

MAHINDRA AUTOMOTIVE NORTH AMERICA

Terms and Conditions of Purchase for

GOODS AND SERVICES **USPS Programs**

1. **Introduction and Applicability of Terms and Conditions.** Mahindra Automotive North America (the “**Purchaser**”) and Seller acknowledge these *Terms and Conditions of Purchase for Goods and Services* (the “**Terms and Conditions**”) have been developed specifically for goods and services purchased by the Purchaser. These Terms and Conditions apply to Purchaser’s purchase of all goods and/or services from Seller described in each Order (collectively, “**Goods**”). The term “Goods” includes, without limitation, raw materials, components, intermediate assemblies, end products and all services, whether or not performed in connection with the foregoing terms. The term “Order” includes, as applicable, (i) the purchase order issued by Purchaser to Seller; (ii) any Change Orders; (iii) all releases and authorizations issued by Purchaser to Seller; and (iv) these Terms and Conditions. Purchaser and Seller acknowledge the following in entering into the Order: (i) to ensure a reliable and timely supply of goods covered by the Order; (ii) to implement common or complimentary processes to forecast necessary quantities, place orders, ship, receive and make payment for Goods; (iii) to identify, contain and resolve promptly and fairly any issues as to timeliness and quality of goods delivered; and (iv) collaborate to identify opportunities and implement cost saving measures related to the Goods covered by the Order, all in accordance with applicable law and the Terms and Conditions of the Order.

2. **Acceptance.** Seller has read and understands the Order and agrees that upon either (a) Seller’s written acceptance or (b) commencement of any work or performance of any services under the Order shall constitute Seller’s acceptance of the Terms and Conditions for the Order. All terms and conditions which are different from or in addition to the Order are expressly rejected by Purchaser and shall not become a part of the Order. No additional or different terms contained in any invoice, quote, proposal, sales order, bill of lading or other document supplied by Seller will be binding on the Purchaser or have any effect unless specifically agreed to in writing by the Purchaser. The Terms and Conditions set forth herein may not be modified or amended without the written consent of Purchaser. No officer, employee or other representative of Purchaser is authorized to make any oral contract of commitment for the purchase of Goods or to modify or change the Terms and Conditions of the Order unless such modification or change is in writing and approved by Purchaser, also in writing. Upon acceptance, the Order together with these Terms and Conditions and any other documents specifically incorporated in the Order or separately agreed to in writing such as specifications, drawings, requirements of Purchaser’s customer, or quality requirements, will become binding between Purchaser and Seller.

3. **Duration.** Unless the Order specifies otherwise, the initial term of the Order begins on the effective date shown on the Order (the “**Effective Date**”) and continues for twelve (12) months after the Effective Date (the “**Initial Term**”). Thereafter, the Order will automatically renew for successive twelve (12)-month terms for production Goods (each, a “**Renewal Term**”) unless Purchaser provides Seller with a notice of non-renewal at least sixty (60) days before the end of the Initial Term or any Renewal Term. For prototype Goods, the Order will terminate on the date specified on the Order or when the Order has been fulfilled by Seller.

4. **Price; Payment Terms; Early Payment Discount.** Prices for the Goods described in the Order are fixed as specified in the Order and constitute the total price for the manufacture and delivery of the Goods. Seller is not entitled to adjustments in the purchase price and will not add charges of any type to an invoice without prior written consent from Purchaser, which consent would constitute an amendment to the Order, also known as a revision with a revision date. No charge for packaging, crating, or boxing will be allowed, unless specified on the face of the Order. Seller represents and warrants to Purchaser that the price charged to Purchaser complies with all applicable governmental laws and regulations in effect at the time of quotation, sale, and delivery. The Order is inclusive of all federal, state, provincial, and local taxes and any duties applicable to provision of the Goods. Seller will separately invoice Purchaser for any sales, value added, or similar turnover taxes or charges that Seller is required by law to pay or collect from Purchaser. Purchaser is entitled to any discounts allowable by Seller for prompt payment even though Purchaser is unable to make payment within the time limits set by Seller where such failure is due to a Force Majeure event as defined under the Order. The Seller warrants that the pricing for the Goods for Purchaser on the

Order is no less favorable than those the Seller currently extends to any other customer for the same or similar Goods in similar quantities. If the Seller reduces its price to third parties during the term of the Order for the Goods, the Seller will correspondingly reduce the price charged to Purchaser.

5. **Quantity and Delivery.** Unless the Order (or a separate written agreement executed by Purchaser's authorized representative) requires Seller to manufacture, ship, and/or provide only a specified quantity of Goods, the Order is a requirements contract under which Seller is required to supply Purchaser's requirements. Purchaser's requirements are determined by the needs of its customer and market, economic, or other related conditions. Purchaser is not required to make payment for Goods delivered to Purchaser which are in excess of quantities specified in Purchaser's Releases (as defined below) or on face of Order (as in the case of a specified quantity of Goods). If Goods are not ready for delivery from Seller in time to meet Purchaser's schedule, Seller will be responsible for the additional costs of any resulting expedited or other special transportation given depending on whether Seller caused the delay.

