility from which Seller or such supplier operates, (iii) the price of any of the Products or Services covered by the Contract, (iv) the nature, type or quality of any services, raw materials or goods used by Seller or its suppliers in connection with the Contract; (v) the fit, form, function, appearance, performance of any Products covered by the Contract; or (vi) the production method, or any process or software used in the production or provision of any Products under the Contract. Any changes by Seller to any Contract or the Products or Services covered by the Contract without the prior approval by Buyer on the face of a Contract amendment or in a Signed Writing shall constitute a breach of the Contract.

1.5 Seller ensures that the then currently valid technical documents are available to all those responsible for the performance of Seller’s obligations under the Contract and any relevant scheduling agreement and that all technical documents rendered invalid due to modifications shall be removed. During production, Seller shall not deviate from the currently valid status of component drawings or from the production processes and locations without the prior written approval of the Buyer or its designate, and completion of Buyer’s ECA and PCR processes in the form of a PPAP submission per AIAG Production Part Approval Process Standard.

2. Products and Services.

2.1 Quantity. If quantities or delivery schedules are not specified in the Contract, they will be as reasonably determined by Buyer and stated in Buyer’s firm releases (“**Releases**”) issued to Seller from time to time, including service parts. Buyer shall not be required to make any payment for Products delivered to Buyer in excess of quantities specified in Buyer’s Releases or delivery schedules and may return over-shipments to Seller at Seller’s sole cost and expense. A Release will specify a firm quantity of Products and/or a firm quantity of raw materials/components that Buyer will be responsible for in the event of termination. Releases may include Projections (defined below), but Releases are only binding upon Buyer for 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 Buyer.

2.2 Volume and Duration Projections. From time to time and in connection with quotations, requisitions and Contracts, Buyer may provide Seller with estimates, forecasts or projections of its future volume or quantity requirements for the Products and/or the term of a program ("**Projections**"). Projections, unlike a Release for a firm quantity, are not binding on Buyer. Seller acknowledges that Projections, like any other forward looking projections, 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 later. Buyer 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 acknowledges that this risk, and possible reward, is an aspect of the automotive industry.

2.3 Duration. Unless stated otherwise on the face of the Contract, the duration of each Contract shall be the life of the program(s) into which the Products or Services ultimately are incorporated, plus applicable service and replacement parts requirements. Buyer and Seller acknowledge, however, that this section does not affect or otherwise change Buyer's rights of termination set forth herein. Upon the expiration of any Contract, Seller shall cooperate with Buyer and provide all reasonably requested support and information required by Buyer to facilitate Buyer's sourcing of the Products to a replacement supplier.

2.4 Service and Replacement Parts.

(a) Seller shall sell to Buyer all Products and Services necessary for Buyer to fulfill Buyer'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 Products 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.

(b) After termination of the current model production of the vehicle involved, Seller shall sell to Buyer Products and Services necessary for Buyer to fulfill Buyer's and its Customers' service and replacement parts requirements for past model years at the prices then specified in the last Contract for current model production plus any actual net cost differential for required unique packaging for the first five (5) years of past model service. For the following ten (10) years of past model service or such longer period as Buyer's customer requires service parts, the prices shall be as specific in the last Contract for current model production plus any actual net cost differential for required unique packaging, plus any actual net cost differential for manufacturing costs as mutually agreed between Buyer and Seller.

3. Cost.

3.1 Prices charged for Products and Services listed on the Contract are not subject to increase, including specifically any increase based upon changes in raw material or component pricing, labor or overhead, unless specifically agreed to by Buyer on the face of a Contract amendment or in a Signed Writing by Buyer's authorized representative.

3.2 Seller represents that the price charged to Buyer for Products is at least as low as the price charged by Seller to buyers of a class similar to Buyer under conditions similar to those specified in the Contract 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 Products or Services or related charges will apply to all shipments of such Products and performance of such Services under the Contract or any Contract amendment from and after Seller's implementation of the price reduction.

3.3 Seller shall ensure that the price charged to Buyer for Products and Services remains competitive with the price for similar goods or services available to Buyer from other sellers.

3.4 Seller agrees to participate in Buyer'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.

4. Delivery.

4.1 Packing and Shipment. Seller agrees to: (a) properly pack, mark and ship Products strictly in accordance with Buyer's requirements and Buyer's designated carriers; (b) route shipments in accordance with Buyer's instructions; (c) make no charge for handling, packaging, storage or transportation of Products, unless otherwise stated as an item on this Contract; (d) provide with each shipment packing slips with Buyer's PO, contract and/or Release number and date of shipment marked thereon; (e) properly mark each package with a label/tag according to Buyer's instructions; and (f) promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Buyer's instructions. Seller will include on bills of lading or other shipping receipts correct classification, identification of the Products shipped in accordance with Buyer's instructions and the requirements of Buyer's carrier. The labeling on each package and identification of the Products on the packing slips, bills of lading and invoices (when required) shall be sufficient to enable Buyer to easily identify the Products purchased.

4.2 Delivery Schedules. Time is of the essence and Seller will deliver Products and Services in strict accordance with the Contract terms. Unless otherwise stated in the Contract, Products will be delivered FOB (DDP for overseas suppliers as applicable) Seller's dock (Incoterms 2000) and title will transfer upon receipt of the Products by the freight carrier. If Products are not ready for delivery in time to meet Buyer's shipping schedules, Seller shall be responsible for additional costs of any resulting expedited or other special transportation. Buyer will be responsible for additional costs of expedited or other special transportation that Buyer may request for reasons other than a delay caused by Seller. With each delivery, Seller shall be deemed to have made the representations, warranties and covenants with respect to its financial and operating condition set forth herein.

