



## TERMS & CONDITIONS

1. **Formation of Contract.** The terms set forth in this purchase order are the sole terms for the purchase of goods and services by Buyer, and shall apply to the exclusion of any additional or different terms contained in Seller's quotation, proposal or acknowledgment, or otherwise proposed by Seller. Seller's acceptance of these terms shall be conclusively presumed by Seller's shipment of the goods or performance of the services requested under this purchase order, or by Seller's return to Buyer of an acknowledgment of this purchase order. Any contract made for the purchase of goods or services by Buyer is conditional on Seller's assent to all of the terms stated in this purchase order. Buyer objects to any additional or different terms stated by Seller in connection with this purchase order.
2. **Invoicing; Payment and Price.** All invoices must show the purchase order number. Payment does not constitute acceptance of goods or services. The price stated on the reverse side shall not be increased unless specifically authorized in writing by issuance of a revised purchase order signed by Buyer. Seller warrants that the prices charged Buyer and stated on the reverse side are no higher than prices charged by Seller to others for similar goods or services in similar quantities and conditions.
3. **Taxes.** No sales, use, excise or other taxes, whether federal, state, or local shall be added to the purchase price unless otherwise stated on the reverse side.
4. **Shipping and Delivery.** Seller must include a packing list with all shipments. Delivery shall be made in one shipment immediately, unless otherwise specified by Buyer to Seller. Seller acknowledges that time is of the essence and Seller shall notify Buyer immediately if Seller believes it cannot meet Buyer's delivery requirements. Buyer may from time to time change delivery schedules. Buyer shall not be liable for payment for goods delivered in excess of the quantities or after the times specified in Buyer's delivery instructions to Seller. Unless otherwise stated on the reverse side of this form, all shipments shall be F.O.B. Buyer's plant and shall be made at Seller's expense and risk of loss. Buyer shall have the right to instruct Seller on the method of shipment and packaging. No charges will be allowed for boxing, crating, packing, or other preparation for shipment.
5. **Inspection of Goods; Samples.** All goods and services described in this purchase order shall be subject to Buyer's inspection and approval. Buyer reserves the right to reject any nonconforming goods or services. Acceptance of any goods shall not relieve Seller from any of its other obligations under this purchase order. Seller shall provide samples in the amounts and at the times requested by Buyer.
6. **Seller's Quality Control; Inspection of Seller.** Seller agrees to establish and maintain quality control procedures to satisfy the requirements of Buyer and Buyer's customers, including but not limited to all applicable automotive manufacturer and other automotive industry standards. Buyer has the right to inspect Seller's plant periodically to determine Seller's compliance with the applicable quality control standards.
7. **Seller's Warranties.** Seller expressly warrants to Buyer, its customers and assigns, that all the goods and services provided under this purchase order will a) conform to the specifications, drawings, samples, representations and other descriptions of the goods and services specified by Buyer, or made by Seller, b) will be of good material and workmanship, free from defects in material, design and workmanship, c) will be merchantable and fit for the particular purposes of Buyer and its customers (to the extent Seller is on notice of those purposes); and that any tooling or dies sold or provided by Seller to Buyer will be capable of producing parts that are acceptable to Buyer and its customers. These warranties shall be in addition to any other warranty stated in this purchase order or available to Buyer under applicable law. Return of the goods by Buyer to Seller for rework, repair or correction of claimed defects shall constitute notice to Seller of Buyer's claim of Seller's breach of its obligations and warranties, express or implied, with respect to the sale of the goods to Buyer.
8. **Indemnification (General).** Seller shall indemnify and hold Buyer and its agents harmless from any claims, liabilities and expenses, including but not limited to actual attorney fees, sustained by Buyer or its agents and arising out of Seller's obligations under this purchase order, including but not limited to defects in any goods or services supplied by Seller, except for any claim, liability or expense arising solely from Buyer's negligence.
9. **Indemnification (Patents).** Seller shall indemnify and hold Buyer and its agents harmless from any claims, liabilities and expenses, including but not limited to actual attorney fees, sustained by Buyer or its agents and arising out of any claim of infringement of a patent, copyright, trademark, trade name, or other proprietary right, or claim of unfair trade or of unfair competition, in connection with the manufacture, sale or use of the goods or services sold pursuant to this purchase order, except for any claim, liability, or expense arising solely from Seller's compliance with specifications furnished by Buyer.
10. **Confidentiality of Furnished Information.** Seller agrees that any technical information that Seller discloses to Buyer in connection with the goods and services covered by this purchase order is not confidential. Any technical information disclosed by Buyer to Seller is confidential and Seller agrees not to use or disclose any such information (except as necessary to fulfill Seller's obligations under this purchase order) without prior written consent of Buyer.
11. **Tools and Equipment.** Unless otherwise expressly provided on the reverse side, all facilities, tools, jigs, dies, fixtures, patterns and equipment furnished to Seller by Buyer to perform the contract, or for which Seller has been reimbursed by Buyer, shall remain the property of Buyer. Seller shall maintain property damage insurance on that property covering the period when the property is in the Seller's possession and shall keep the property in reasonable repair. Seller shall return to Buyer all property described in this section immediately upon completing the manufacture of the goods or upon demand by Buyer. All shipping charges for the property described in this paragraph shall be Buyer's responsibility. Risk of loss during shipment shall be on Buyer.  
  