Time of delivery of the Order is of the essence. Purchaser will issue schedules and/or releases specifying the quantities needed, delivery locations, and shipment dates for the Goods (each a "Release" and together the "Releases"). For prototype Goods, delivery information is listed on each Order. Deliveries must be made both in quantities and at times specified in Purchaser's Releases or Order. Seller will maintain at its expense and risk a quantity of safety stock of finished Goods and materials at the latest design level for production Goods. Purchaser may change the rate or timing of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which will entitle Seller to a modification of the price for Goods or services covered by the Order. For orders of Goods where quantities and/or delivery schedules are not specified, Seller will deliver Goods in such quantities and times as Purchaser may direct in subsequent Releases. Seller will promptly furnish all documents and other information required in accordance with customs, tariffs or other applicable governmental regulations properly completed including, but not limited to, customs documentation and certificates of origin. Purchaser reserves the right to cancel the Order without liability and without waiver of any other remedies provided herein or under applicable law if delivery is not effected as specified herein or in the Releases.

Title to Goods and risk of loss pass to Purchaser at the time and place of delivery set forth in the Order.

6. **Packaging.** All Goods must be appropriately packed, marked and shipped in accordance with the requirements of common carriers in a manner to secure the lowest transportation costs as outlined by Purchaser's Order. Packing slips identifying order number, order line item number, part number, part name, and lead engineer's name must accompany each shipment with corresponding invoices, packing slips, and bills of lading. Seller must mark Goods, packaging and packing as instructed by Purchaser and otherwise in accordance with applicable law and standards of the industry. Markings must be in English unless this order specifies otherwise. Bar coding information issued by Purchaser must also be adhered to. If Purchaser does not identify packing and/or shipping instructions, Seller must pack and ship Goods in accordance with reasonable commercial practices. If Seller is required to use Purchaser's returnable packaging, Seller will be responsible for proper care and cleanliness of the returnable packaging. If returnable packaging is not available, Seller may use expendable packaging, and if applicable, will be noted on Order as a separate line item.

7. **Nonconforming Goods.** Goods purchased are subject to Purchaser's inspection and approval at destination. If rejected, material will be returned for credit, replacement or reworking at Seller's risk, and all handling and transportation expenses both ways are Seller's responsibility. No material returned as defective will be replaced or reworked without authorization from Purchaser. Payment for material on the Order before inspection will not constitute acceptance of the Goods, or limit or impair Purchaser's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defect.

If Goods are reasonably determined to fail to conform to order specifications, Purchaser, in its sole discretion, may request Seller at Seller's own expense and risk to replace or rework the nonconforming Goods. If Goods are in the production process of Purchaser, Seller must have Goods replaced or reworked at Seller's own expense and risk by Purchaser or a third party.

Seller must comply with all quality standards, regulations and legal requirements associated with the Goods, and any specified customer requirements, including requirements necessary to timely complete Purchaser's approval process. Seller will perform inspections before delivery and must certify inspection results in the manner requested by Purchaser. Seller must maintain complete records of all inspection work as to a particular Good for a ten (10)-year period. Seller will analyze and review Purchaser's specifications and drawings of the Goods before acceptance

of the Order. Purchaser may choose to inspect the Goods in process at facilities of Seller or its lower-tier suppliers. Any inspection that is conducted by Purchaser or its Customer will not constitute acceptance of the Goods and does not relieve Seller of any liability or warranty for the Goods.

8. **Warranty.** Seller expressly warrants that all Goods covered by the Order will in all respects conform to the specifications, drawings, samples or other descriptions furnished or specified by Purchaser. Seller warrants to Purchaser and its successors that all Goods furnished will be free from defects, latent or otherwise in material and workmanship. In addition, Seller acknowledges that it is aware of Purchaser's intended use for the Goods and expressly warrants that all Goods will be fit and sufficient for the purposes intended by Purchaser. The warranty period shall be that provided by Purchaser which is three (3) years, unless the warranty period required by applicable law is greater.

9. **Intellectual Property Rights.** To the extent that the Goods delivered hereunder are not manufactured pursuant to the designs originated solely by Purchaser, Seller guarantees that the sale and/or use of any or all Goods delivered hereunder will not infringe any United States or foreign patents, trademarks, or copyrights. Seller further agrees to indemnify, hold harmless, and defend at Seller's own expense, Purchaser against any and all claims of patent, trademark or copyright infringement or of unfair competition arising out of the sale. Seller further agrees to indemnify, hold harmless and defend, at Seller's own expense, Purchaser against all liens, security interests, and/or encumbrances whatsoever asserted against such Goods, including claims to said merchandise, asserted by others. To the extent that the Goods delivered hereunder are manufactured pursuant to the designs originated by Purchaser, Seller hereby assigns to Purchaser and Purchaser's customer, without reservation, all patent rights, copyrights and trademark rights relating to the Goods and all related documents, models, computer drawings and other electronic expression, photographs, drawings, specifications or other materials (the "**Protected Materials**"). No other Protected Materials may be reproduced for any other purpose without the express written permission of Purchaser, as applicable.