4.3 *Emergency Inventory.* Unless otherwise specified, Seller, in the case of unforeseen surplus demand at Buyer and in case of a delivery impediment occurring reason (e.g., loss of production at Seller), shall maintain a pre-produced emergency inventory of the Product in the amount of an average monthly delivery quantity as established in the relevant scheduling agreement or Contract. Upon Buyer's request, Seller shall provide satisfactory evidence that the emergency inventory is maintained in accordance with the terms hereof. The products in the emergency inventory must meet at any time the current technical specifications and quality requirements; therefore, Seller undertakes to replenish the emergency inventory continuously on a "first in first out" basis.

4.4 *Invoices.* All invoices and/or advanced shipping notices ("ASN") for Products shipped pursuant to each Contract must reference the Contract number, Contract amendment or Release number, Buyer'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 Products by Buyer. In addition, no invoice may reference any term separate from or different than these General Terms and Conditions or the terms that appear on the face of the Contract. Buyer reserves the right to return all invoices or related documents submitted incorrectly. Payment terms will begin to run once the latest correct invoice or ASN is received and input into Buyer's system by the applicable Buyer facility. Any payment by Buyer of a nonconforming invoice is not an acceptance of any non-conforming element or terms on such invoice.

5. Inspection.

Buyer or third parties designated by Buyer may, upon reasonable advance notice (i.e., at least 24 hours) to Seller, inspect production processes and property and conduct testing at Seller's premises for the sole purpose of verifying Seller's performance under the Contract. Seller may require Buyer to execute a confidentiality agreement to protect proprietary information. Buyer is not required to inspect Products delivered or Services performed, and no inspection or failure to inspect will reduce or alter Seller's obligations under the Contract.

6. Taxes.

Unless otherwise stated in the Contract, the Contract price includes all applicable federal, state, provincial, local taxes and sales, value added, or similar turnover taxes or charges.

7. Payment.

7.1 *Payment Terms.* Unless otherwise agreed to by Buyer in writing, payment terms shall be sixty (60) days net. Seller will promptly submit correct and complete invoices or other agreed billing communications with appropriate supporting documentation and other information reasonably required by Buyer after delivery of Products and performance of Services, and Buyer may withhold payment until a correct and complete invoice or other required information is received and verified. Seller will accept payment by check or other cash equivalent, including electronic funds transfer. Buyer will pay Seller in the currency specified in the Contract or, if none is specified, in the currency selected by Buyer.

7.2 Setoff/Recoupment.

(a) In addition to any right of setoff or recoupment provided or 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 Buyer or any of its subsidiaries or affiliates, and Buyer or any of its subsidiaries or affiliates may setoff against or recoup from any amounts due or to become due from Seller, or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries or affiliates however and whenever arising. In the event that Buyer or any of its subsidiaries or affiliates reasonably feels itself at risk, Buyer or any of its subsidiaries or affiliates may withhold and recoup a corresponding amount due Seller or any of its subsidiaries or affiliates to protect against such risk.

(b) An "affiliate" of a party means any other company that controls, is controlled by, or is under common control with such party. For purposes of this definition, the term "control" means the ownership, directly or indirectly, of twenty percent (20%) or more of the capital or equity of a company or the ability, by voting securities, contract or otherwise, to elect a majority of the board of directors or other governing body of such company.

(c) If an obligation of Seller or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries or affiliates is disputed, contingent or unliquidated, Buyer 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 Contracts between Buyer and Seller have not been assumed, then Buyer may defer payment to Seller, via an administrative hold or otherwise, for Products against potential rejection and other damages.

8. Quality

8.1 To support the provision of conforming Products, Seller agrees to complete Advance Product Quality Planning pursuant to current automotive industry standards (AIAG) and any OEM or Customer Specific Standards. PPAP shall be performed according to GN 4404 as well as stipulations by the buyer. Seller will contact Buyer twenty (20) days prior to agreed upon PPAP submission date. Seller will complete IMDS (International Material Data System) entries required by Buyer's customer. Copies of successful IMDS completion will be submitted with PPAP documentation. Failure to complete and submit IMDS requirements will result in delayed PPAP approval or rejection of PPAP submission. If the IMDS entry is not provided prior to PPAP date Seller may be charged for late IMDS submission. Seller bears the sole responsibility for product quality. For this purpose Seller undertakes to introduce and apply "zero defects" as a quality standard for tools, production procedures and production processes in order to meet the quality requirements for the product pursuant to the contract fundamentals. The objective of the "zero defects strategy" is constant improvement of all activities with regard to the product, deadlines and cost. Seller agrees to participate in Buyer's supplier quality and development program(s) and to comply with all quality requirements and procedures specified by Buyer, as revised from time to time, including those applicable to Seller as set forth in set forth in industry standard Quality System Requirements including ISO 9001:2000, TS 16949:2000, VDA 6.1, ISO 14001, OHSAS 18001 and including customer specific standards.

8.2 Seller agrees to participate in Buyer's quality and development program(s) and to comply with all quality requirements and procedures specified by Buyer, as revised from time to time. Based on Buyer's assessment of responsibility, Seller may be held responsible for any and all costs associated with quality issue investigation, containment and Remedial Actions (as defined below) on account of Products provided by Seller to Buyer (including third party activities identified and initiated by Buyer). Seller is obligated to provide all reasonable support requested by Buyer to address immediately and correct concerns regarding the quality of Products provided. Seller shall provide additional resources, as necessary and as identified by Buyer, to support product development, process development, validation, production launch, or any issue that may jeopardize the success of the manufacture or assembly of any Products or of the program.

8.3 Seller warrants that its overall equipment (shared and specific) and plant capacity are adequate to meet Buyer'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 Products to satisfy Seller's Capacity Planning Volume ("CPV"). Buyer is not obligated to pay Seller any incremental costs as long as the Release quantities do not exceed Seller's CPV. The requirement for capacity and the CPV is not a volume, program or other commitment by Buyer.

8.4 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 Products provided to Buyer conform to all specifications, standards, drawings, samples and descriptions, including, without limitation, as to quality, performance, fit, form, function and appearance, under the Contract.

8.5 Seller agrees to perform all development work for the Products and to prepare the Products for manufacture and subsequent series production pursuant to the project plan agreed upon in the Contract. Seller acknowledges its awareness that the non-achievement of even one milestone may result in a postponement of the start of the pre- or series production of the end products incorporating the Products. Seller will advise in regular intervals of the progress in the manufacture of the respective Product. If delays become obvious for which Seller is responsible and which influence the fixed delivery date, Seller shall expedite delivery at its sole cost and expense. In addition to the standard feedback process, Seller's obligations hereunder include control of onsite inspection of performance progress up to permanent presence of an expeditor at Seller's facility.

9. Warranties.

9.1 "**Warranty Period**" shall mean, for each of the Products provided, the time period beginning on the day of first use of the Products by Buyer or acceptance by Buyer, and continuing until the later of: (i) 18 months; (ii) the period provided under applicable law; or (iii) if the Products are utilized for new vehicles, the same period as the new vehicle warranty period offered to retail Buyers in the country in which the vehicle incorporating the Products is sold. Seller may contact Buyer's representative for information regarding those countries in which vehicles incorporating the Products will be sold.

9.2 In the event that Buyer or its customer voluntarily or pursuant to a government mandate, makes an offer to owners of vehicles (or other finished products) on which the Products, or any parts, components or systems incorporating the Products, 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 Buyer's customer or the federal, state, local or foreign government where the Products are used or provided and Seller shall fully comply with the requirements of this Contract.

9.3 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 Products fail to conform to the warranties set forth in the Contract. Where applicable, Seller shall pay all reasonable expenses associated with determining whether a Remedial Action involving the Products is necessary. Buyer and Seller agree that any Remedial Action involving the Products 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 Buyer on such Products as Seller provides to its other customers in connection with such similar Remedial Actions.

9.4 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 Products, or a defect is discovered which, in Buyer's reasonable opinion, constitutes a threat of damage to property or to the health and safety of any person.

9.5 In addition to Seller's customer warranties, any express warranties set forth in this Contract, any statutory warranties or any warranties implied by law, Seller expressly warrants that all of the Products provided under this Contract and all other Contracts: (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 Buyer, and all industry standards, laws and regulations in force in countries where such Products or vehicles equipped with such Products 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 Buyer; (v) shall be merchantable, of good material and workmanship, free from defects, and safe, fit and sufficient for the particular purposes intended by Buyer, 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 Buyer shall be performed in a competent, workmanlike manner; (viii) the Products 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 Products will be sold or used; and (ix) Seller has complied with QS 9000, 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 Contract and all other Contracts. These warranties shall survive inspection, test, delivery, acceptance, use and payment by Buyer and shall inure to the benefit of Buyer, its successors, assigns, customers, and the users of Buyer's goods and services. These warranties may not be limited or disclaimed. Seller waives any claim against Buyer 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 Buyer for breach of warranty infringement of any patent, trademark, copyright or other proprietary right, including claims arising out of compliance with specifications furnished by Buyer.

9.6 If Buyer experiences any breaches of the foregoing warranties, Buyer shall have the right, in addition to exercising all other rights Buyer may have under the Uniform Commercial Code and any other applicable statutes or law, to take the following actions, at Buyer's option: (i) retain the defective Products in whole or in part with an appropriate adjustment in the price for the goods; (ii) require Seller to repair or replace the defective Products in whole or in part at Seller's sole expense, including all shipping, transportation, and installation costs; (iii) correct or replace the defective Products with similar items and recover the total cost relating thereto from Seller, including the cost of product recalls; or (iv) reject the defective Products.

9.7 Without limiting the generality of the foregoing, should any Products fail to conform to the warranties set forth herein, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any special, incidental and consequential damages caused by nonconforming Products, including, but not limited to, costs, expenses and losses incurred by Buyer (i) in inspecting, sorting, testing, repairing or replacing such nonconforming Products; (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 Products. If requested by Buyer, Seller shall, without charge to Buyer, administer and process warranty charge-backs for nonconforming Products in accordance with Buyer's directions.

10. Seller's Financial and Operational Condition.

(a) Seller represents and warrants to Buyer as of the date of each Contract (which representations and warranties shall be deemed repeated as of the date of Seller's acceptance of each Release under the Contract and at the time of each delivery under the Contract) that 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; that all financial information provided by Seller to Buyer concerning Seller is true and accurate; that such financial information fairly represents Seller's financial condition; and that all financial statements of Seller have been prepared in accordance with generally accepted accounting principles, uniformly and consistently applied.

(b) Seller shall permit Buyer and its representatives to review Seller's books and records concerning compliance with each Contract and Seller's overall financial condition and agrees to provide Buyer with full and complete access to all such books and records for such purpose upon Buyer's request. Seller agrees that, if Seller experiences any delivery or operational problems, Buyer 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 Buyer provides to Seller any accommodations (financial or other) that are necessary for Seller to fulfill its obligations under any Contract, Seller shall reimburse Buyer for all costs, including attorneys' and other professionals' fees, incurred by Buyer in connection with such accommodation and shall grant a right of access to Buyer to use Seller's premises, machinery, equipment and other property necessary for the production of Products covered by such Contract (and a lien to secure the access right) under an access and security agreement.