10. **Legal / Regulatory Compliance with Laws.** Seller agrees to comply with all federal, state and local laws, executive orders, rules, regulations and ordinances which may be applicable to Seller's performance of its obligations under the Order, and to certify its compliance in writing at Purchaser's request.

Seller warrants that the Goods will be in compliance with applicable product safety and environmental regulations. Seller warrants that each chemical substance contained in the Goods is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration in conjunction with the Toxic Substances Control Act, as amended. The Goods shall be in compliance with the applicable sections of the Federal Consumer Product Safety Act, as amended, and the Federal Hazardous Substances Act, as amended, and are not considered hazardous under any state or federal law, except as clearly stated on the shipping and storage containers.

Seller will indemnify, defend and hold Purchaser harmless from and against any liability claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's noncompliance with all applicable laws and regulations, including for improper or illegal usage or disposition of hazardous goods and substances.

11. **Ingredients Disclosure; Special Warnings and Instructions.** Seller will provide the required Safety Data Sheet(s) (SDSs), when applicable, to comply with the Globally Harmonized System of Classification and Labeling of Chemicals (GHS). Seller will advise and furnish to Purchaser in such form and detail as Purchaser may direct: (a) a list of all ingredients in the Goods; (b) the amount of all ingredients; and (c) information concerning any changes in or additions to such ingredients. Before and with the shipment of Goods, Seller agrees to furnish to Purchaser sufficient warning and notice in writing (including appropriate labels on the Goods, containers and packing and/or provision of applicable materials safety data sheets) of any hazardous material that is an ingredient or a part of any of the Goods, together with such special handling instructions as may be necessary to advise carriers, Purchaser and their respective employees of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Goods, containers and packing shipped to Purchaser. Such Seller will also provide Purchaser with any information necessary to allow Purchaser to comply with any of its reporting processes.

12. **Proprietary Information.** Information, including, but not limited to, technical, process or economic information derived from drawings, specifications, blueprints or other documents or data, including copies furnished by Purchaser in connection with an Order is considered **Confidential Information**. Seller must keep Confidential

Information confidential and will not disclose or use, directly or indirectly, such Confidential Information for the benefit of Seller or any other third party except with Purchaser's prior written consent as required for performance of the Order.

In connection with the development of any ideas, inventions, improvements or discoveries, including all related information and know-how, related to the Goods or services to be provided under the Order and for which Purchaser has provided or is to provide support to Seller in the form of funding, including, but not limited to, payments in whole or part for prototype components or tooling, designing, testing or consulting, Purchaser will automatically be entitled to and Seller agrees to and hereby assigns all rights, title and interest in and to such ideas, inventions, improvements and discoveries to Purchaser (unless otherwise specifically agreed to in writing and in such event Purchaser is entitled to at least a nonexclusive, paid up, irrevocable, worldwide right and license including the right to fully sublicense third parties, including the U.S. Government for all Governmental purposes to practice and have practiced for its purpose such invention). Seller agrees to promptly notify Purchaser in writing of any such idea, invention, improvement or discovery so developed. The provisions of this clause shall survive termination of fulfillment of the Order.

13. **Changes.** Purchaser has the right at any time, by written direction stating it constitutes an amendment, modification, or change to the Order, to (a) suspend all or any portion of Seller's work or (b) to make changes within the general scope of the Order that affect any one or more of the following:

- (i) drawings, designs, specifications or quantities of Goods or services to be provided hereunder;
- (ii) the statement of work or description of services;
- (iii) method of shipment or packing;
- (iv) the time or place of performance, inspection, delivery or acceptance of Goods or of services; and

If any such suspension or change causes a change in the cost of, or the time required for, performance of the Order, an equitable adjustment will be made in the price or delivery schedule or both, and the Order will be modified in writing accordingly. Any claim by Seller for such an adjustment must be made within ten (10) days from the date of receipt of a written Order from Purchaser directing such a suspension or change.

Nothing in this clause, including any disagreement with Purchaser as to any equitable adjustment, will excuse Seller from proceeding with the Order as changed. Information, advice, approvals, or instructions given by Purchaser's technical personnel or other representatives will be deemed expressions of personal opinion only and will not affect Purchaser's and Seller's rights or obligations and shall not be actions within the meaning of this "**Changes**" clause.

14. **Service Parts.** Seller will sell to Purchaser the **production** Goods necessary for it to fulfill its current model service and replacement parts requirements at the price(s) set forth in the Order. If the Goods are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that will not, in the aggregate, exceed the price of the system less assembly costs. During the ten (10)-year period after Purchaser completes current model purchases, or such longer period as prescribed by applicable law, Seller will sell Goods to Purchaser to fulfill Purchaser's past model service and replacement parts requirements. Unless otherwise agreed to by Purchaser, the price(s) during the first three (3) years of this period will be those in effect at the conclusion of current model purchases. For the remainder of this period, the price(s) for Goods will be as agreed to by the parties in good faith. When requested by Purchaser, Seller will make service literature and other materials available, if applicable, at no additional charge to support Purchaser's service-part sales activities.

15. **Training Documents and Owner's Manuals.** Seller will cooperate with Purchaser in the development of owner's manuals and technical training documents where applicable.