10.2 Seller hereby covenants and agrees to indemnify and hold harmless Buyer, its affiliates and subsidiaries, and their respective directors, officers, employees and agents from any claims, liabilities, damages (including special, consequential, punitive and exemplary damages), costs and expenses (including actual fees for attorneys, experts and consultants, settlement costs and judgments) incurred in connection with any claims (including lawsuits, administrative claims, regulatory actions and other proceedings to recover damages or economic losses that are related in any way to or arise in any way from the Products or Services, Seller's representations, Seller's performance of or failure to perform obligations under any Contract, including claims based on Seller's breach or alleged breach of warranty (whether or not the Products or Services have been incorporated into Buyer's products and/or resold by Buyer), and claims for any violation of any applicable law, ordinance or regulation or government authorization or order. Seller's obligation to indemnify will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise, except to the extent of any such liability arising solely out of the gross negligence of Buyer. Seller's indemnification obligations will apply even if Buyer furnishes all or a portion of the design and specifies all or a portion of the processing used by Seller unless set forth otherwise in a Signed Writing.

11. Product Liability.

Seller shall indemnify and defend Buyer against third-party claims asserted against Buyer or its customers for bodily injury, death, or property damage and any resulting damages, losses, costs, and expenses (including reasonable attorneys' fees), if and to the extent caused by Seller's design or manufacture of Products or provision of Services. The parties will cooperate with each other to determine the root cause of a defect in or failure of the Products and an equitable allocation of responsibility among all responsible parties. Seller may examine and test all available Products that are subject to a third-party claim. Buyer will endeavor to include Seller in settlement discussions where indemnity has been or will be sought from Seller, and Buyer may not settle or compromise any third-party claim that gives rise to an indemnification claim without Seller's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Buyer shall be entitled to select legal counsel of its own choice with respect to raised, possible or threatened claims.

With respect to the defense of any actual, potential or threatened claims subject to the provisions of this Section 11, Seller shall bear all costs associated therewith and Seller and Buyer shall:

- (a) Cooperate with each other to the fullest extent possible which includes the provision of personnel and other means such as technicians, test benches, etc.;
- (b) Refrain from taking positions adverse to the interest of the other party;
- (c) Not initiate any action against the other party except with respect to enforcing the terms hereof.

Seller shall obtain 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 by Buyer. This insurance coverage shall cover all costs and expenditures for judicial and extra-judicial proceedings including, but not limited to, costs and expenditures of legal counsel and indemnity payments resulting from settlements and judgments. This 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 insurance without Buyer's prior written approval.

12. Compliance with Laws.

12.1 Seller shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country of destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the 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. 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 Products or provision of the Services under this Contract. At Buyer's request, Seller shall certify in writing its compliance with the foregoing. 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.

12.2 Supplier Compliance with Anti-Bribery/Anti-Corruption Laws.

(a) Supplier shall comply with all applicable laws, statutes, regulation, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 (Relevant Requirements);

(b) Supplier shall comply with the Customer's Ethics, Anti-bribery and Anti-corruption policies that are set out in its website at <http://www.gkn.com/corporateresponsibility/Pages/the-gkn-values.aspx>, in each case as the Customer may update them from time to time (Relevant Policies);

(c) Supplier shall have and shall maintain in place throughout the term of this agreement its own policies and procedures to ensure compliance with the Relevant Requirements and will enforce them where appropriate;

(d) Supplier shall promptly report to the Customer any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of this agreement;

(e) Supplier shall, within one (1) month of the date of this agreement, and annually thereafter, certify to the Customer in writing signed by an officer of the Supplier, compliance with this clause 12.2 by the Supplier and all persons associated with it under clause 12.3. The Supplier shall provide such supporting evidence of compliance as the Customer may reasonably request.

12.3 The Supplier shall ensure that any person associated with the Supplier who is performing services or providing goods in connection with this agreement does so only on the basis of terms equivalent to those imposed on the supplier in this Section 12 (Relevant Terms). The Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to the Customer for any breach by such persons of any of the Relevant Terms.

13. Technology.

13.1 All Products, 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 Contract and any associated Intellectual Property rights therein are the sole and exclusive property of Buyer. Seller agrees that all works of authorship created by Seller in connection with each Contract are "works made for hire" on behalf of Buyer 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 Buyer 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.

13.2 Seller hereby assigns to Buyer ownership of all right, title, and interest in the Products and any associated Intellectual Property, and further agrees to cooperate with Buyer and to assist in the preparation and execution of all documents relating to any effort by or on behalf of Buyer to apply for, obtain, maintain, transfer, or enforce any Intellectual Property right related to the Products at the request and expense of Buyer. Seller expressly warrants that the Products 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 Buyer any confidential information, including any trade secrets, of any third party. Seller grants to Buyer 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 Products provided by Seller under a Contract. Such license shall be effective from the first delivery under a Contract.

13.3 Seller expressly warrants that all Products 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 Buyer 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 Products, including infringement arising out of compliance with specifications furnished by Buyer 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 Buyer 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 Buyer for infringement of any patent, trademark, copyright or other proprietary right, including claims arising out of compliance with specifications furnished by Buyer.

13.4 Seller shall ensure that any subcontractors to Seller have contracts with Seller in writing consistent with the terms of this section to ensure that the protections required by Buyer from Seller are also received from subcontractors for the benefit of Buyer and Seller.

14. Confidentiality.

14.1 Trade secrets, specifications, drawings, notes, instructions, engineering data and analyses, compositions of matter, financial data, and other technical and business data which are supplied or disclosed by Buyer to Seller in connection with the Contract, in each case that are marked or otherwise identified as confidential or where their confidential nature is apparent at the time of disclosure (“*Confidential Information*”), will be deemed confidential and proprietary to, and remain the sole property of Buyer. Seller may not disclose Confidential Information or use Confidential Information for any purpose other than as contemplated under the Contract without in each case the written consent of Buyer. Confidential Information will not include information that (1) is or becomes generally available to the public other than as a result of a violation of this Section 20 by Seller, (2) was obtained by Seller on a non-confidential basis from a third party who had the apparent right to disclose it, or (3) is legally required to be disclosed. Seller will use the same degree of care (but not less than a reasonable degree of care) to safeguard Confidential Information that it uses to protect its own confidential information from unauthorized access or disclosure. Upon request by Buyer, Seller will promptly return or destroy the original and all copies of Confidential Information received.

14.2 The obligations of Seller with respect to Confidential Information shall remain in effect during the time that any Confidential Information is considered by Buyer to be secret or confidential or otherwise qualify for protection under the Uniform Trade Secrets Act.

14.3 Unless otherwise agreed in a Signed Writing, all information provided by Seller to Buyer in connection with each Contract shall be disclosed on a non-confidential basis, and Buyer shall have no duty to maintain the secrecy or confidentiality of such information.

14.4 Seller shall not sell or dispose of, as scrap or otherwise, any completed or partially completed or defective Products manufactured hereunder without defacing or rendering them unsuitable for use.

15. Property.

15.1 Buyer's Property.

(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 Buyer and other items furnished by Buyer or its customers (“*Buyer's Property*”) to Seller for use in manufacturing the Products, or for which Seller is reimbursed by Buyer or its customers, shall be and remain the property of Buyer and/or its customers. Seller shall bear the risk of loss of and damage to such Buyer's Property. Seller shall assume all risk of death or injury to persons or damage to property arising from use of the Buyer's Property. Buyer will have the right to enter Seller's premises at reasonable times to inspect the Buyer's Property and Seller's records pertaining thereto.

(b) Seller will (i) properly house and maintain the Buyer's Property on Seller's premises; (ii) not use the Buyer's Property for any purpose other than for performance under the Contract; (iii) prominently mark the Buyer's Property as property of Buyer; (iv) refrain from commingling the Buyer's Property with the property of Seller or with that of a third party; (v) adequately insure the Buyer's 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; (vi) take reasonable steps to ensure that the Buyer's Property does not become subject to any liens or other claims; and (vii) not move the Buyer's Property to another location whether owned by Seller or a third party, without the prior written consent of Buyer.

(c) 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 any molder liens, tool liens, builder liens and the like, that Seller has or might have on or in connection with the Buyer's Property for all work, including but not limited to, designing, manufacturing, improving, maintaining, servicing, using, assembling, fabricating or developing the Buyer's Property. Seller hereby agrees to 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 such liens placed on the Buyer's Property. Seller will assign to Buyer any claims Seller has against third parties with respect to Buyer's Property. Upon written request, Seller, at its expense, shall immediately deliver the Buyer's Property at Buyer's option F.O.B. Carrier Seller's facility (Ex Works Loaded) or F.O.B. Buyer's premises (CIF Buyer Plant/Delivered Buyer Plant), according to Incoterms 2000 if applicable, and properly packed and marked in accordance with the requirements of the carrier and Buyer. Seller will cooperate with Buyer's removal of the Buyer's Property from Seller's premises.

(d) Seller at its own expense shall keep the Buyer'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 Buyer or Seller, to replace the Buyer's Property due to normal use by the Seller, or otherwise, said replacement Buyer's Property shall be at the sole expense of the Seller and said replacement tools shall remain the property of the Buyer. All replacement parts, replacement tools, additions, improvements, and accessories to Buyer's Property shall become part of Buyer's Property.

(e) Buyer does not guarantee the accuracy of any Buyer'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 Buyer's Property or other materials supplied by Buyer prior to any use by Seller. Seller shall assume all risk of death or injury to persons or damage to property arising from use of the Buyer's Property or other materials supplied by Buyer and hereby agrees to indemnify Buyer against the same. Seller agrees that it will comply with obligations hereunder to release Buyer's Property notwithstanding any offsetting claim that it may have against Buyer.

(f) Seller acknowledges and agrees that (i) Buyer may not be the manufacturer of the Buyer's Property nor the manufacturer's agent nor a dealer therein; (ii) Buyer is bailing the Buyer's Property to Seller for Seller's benefit; (iii) Seller has inspected the Buyer's Property and is satisfied that the Buyer's Property is suitable and fit for its purposes; and (iv) BUYER 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 BUYER'S PROPERTY OR ITS

FITNESS FOR ANY PARTICULAR PURPOSE. Buyer will not be liable to Seller for any loss, damage, injury or expense of any kind or nature caused, directly or indirectly, by the Buyer'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 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 the Buyer's Property. Failure to file a financing statement will not alter or amend Buyer's ownership rights to the Buyer's Property. Seller shall provide Buyer, upon Buyer's request, with a written inventory of all Buyer's Property.

15.2 Seller's Property.

Unless otherwise agreed to by Buyer and Seller in a Signed Writing, Seller, at its expense: shall (i) furnish, (ii) keep in good condition, and (iii) replace when necessary all Seller's Property (hereinafter defined). Seller hereby grants Buyer an irrevocable option to purchase, free and clear of all liens, claims and other encumbrances, any or all of Seller's supplies, materials, molds, machinery, equipment, patterns, tools, dies, jigs, fixtures, blueprints, designs, specifications, drawings, photographic negatives and positives, art work, copy layout and other items necessary for the production of the Products under any Contract (collectively, "**Seller's Property**") that are specially designed or configured for manufacture or assembly of Products under the Contract upon Buyer's payment of the unamortized portion of the cost of such items of Seller's Property, less any amounts Buyer previously has paid to Seller for the cost of such Seller's Property. Seller shall permit Buyer to audit Seller's records to verify the amount due for any of Seller's Property. This option will not apply to any of Seller's Property that is used by Seller to produce a substantial quantity of like products for other customers of Seller which cannot readily be obtained by Seller's customer(s) from third parties unless, at Buyer's election upon exercise of the option, Seller assigns to Buyer and Buyer or its designee assumes Seller's obligation to produce such products for Seller's other customers using those items of Seller's Property during the period subsequent to the sale of Seller's Property to Buyer. Seller shall cooperate with Buyer's reasonable requests for information regarding any such obligations to Seller's other customer(s) and to effect such assignment and assumption. Buyer's right to exercise the option under this section is not conditioned on a breach by Seller or Buyer's termination of the Contract.