16. **Force Majeure.** Any delay or failure on the part of either party to perform hereunder will be excused if and to the extent that such delay or failure is caused by circumstances beyond the control and without the fault or negligence of either party, including, acts of God or of the public enemy, acts of the Government (including, but not restricted to, any preference, priority or allocation order), fires, floods, epidemics, quarantine, restrictions, strikes,

freight embargoes, unusually severe weather, and delays of a subcontractor due to such causes, provided that Seller will give Purchaser prompt notice of any cause that will result in such delay (and the anticipated duration) within five (5) days. During the period of such delay or failure to perform by Seller, Purchaser, at its option, may purchase Goods from other sources and reduce its Releases to Seller by such quantities, without liability to Seller, or have Seller provide the Goods from other sources in quantities and at times requested by Purchaser and at the price set forth in the Order. If requested by Purchaser, Seller will, within five (5) days of such request, provide adequate assurances that the delay will not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurance (within a commercially reasonable time not to exceed ten (10) days from the date of the request) that the delay will cease within thirty (30) days, Purchaser may immediately cancel the Order without liability.

17. **Insolvency.** Purchaser may cancel the Order without liability to Seller in the event of the happening of any of the following or comparable event: (a) Seller's insolvency; (b) Seller's inability to promptly provide Purchaser with adequate and reasonable assurance of Seller's financial and operational capability to perform timely any of Seller's obligations under the Order; (c) Seller's filing of a voluntary petition in bankruptcy; (d) the filing of any involuntary petition to have Seller declared bankrupt provided it is not vacated within thirty (30) days from the date of filing; (e) the appointment of a receiver or trustee for Seller provided such appointment is not vacated within thirty (30) days from the date of such appointment; or (f) Seller's execution of an assignment for the benefit of creditors. Purchaser's exercise of the right of cancellation reserved in this paragraph will neither impose any liability upon Purchaser by reason of the cancellation nor have the effect of waiving damages to which Purchaser might otherwise be entitled. Upon request, Seller must deliver any associated Tooling with the Order, existing spare parts, and all related documentation in Seller's possession or under its control to Purchaser.

18. **Termination for Cause.** Except as otherwise provided in this clause, Purchaser may, by written notice of default to Seller, terminate the Order in whole or in part if Seller fails to:

- (i) Deliver the Goods or to perform the services within the time specified in the Order or any extension;
- (ii) Perform any of the other provisions or meet any of the requirements or terms of the Order, including meeting quality requirements;
- (iii) Make progress so as to endanger the timely performance of the Order (see following paragraph);

Purchaser's rights to terminate the Order under subdivisions (ii) and (iii) above, may be exercised if Seller does not cure such failure within ten (10) days (or more if authorized in writing by Purchaser) after receipt of the notice from Purchaser specifying the failure. No such cure notice or period is required for a termination under subdivision (i) above.

If Purchaser terminates the Order in whole or in part, it may acquire, under the terms and in the manner Purchaser considers appropriate, Goods or services similar to those terminated, and Seller will be liable to Purchaser for any excess costs for those supplies or services. Seller must, however, continue the work not terminated.

If the Order is terminated in whole or in part for default, Purchaser may require Seller to transfer the title and deliver to Purchaser, as directed by Purchaser, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "**manufacturing materials**" in this clause) that Seller has specifically produced or acquired for the terminated portion of the Order. Purchaser may also require Seller to deliver possession to Purchaser any Purchaser-owned tools, dies, jigs, fixtures, plans, drawings, information and contract rights that remain in Seller's possession. Upon Purchaser's direction, Seller will also protect and preserve property in its possession in which Purchaser has an interest.

Purchaser will pay the Order price for completed supplies delivered and accepted. Seller and Purchaser will agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under "Dispute Resolution". Purchaser may withhold from these amounts any sum Purchaser determines to be necessary to protect Purchaser against loss because of outstanding liens or claims of former lien holders.

The rights and remedies of Purchaser in this clause are in addition to any other rights and remedies provided by law, including the U.C.C. as adopted by the State of Michigan, or in equity, or under this Order.

19. **Termination for Convenience.** Purchaser reserves the right to terminate without cause the Order at any time in whole or in part upon written notice to Seller. Upon termination by Purchaser, under this paragraph, Purchaser will pay Seller upon the following amounts without duplication: (a) the purchase order price for all Goods or services which have been completed, in accordance with this order and the Releases and for which Purchaser did not pay previously; and (b) the actual costs incurred (exclusive of profit) by Seller in accordance with this purchase order and the Releases, which are properly allocable or apportionable under generally accepted accounting practices to the terminated portion of this purchase order, including the cost of discharging liabilities which are so allocable or apportionable. In no event, however, will payments made under this paragraph exceed the aggregate price payable by Purchaser for finished Goods which would be produced by Seller under the Release(s) outstanding at the date of termination. Except to the extent provided in this paragraph, Purchaser is not liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs and general and administrative burden charges from termination of this Order. Within thirty (30) days from the effective date of termination, Seller must submit to Purchaser a comprehensive termination claim, with sufficient supporting data to permit Purchaser's audit, and shall thereafter promptly furnish such supplemental and supporting information as Purchaser shall request. Purchaser, or its agents, will have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to Seller's termination claim. Seller's obligations under the warranty, intellectual property, and proprietary rights clauses of the Order survive any termination for convenience.