16. Indemnification.

16.1 Seller shall indemnify and hold harmless Buyer and its affiliated companies, their directors, officers, employees, invitees, agents and customers ("**Indemnities**") from and against all liability, demands, claims, losses, costs, actions, judgments, fines, penalties, damages and expenses, including reasonable attorney's fees (collectively, "**Liabilities**") incurred by Buyer or its affiliated companies by reason of or on account of any breach of this Contract, 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 Buyer shall not apply to any liabilities solely arising from Buyer's gross 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.

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

17. Termination.

17.1 Termination for Default. Buyer reserves the right to terminate immediately all or any part of each Contract, without any liability of Buyer to Seller, in the event of any default by Seller. The following are causes, among others, allowing Buyer to terminate the Contract: (i) if Seller repudiates, breaches or threatens to breach any of the terms of the Contract including, without limitation, Seller's warranties; (ii) if Seller fails to perform or deliver Products or Services as specified by Buyer; (iii) if Seller fails to provide Buyer with adequate and reasonable assurance of Seller's ability to perform timely any of Seller's obligations under any Contract, including, without limitation, delivery of Products or performance of Services; (iv) if Buyer terminates for breach any other Contract issued by Buyer to Seller in accordance with the terms of such Contract (whether or not such other Contract is related to the Contract); or (v) if Seller fails to remain competitive with respect to price, quality, delivery, technology, payment terms, or customer support.

17.2 Termination for Change of Control. In addition to its other remedies, Buyer may, at its option, terminate immediately all or any part of each Contract without any liability to Seller in the event of 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 Products or the performance of Services, 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 an change of control of Seller). Seller shall notify Buyer 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 section. In the event of a termination pursuant to this section, Buyer shall give Seller written notice of the termination at least thirty (30) days prior to the effective termination date.

17.3 Termination for Convenience. In addition to any other right of Buyer to terminate each Contract, Buyer may at its option, immediately terminate all or any part of each Contract at any time and for any reason by giving written notice to Seller.

17.4 Termination Claims.

(a) Upon receipt of notice of termination pursuant to Sections 17.1, 17.2, or 17.3, Seller, unless otherwise directed in writing by Buyer, shall (i) terminate immediately all work under the Contract; (ii) transfer title and deliver to Buyer the usable and merchantable finished Products, work in process, and raw materials/components that Seller produced or acquired in accordance with firm Release amounts under the Contract and which Seller cannot use in producing products for itself or for others; (iii) settle all claims by subcontractors approved by Buyer on the face of a Contract or Contract 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 Buyer has an interest and (v) upon Buyer's request, cooperate with Buyer in effecting the resourcing of the Products covered by the Contract to an alternative supplier designated by Buyer.

(b) Upon termination of any Contract by Buyer under Sections 17.2 or 17.3, Buyer shall pay to Seller the following amounts without duplication: (i) the Contract price for all finished and completed Products and Services that conform to the requirements of the Contract 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 Buyer 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 Buyer on the face of a Contract or Contract 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 Section 17.1, Seller shall not be entitled to any further payments by Buyer.

(d) Except as expressly set forth in this Section 17.4, Buyer 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, 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 Contract or otherwise. Notwithstanding anything to the contrary, Buyer's obligation to Seller upon termination shall not exceed the obligation Buyer would have had to Seller in the absence of termination.

(e) Within thirty (30) days after the effective date of termination under Sections 17.2 or 17.3, Seller shall furnish to Buyer its termination claim, together with all supporting data which shall consist exclusively of the items of Buyer's obligation to Seller that are listed in this Contract. Buyer may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

17.5 *Transition of Supply.* Upon the expiration or earlier termination of any Contract for whatever reason, Seller agrees to take all actions necessary in order to ensure that there is no interruption in the supply of Products and Services to Buyer. Among other things, Seller agrees to take such actions as may be reasonably required by Buyer 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 Buyer to resource the Contract to an alternative seller; (b) Seller shall provide a sufficient bank of goods covered by the Contract to ensure the orderly transition to any alternative seller chosen by Buyer; and (c) Seller shall provide to Buyer all tooling 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) Buyer and the alternative seller reserve the right to access and actively participate during the disconnect or disassemble process for the Buyer's Property, and the location, time and date of the exit shall be mutually agreeable between the Buyer and Seller; and (e) Seller shall, at Buyer's option: (i) assign to Buyer any or all supply contracts or contracts for raw material or components relating to the Contract; (ii) sell to Buyer, at Seller's cost any or all perishable tooling and inventory relating to the Contract; and/or (iii) sell to Buyer any of Seller's property relating to the 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. Seller shall provide documentation supporting the original cost of any unamortized items. The term "alternative seller" expressly includes, but is not limited to, a Buyer-owned facility.

17.6 *No Termination Right By Seller.* Because Buyer's commitments to its customers are made in reliance on Seller's commitments under each Contract, Seller has no right to terminate any Contract.