20. **Dispute Resolution.** In the event Seller fails or refuses to deliver the Goods, or otherwise repudiates any provision of the order, Seller agrees that Purchaser may pursue any remedy available at law or equity, including, without limitation, specific performance of Seller's obligations under the Order. At Purchaser's option, however, any claim by either party for the threatened, alleged or actual breach of the Order (a "**Dispute**"), which cannot otherwise be resolved after good faith negotiations by the parties, must be resolved as follows: (1) the Dispute will be submitted in writing to Seller's Account/Sales Manager and Purchaser's Vice President of Purchasing; (2) the respective managers will attempt to resolve the Dispute within ten (10) business days of such submission; and (3) if the respective parties are unable to resolve the Dispute within ten (10) business days of such submission and either party wishes to pursue the Dispute further, the Dispute will be referred to non-binding mediation by a mediator approved by both parties. If mediation fails to resolve the dispute within thirty (30) days after the first mediation session, either party may submit the dispute to binding arbitration by notice to the other party. The arbitration proceedings will be conducted, and a single arbitrator will be selected, in accordance with the rules of the National Center for Dispute Resolution or other rules approved by the parties, and will be governed by the United States Arbitration Act, 9 U.S.C. §§1-16, and this Section 24. The arbitration will be conducted at an agreed location or at a location selected by the arbitrator if the parties are unable to agree. The arbitrator will issue a written opinion setting forth the basis for the arbitrator's decision, which may include an award of legal fees and costs. The arbitrator's award will be final and non-appealable absent fraud or manifest error, and judgment on the arbitrator's award may be entered in any court having jurisdiction. While arbitration proceedings are pending, the parties will continue to perform their obligations under the Order without setoff for any matters being contested in the arbitration proceedings. If the Dispute arises out of a difference in interpretation between the parties as to the performance requirements of the Order, then Seller will continue performance in accordance with the interpretation of performance as determined by Purchaser.

21. **Lien Waiver.** Neither the final payment nor any part of the retained percentage will become due under the Order until Seller delivers to Purchaser waivers of liens from all subcontractors providing for a complete release of all possible liens arising out of the Order, or receipts in full in lieu thereof; and, in either case, a notarized affidavit stating that said releases and receipts cover all materials and labor incorporated in the work for which a lien might be filed. Seller may, if any subcontractor refuses to furnish a release or receipt in full, furnish a bond satisfactory to Purchaser, to indemnify it against any claim by lien or otherwise. If any lien or claim remains unsatisfied after all payments are made, Seller shall refund to Purchaser all moneys that the latter may be compelled to pay in discharging such lien or claim, including all costs and reasonable attorney's fees.

22. **Remedies.** The rights and remedies reserved to Purchaser in the Order shall be cumulative, and in addition to all other or further remedies provided in law or equity. Without limiting the foregoing, should any Goods fail to conform to the warranties set forth above or if the materials contained within the Goods are alleged to or are determined to cause injury to third parties, Purchaser shall notify Seller and Seller shall, if requested by Purchaser,

reimburse Purchaser for any incidental, special and consequential damages caused by such nonconforming goods, including, but not limited to, costs (including all attorney's or other professional fees), expenses and losses incurred by Purchaser in (a) inspecting, sorting, containing, repairing or replacing such nonconforming goods, (b) resulting from production interruptions, (c) conducting recall campaigns or other corrective service actions, and (d) claims or litigation arising from personal injury (including death) or property damage caused by such nonconforming goods. If requested by Purchaser, Seller will enter into a separate agreement for the administration or processing of charge backs for nonconforming goods. In addition, Seller shall reimburse Purchaser for all liability, claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's breach or anticipatory repudiation of the Order or any other contract between Seller and Purchaser, a request or demand by Seller to modify or change the terms of the Order, or legal proceedings involving Seller that in the reasonable judgment of Purchaser, may impact upon Seller's continued or future performance under the Order, or if Seller is a party to a court case or proceedings in which Purchaser appears, participates, monitors or becomes a party. In the event the Order is issued or renewed after Seller becomes a debtor in bankruptcy, Purchaser shall be entitled to all of its attorney's or other professional fees arising from or relating to the bankruptcy case, including for monitoring the case.

23. **Indemnification.** In addition to Seller's other indemnification obligations arising hereunder, Seller agrees to defend, indemnify and save harmless Purchaser from any and all claims, suits, liabilities, damages or expenses asserted against or incurred by Purchaser by reason of the use of Seller's product (including the Goods) by Purchaser, Purchaser's customers or others.

24. **Insurance.** Seller will maintain insurance coverage with carriers acceptable to Buyer and in the following amounts: Comprehensive General Liability / Product Liability of not less than combined single limits of \$2 million and Professional Liability / Error & Omission of not less than combined single limits of \$2 million. Seller will furnish to Buyer certificates of insurance and Additional Insured endorsements showing compliance with these insurance requirements, if requested. All such certificates of insurance and endorsements must not be subject to cancellation or material alteration except after thirty (30) days prior written notice by Certified Mail to the Additional Insured. The limits of liability coverage set forth above are established as minimum coverage required of Seller and will in no way be construed as a limitation of the liability of Seller under any hold-harmless or indemnification provision contained in the Order. The Seller's policies will contain a provision by the respective insurers waiving the right of such insurers to subrogation. Prior to commencing any type of work on Purchaser's property, if applicable and required for the Goods, Seller will maintain and upon request furnish to Purchaser a certificate evidencing (i) general liability insurance with coverage limits reasonably acceptable to Purchaser and naming Purchaser as an additional insured, (ii) all risk property perils insurance covering the full replacement value of Purchaser's property while in Seller's care, custody, or control and naming Purchaser as loss payee, and (iii) worker's compensation insurance as required by applicable law.

25. **Recall and Other Field-Service Actions.** If Purchaser, on its own initiative or pursuant to a government mandate, makes a recall or other field-service action or customer recall campaign (a "Recall"), Seller is liable to Purchaser for all damages related to such Recall to the extent the Recall arises in any way from a defective Good or Seller's breach of any provision set forth in the Order.

26. **No Limitation.** Any right or remedy expressly conferred on Purchaser herein shall not limit or modify any right or remedy which Purchaser would otherwise have. When shipments to places other than Purchaser's plant are authorized, Seller's invoices will be paid by Purchaser at the time specified on the face hereof but not before acknowledgment of receipt of shipment by the consignee.

27. **Furnished Property.** All tooling, dies, gauges, fixtures, molds, patterns and related software, drawings and other documentation for tooling, equipment or material, unless otherwise agreed to in the Order, furnished to Seller, paid for by Purchaser or to be amortized over time in the Order and any replacement thereof, or any additions, attachments, accessories and repairs ("**Furnished Property**"), are and will remain property of Purchaser and are held by Seller on a bailment basis. Upon request by Purchaser, Seller shall provide access to permit Purchaser to inspect the Furnished Property. Seller must use the Furnished Property solely for the production of the Goods under the Order and must not, without prior written consent of Purchaser, use or permit others to use Furnished Property for any other purpose. Furnished Property must be plainly marked as the property of Purchaser and shall be safely stored by Seller. Seller, at its own expense, shall keep Furnished Property in good working condition and replace when necessary. While in Seller's control, Furnished Property will be held at Seller's risk and will be insured by Seller at Seller's expense in an amount equal to the replacement-value cost, with loss payable to Purchaser. Seller assigns to Purchaser any claims for payment or loss of such Furnished Property that Seller might have against its insurer and Purchaser accepts this type of assignment. Seller must use Furnished Property in a

careful and safe manner and shall indemnify, defend and hold Purchaser completely harmless against any-and-all claims, liabilities, expenses and damages arising from or related to the installation, use, storage, or repair of the Furnished Property. Upon request by Purchaser, Seller must immediately release the Furnished Property and prepare it for shipment or deliver it to Purchaser in the manner requested. Purchaser will assume the cost of delivery and will pay Seller for this delivery amount. Seller cannot hold or retain possession of Furnished Property to secure payment owed for any reason other than this cost of delivery.

Seller will own all property that is not Purchaser's property ("**Seller's Furnished Property**"). Seller will at its expense furnish, maintain in good condition, and replace when necessary Seller's Furnished Property needed to perform the Order. While the Order is in effect, Purchaser may purchase Seller's Furnished Property used exclusively to produce Goods and not needed by Seller to produce Goods for other customers, for a purchase price equal to the greater of fair market value or Seller's unamortized acquisition cost.

28. **Limitation of Damages.** In no event will Purchaser be liable to Seller or Seller's subcontractors for anticipated profits or for special, incidental or consequential damages.

29. **Setoff.** In addition to any right of setoff or recoupment provided by applicable law, all amounts due Seller shall be considered net of indebtedness of Seller and/or its affiliates/subsidiaries to Purchaser and/or its affiliates/subsidiaries; and Purchaser may deduct any amounts due or to become due from Seller and/or its affiliates/subsidiaries to Purchaser and/or its affiliates/subsidiaries from any sums due or to become due from Purchaser and/or its affiliates/subsidiaries. If an obligation of Seller is disputed, contingent or unliquidated, Purchaser may defer payment of all or any portion of an amount due until such dispute or contingency is resolved or the obligation is liquidated. In the event of Seller's bankruptcy, if all of the orders (including this order) between Purchaser and Seller have not been assumed (under applicable bankruptcy law), then Purchaser may withhold payment to Seller for Goods previously delivered (via administrative hold or otherwise) until the risk of potential rejection and other damages is eliminated.

30. **Non-Solicitation.** Purchaser will not solicit and Seller will not provide, any gifts or gratuities (including but not limited to money, fees, commission, credits, gifts, things of value or compensation), of any kind which is provided directly or indirectly to any employee of Purchaser for the purpose of improperly obtaining or rewarding favorable treatment in connection with award of a purchase order or subcontract. Seller will report in writing any solicitation or suspected solicitation of gifts or gratuities by Purchaser's employees to the Vice President of Purchasing.