18. Remedies.

18.1 The rights and remedies reserved to Buyer in this Contract shall be cumulative with, and additional to, all other or further remedies provided at law or in equity. Without limiting the foregoing, should any goods fail to conform to the warranties set forth in Section 9, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any incidental and consequential damages caused by such nonconforming goods, including, but not limited to, costs expenses and losses incurred by Buyer (a) in inspecting, sorting, repairing or replacing such nonconforming goods, (b) resulting from production interruptions, (c) conducting recall campaigns or other corrective service actions, (d) claims for personal injury (including death) or property damage caused by such nonconforming goods, and (e) amounts charged against Buyer by its customers as a setoff or other charge, as result of the nonconforming goods. If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty chargebacks for nonconforming goods.

18.2 Except as provided in Section 17.4 above, Buyer shall not be liable to Seller for anticipated profits or for special, incidental or consequential damages. This limitation of liability provision applies notwithstanding the type of the Contract. Buyer's liability for a claim of any kind or for any loss or damage arising out of or in connection with or resulting from each Contract, the Products or any other agreement between Buyer and Seller is the amounts set forth in Section 17.4. Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, recoupment of investment, 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 resulting from termination of the Contract or otherwise. Notwithstanding anything to the contrary, Buyer's obligation to Seller upon termination of any Contract shall not exceed the obligation Buyer would have had to Seller in the absence of termination of such Contract.

18.3 Notwithstanding the foregoing, Seller acknowledges that shutting down a Buyer 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 Buyer's relationship with Buyer'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, Buyer may, without notice to Seller, resource the production of Products or performance of Services from Seller to another supplier or dual source any of the Products or Services covered hereby (i.e., have another supplier (i) produce or be prepared to produce Products being produced by Seller or (ii) perform or be prepared to perform Services being performed by Seller), to protect Buyer 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 Buyer's customer, Buyer is justified in initiating and transferring business without prior notice to Seller.

18.4 Seller understands that the resourcing of business during a program, while not desirable, is a part of the automotive business and is an acknowledged risk to Seller in the industry. Even the risk of Seller's financial or operational uncertainty, in light of the huge risks to Buyer and Buyer's customer, is an example of a justified reason to move production, without notice, and that any incidental or related activity by Buyer is understandable and reasonable.

19. Rights of Entry, Reclamation and Inspection.

Buyer and Buyer's third party delegates 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, evaluate and provide advice with respect to performance, progress, the facility, Products, materials and any property of Buyer covered by each Contract and, without the necessity of a court order, may enter upon Seller's property and remove property belonging to Buyer or any customer of Buyer, including, without limitation, bailed property and other Products, inventory or Seller's Property that has been or is agreed to be sold to Buyer under the Contract. Buyer's inspection of the Products, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work in process or finished Products.

20. Assignment and Subcontracting.

Seller may not assign or subcontract its rights, claims, duties or responsibilities under the Contract without the prior written consent of Buyer in a Signed Writing. Any attempted assignment or subcontracting by Seller without the required consent will not relieve Seller of its duties or obligations under the Contract or its responsibility for non-performance or default by its assignee or subcontractor. Any sale or other transfer of stock or other securities of Seller that would result in a change in control of Seller shall be deemed an assignment under the Contract. Any assignment made under this section shall not prohibit Buyer from enforcing its rights against Seller or the assignee, including, without limitation, Buyer's rights to setoff and recoupment, all of which rights of Buyer against Seller or assignee are senior to any rights of such assignee. Buyer may freely assign to any third party its rights and obligations under any Contract without the consent of Seller.

21. Excusable Non-Performance.

Any delay or failure of either party to perform its obligations, other than for delay in payment of money due and payable hereunder, shall be excused only if, and to the extent that, it is caused by an extraordinary event or occurrence beyond the reasonable control of the party and without its fault or negligence, including but not limited to, acts of God, actions by any governmental or regulatory authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain power, material, labor equipment or transportation, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay with full details following the occurrence of the cause relied upon) shall be given by the affected party to the other party as soon as possible after the event or occurrence (but in no event more than ten (10) days thereafter). During the period of such delay or failure to perform by Seller, Buyer, at its option, may purchase Products and Services from other sources and reduce its schedules to Seller by such quantities, without liability to Seller or have Seller provide the Products and Services from other sources in quantities and at times requested by Buyer, and at the price set forth in this Contract. In addition, 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 thirty (30) days during any anticipated labor disruption or resulting from the expiration of Seller's labor contract(s). If requested by Buyer, Seller shall, within ten (10) days, provide adequate assurances that the delay shall not exceed thirty (30) days. If the delay lasts more than thirty (30) days or an accumulative 90 days in length in total in any period of 365 consecutive days or Seller does not provide adequate assurances that the delay will cease within thirty (30) days, Buyer may immediately terminate this Contract without liability. 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; or (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.

22. Labor Contracts.

Seller shall notify Buyer of the contract expiration date at least six months before the expiration of a current labor contract that has not been extended or replaced. Buyer may thereafter direct Seller in writing to manufacture up to 30 days of additional inventory of Products, specifying the quantities of Products required and any packaging and storage requirements. Seller will use commercially reasonable efforts to comply with Buyer's written directions prior to expiration of the current labor contract and until the current labor contract has been extended or a new contract completed. By authorizing the additional inventory, Buyer commits to buy the entire quantity of conforming Products requested and produced. Seller is responsible for carrying costs and any additional costs of manufacture.