31. **Third-Party Beneficiary.** Seller agrees that Purchaser is an intended third party beneficiary of any contracts between Seller and its suppliers relating to the production or assembly of the Goods covered by the Order with the right to enforce such contracts.

32. **Limitation.** Purchaser's obligations under the Order are expressly limited to procurement of the Goods pursuant to the terms of the order and these Terms and Conditions.

33. **No Implied Waiver.** The failure of either party at any time to require performance by the other party of any provision of the Order shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of the Order constitute a waiver of any succeeding breach of the same or any other provision. To be effective, any waiver by Purchaser of any provision of the Order must be in writing signed by Purchaser.

34. **Non-Assignment.** Unless otherwise stated in a written consent, any assignment or subcontracting by Purchaser or Seller, will not relieve either Purchaser or Seller of its duties or obligations under the Order or Purchaser or Seller's responsibility for non-performance or default by its assignee or subcontractor.

35. **Relationship of Parties.** Seller and Purchaser are independent contracting parties and nothing in the Order will 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.

36. **Contract Work Hours and Safety Standards Act – Overtime Compensation (March 2005).**
(a). Overtime Requirements. Seller may not require for any part of an Order or permit any laborer or mechanic to work more than 40 hours in any workweek on work subject to the provisions of the Contract Work Hours and Safety

Standards Act, unless the laborer or mechanic receives compensation at a rate not less than one-and-one-half times the laborer's or mechanic's basic rate of pay for all such hours worked in excess of 40 hours.

(b). Violation, Liability for Unpaid Wages and Liquidated Damages. In the event of any violation of paragraph a above, the Seller, if responsible for the violation, is liable to any affected employee for unpaid wages. The Seller is also liable to the Postal Service for liquidated damages, which will be computed for each laborer or mechanic at \$10 for each day on which the employee was required or permitted to work in violation of paragraph a above.

(c). Withholding for Unpaid Wages and Liquidated Damages. The contracting officer at USPS may withhold from the Purchaser, any moneys payable to the Purchaser or Seller under this or any other contract with the same Purchaser, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act held by the same Purchaser, sums as many administratively be determined necessary to satisfy any liabilities of the Purchaser or Seller for unpaid wages and liquidated damages pursuant to paragraph b above.

(d). Records. The Seller must maintain for 3 years from the completion of the Order for each laborer and mechanic (including watchmen and guards) working on the Order payroll records which contain the name, address, social security number, and classification(s) of each such employee, hourly rates of wages paid, number of daily and weekly hours worked, deductions made, and actual wages paid. The Seller must make these records available for inspection, copying, or transcription by authorized representatives of the contracting officer at USPS and the Department of Labor, and must permit such representatives to interview employees during working hours on the job. (The Department of Labor information collection and record keeping requirements in this paragraph d have been approved by the Office of Management and Budget under OMB control numbers 1215-0140 and 1215-0017.)

37. **Contract Work Hours and Safety Standards Act – Safety Standards (March 2006).**

(a). To the extent that the work includes construction, alternation, repair, painting, or decorating, the lessor/Seller (for construction Orders, use "supplier" instead of "lessor/Seller") may not require any laborer or mechanic to work in surroundings or under conditions that are unsanitary, hazardous, or dangerous to the laborer's or mechanic's health or safety, as provided under standards promulgated by the Secretary of Labor under the authority of 40 U.S.C. 333 (see 29 CFR 1910 and 1926).

(b). If the lessor/Seller fails to comply with this clause, the Postal Service, at its discretion, may cancel this Order, Order for the balance of the work or term, and charge to the lessor/Seller any additional costs incurred.

(c). The lessor/Seller agrees to insert this clause, including this paragraph c, in all Orders and to require its inclusion in all Orders at any tier. The term "lessor/Seller," as used in this clause in any Order, is deemed to refer to the lower-tier Seller.

38. **Equal Opportunity (March 2006).** (a). Seller may not discriminate against employees or applicants because of race, color, religion, sex, or national origin. The Seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, or national origin. This action must include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Seller agrees to post in conspicuous place, available to employees and applicants, notices provided by the contracting officer at USPS setting forth the provisions of this clause.

(b). The Seller must, in all solicitations or advertisements for employees placed by it or on its behalf, state that all qualified applicants will be considered for employment without regard to race, color, religion, sex, or national origin.

(c). The Seller must send to each union or workers' representative with which the Seller has a collective bargaining agreement or other understanding, a notice, provided by the contracting officer, advising the union or workers' representative of the Seller's commitments under this clause, and must post copies of the notice in conspicuous places available to employees and applicants.

(d). The Seller must comply with all provisions of Executive Order (EO) 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e). The Seller must furnish all information and reports required by the Executive Order, and by the rules, regulations, and orders of the Secretary, and must permit access to the Seller's books, records, and accounts by the Postal Service and the Secretary for purposes of investigation to ascertain compliance with these rules, regulations, and orders.

(f). If the Seller fails to comply with this clause or with any of the said rules, regulations, or orders, this Order may be canceled, terminated, or suspended, in whole or in part; the Seller may be declared ineligible for further Orders in accordance with the Executive Order; and other sanctions may be imposed and remedies invoked under the Executive Order, or by rule, regulation, or order of the Secretary, or as otherwise provided by law.

(g). The Seller must take such action with respect to any such Order as the Postal Service may direct as a means of enforcing the terms and conditions of this clause (including sanctions for noncompliance), provided, however, that if the Seller becomes involved in, or is threatened with, litigation as a result, the Seller may request the Postal Service to enter into the litigation to protect the interest of the Postal Service.

(h). Disputes under this clause will be governed by the procedures in 41 CFR 60-1.1.

39. **Affirmative Action for Handicapped Workers (March 2006)**. (a). The Seller may not discriminate against any employee or applicant because of physical or mental handicap, in regard to any position for which the employee or applicant is qualified. The Seller agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified handicapped individuals without discrimination in all employment practices, such as employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training (including apprenticeship).

(b). The Seller agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended.

(c). In the event of the Seller's noncompliance with this clause, action may be taken in accordance with the rules and regulations and relevant orders of the Secretary of Labor.

(d). The Seller agrees to post in conspicuous places, available to employees and applicants, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer at USPS. These notices state the Seller's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants, and the rights of applicants and employees.

(e). The Seller must notify each union or worker's representative with which it has a collective bargaining agreement or other understanding that the Seller is bound by the terms of section 503 of the Act and is committed to taking affirmative action to employ, and advance in employment, handicapped individuals.

(f). The Seller must include this clause in every Order over \$2,500 under this Order unless exempted by rules, regulations, or orders of the Secretary issued pursuant to section 503 of the Act, so its provisions will be binding upon each tier. The Seller must take such action with respect to any Order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce these provisions, including action for noncompliance.

40. **Affirmative Action for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (February 2010)**. (a). The Seller must comply with the rules, regulations, and relevant orders of the Secretary of Labor issued under the Vietnam Era Veteran' Readjustment Assistance Act of 1972 (the Act), as amended (38 U.S.C. 4211 and 4212).

(b). The Seller may not discriminate against any employee or applicant because that employee or applicant is a special disabled veteran, a veteran of the Vietnam era, or other eligible veteran, in regard to any position for which the employee or applicant is qualified. The Seller agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified special disabled veterans, veterans of the Vietnam era, and other eligible veterans without discrimination in all employment practices, such as employment, upgrading, demotion, transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training (including apprenticeship).

(c). The Seller agrees to list all employment openings which exist at the time of the execution of this Order and those which occur during the performance of this contract, including those not generated by this Order and including those occurring at an establishment of the Seller other than the one where the contract is being performed, but excluding those of independently operated corporate affiliates, at an appropriate local office of the state employment service where the opening occurs. State and local government agencies holding Postal Service Orders of \$100,000 or more will also list their openings with the appropriate office of the state employment service.

(d). Listing of employment openings with the employment service system will be made at least concurrently with the use of any recruitment source or effort and will involve the normal obligations attaching to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular applicant or hiring from any particular group of applicants, and nothing herein is intended to relieve the supplier from any other requirements regarding nondiscrimination in employment.

(e). Whenever the Seller becomes contractually bound to the listing provisions of this clause, it must advise the employment service system in each state where it has establishments of the name and location of each hiring location in the state. The Seller may advise the state system when it is no longer bound by this clause.

(f). Paragraphs c, d, and e above do not apply to openings the Seller proposes to fill from within its own organization or under a customary and traditional employer/union hiring arrangement. But this exclusion does not apply to a particular opening once the Seller decides to consider applicants outside its own organization or employer/union arrangement for that opening.

41. **Governing Law.** The Order is to be construed according to the laws of the State of Michigan, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law provisions that would require application of another choice of law. In addition, Seller agrees to comply *with all applicable laws, rules, regulations, ordinances or other requirements of any national, state, local, multi-national or international body (collectively "Laws")* relating to the manufacture, sale, delivery and use of the Goods. Upon request, Seller will submit to Purchaser evidence of such compliance.

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

43. **No Advertising.** Seller shall not, without first obtaining the written consent of Purchaser, in any manner advertise or publish the fact that Seller has contracted to furnish Purchaser the Goods or services covered by the Order, or use any trademarks or trade names of Purchaser in Seller's advertising or promotional materials.

44. **Waiver of Jury Trial.** Purchaser and Seller acknowledge that the right to trial by jury is a constitutional one, but that it may be waived. Each of Purchaser and Seller, after consulting with counsel of its choice, knowingly voluntarily and intentionally waives any right to trial by jury in any action or other legal proceeding arising out of or relating to any Order or any other document pertaining to any Order.

45. **Entire Order.** The Order, together with the Releases and any other attachments, exhibits, or supplements, specifically referenced in the Order, constitutes the entire Order between Seller and Purchaser with respect to the matter contained herein and supersedes all prior oral or written representations and agreements. The Order may only be modified by an order amendment/revision issued by Purchaser.