23. Customs Drawback Documents, Government Requirements, and Export Controls.

23.1 Upon Buyer's request, Seller shall furnish promptly all documents required for customs drawback purposes, properly completed in accordance with government regulations applicable thereto. Seller shall furthermore, at its expense, provide all information necessary (including written documentation and electronic transaction records relating to the Products, tooling and equipment necessary for Buyer to fulfill any customs-related or other Governmental agency-related obligations, origin marking or labeling requirements and certification or local content reporting requirements) to enable Buyer to claim preferential duty treatment at the time of entry for Products, tooling and equipment eligible under applicable trade preference regimes, and to make all arrangements that are necessary for the Products to be

covered by any applicable duty deferral or free trade zone program(s) of the country of import. Seller shall, at its expense, provide Buyer or Buyer's nominated service provider with all documentation to enable the Products to be exported, and obtain all export licenses or authorizations necessary for the export of the Products, tooling and equipment unless otherwise indicated in the Contract, in which event Seller shall provide all information as may be necessary to enable Buyer to obtain such licenses or authorization(s). Credits or benefits resulting or arising from any Contract, including trade credits, export credits or the refund of duties, taxes or fees, shall belong to Buyer.

23.2 Seller is responsible for any incorrect information provided by Seller or any noncompliance with the U.S. Customs Regulations by Seller that results in penalties and/or additional duties for Buyer. Seller also acknowledges and agrees to adhere to all security procedures required by the Customs-Trade Partnership Against Terrorism (C-TPAT). Seller shall share with Buyer any audit or inspection information related to C-TPAT inspection and/or validation at Seller's location.

24. Insurance.

At all times and in addition to the product liability insurance coverage provided for in Section 11 hereof, and the insurance on Buyer's Property and Seller's Property at replacement cost, Seller shall maintain (1) workers' compensation insurance at the amounts proscribed by law in each jurisdiction in which Seller operates (or evidence of authority to self-insure); (2) employer liability coverage of no less than \$100,000 for each occurrence for bodily injury by accident and no less than \$100,000 for each employee for bodily injury by disease; (3) no less than \$5,000,000 per occurrence of liability insurance covering liability arising from premises, operations, independent contractors, products/completed operations, personal injury, advertising injury and any liability assumed under an insured contract; and no less than \$1,000,000 of automobile liability coverage (including owned, non-owned and hired vehicles) per occurrence.

25. Claims from Seller.

Any action by Seller under any Contract must be commenced within one (1) 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.

26. Miscellaneous.

26.1 Advertising. During and after the term of the Contract, Seller shall not advertise or otherwise disclose its relationship with Buyer or Buyer's customers without Buyer's prior written consent, except as may be required to perform the Contract or as required by law.

26.2 Audit Rights. Seller will maintain records as necessary to support amounts charged to Buyer under the Contract. Buyer and its representatives may audit Seller's records of transactions completed within one year prior to the audit date, to the extent needed to verify the quantities shipped and that the prices charged match the Contract prices. Any audit will be conducted at Buyer's expense (but will be reimbursed by Seller if the audit uncovers material errors in the amounts charged), at reasonable times, and at Seller's usual place of business.

26.3 Electronic Communication. Seller will comply with the method of electronic communication specified by Buyer in Buyer's request for quotation and confirmed in the Contract, including requirements for electronic funds transfer, Contract transmission, electronic signature, and communication. Seller will also comply with any modification to Buyer's specified method of electronic communication after the date of the Contract, subject to Section 1.

26.4 Relationship of the Parties. Buyer and Seller are independent contractors, and nothing in the Contract makes either party the agent or legal representative of the other party for any purpose. Neither party has authority to assume or to create any obligation on behalf of the other party.

26.5 Waiver. Except as provided herein (for example, under Section 25), the failure of either party to enforce any right or remedy provided in the Contract or by law on a particular occasion will not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy.

26.6 Entire Agreement. The Contract constitutes the entire agreement between the parties with respect to its subject matter, and supersedes all prior oral or written representations or agreements by the parties with respect to the subject matter of the Contract, including Buyer's request for quotation and Seller's quotation unless specifically incorporated in the Contract. Except as authorized in Section 1, no subsequent terms, conditions, understandings or agreements purporting to modify the terms of the Contract will be binding unless in a Signed Writing. Any terms and conditions set forth in any document provided by Seller are expressly objected to in their entirety and are null and void with respect to the relationship between Buyer and Seller unless expressly accepted in writing by Buyer.

26.7 Severability. A finding that any provision of the Contract is invalid or unenforceable in any jurisdiction will not affect the validity or enforceability of any other provision of the Contract or the validity or enforceability of that provision in any other jurisdiction.

26.8 Interpretation. When used in these General Terms and Conditions, "including" means "including without limitation" and terms defined in the singular include the plural and vice versa.

26.9 Notices. Any notice or other communication required or permitted in the Contract must be in writing and will become effective on the date of actual receipt if the date of actual receipt is a business day or on the next business day if the date of actual receipt is not a business day.

26.10 *Governing Law.* Unless otherwise agreed in writing, the Contract will be governed by and interpreted according to the internal laws of Michigan, without regard to its choice of law principles. The application of the *United Nations Convention on Contracts for the International Sale of Products* to this Contract is expressly excluded.

26.11 *Jurisdiction.* Buyer and Seller expressly and irrevocably consent to the personal jurisdiction of the state and federal courts situated in the State of Michigan for any disputes arising out of or in connection with this Contract. Seller hereby expressly and irrevocably waives any and all defenses to the jurisdiction of such courts.

26.12 *Additional Provisions.* The following standards of Buyer are also applicable hereto:

- (a) Works standard (GKN) 004404 (Current edition);
- (b) Works standard (GKN) 13010 (Current edition);
- (c) Works standard (GKN) 904410 (Current edition);
- (d) Works standard (GAP) 4412 (Current edition);
- (e) QS 9000 or ISO 9000:2000 or ISO TS 16949 (current editions and related documents);
- (f) ISO 14001 and OHSAS 18001 (Current edition).