Seller acknowledges that all dies and Tooling produced pursuant to this purchase order, including any intellectual property such as blueprints, drawings and computer data related to their specifications or production (collectively, the "Tooling") are being produced for the exclusive use and benefit of Buyer, that Buyer is and shall remain the exclusive owner of title to the Tooling and that Seller holds possession of the Tooling as Bailee for the benefit of Buyer. Seller shall be responsible to Buyer and reimburse Buyer for any and all loss and expense to Buyer resulting from damage to or destruction of such Tooling and from any levy or attachment of any court process or lien placed on such Tooling that is attributable to the Seller, while the Tooling is in Seller's possession. Seller grants to Buyer, its successors and assigns, the right to enter its premises for the purpose of inspecting or removing the Tooling at any time. If Buyer removes any Tooling prior to completion, Seller will be paid any amount then due Seller for the value of the work completed by Seller on the Tooling, less Buyer's costs to complete the Tooling, if any.
12. **Defective Goods or Services.** If any of the goods or services fail to satisfy any warranty given by Seller or are otherwise unacceptable, Seller shall, if requested by Buyer, promptly correct or replace the goods and services at Seller's expense. If Seller fails to promptly correct or replace the goods or services, or if Seller breaches any other duty under this purchase order or applicable law, Buyer may (in addition to all other remedies available at law) cancel the order for those goods and services and may cancel all or any part of the balance of the contract evidenced by this purchase order and Seller shall promptly refund any payments made for the nonconforming goods and services together with interest on those amounts at the current prime lending rate at Buyer's bank. If Buyer elects to return nonconforming goods to Seller, Seller shall pay for all shipping plus reimburse Buyer for its expenses relating to shipment, including but not limited to transportation charges and labor for inspection, sorting, and reloading. The risk of loss on returned goods during shipment shall be on Seller.
13. **Termination.** Buyer may terminate the contract evidenced by this purchase order at any time as to all or any part of the undelivered goods or services, for any reason. If Seller is not at fault, Buyer agrees to pay termination charges limited to the cost of labor and materials for producing goods under this purchase order incurred by Seller prior to the time Buyer notifies Seller of termination, less any net recovery to Seller on disposition or other use of the goods. Seller shall use its best efforts to mitigate its damages under this section.
14. **Buyer's Remedies.** If Seller breaches any term in the contract evidenced by this purchase order, Seller agrees to reimburse Buyer for all damages suffered, including but not limited to incidental, consequential and other damages, as well as lost profits. The remedies in this purchase order shall be cumulative and in addition to any other remedies allowed to Buyer under applicable law. No waiver by Buyer of any breach or remedy shall be a waiver of any other breach or remedy.
15. **Attorneys' Fees.** Seller shall be obligated to pay Buyer's legal expenses, including actual attorneys' fees, that result from Seller's breach of this agreement.
16. **Limitation on Seller's Remedies.** If Buyer breaches any term in this purchase order, Buyer shall not be liable for any incidental, consequential, indirect or any other special damages of Seller, including but not limited to lost profits or Seller's attorney fees. Any action against Buyer arising out of this purchase order must be filed within one (1) year after the claim accrues.
17. **Compliance with Laws.** Seller warrants that it is and will remain in compliance with all federal, state and local laws, regulations and ordinances relating to Seller's ability to perform its obligations under this purchase order, including but not limited to the Fair Labor Standards Act in production of the goods and services, and Executive Order 11246 regarding equal employment standards.
18. **Setoff.** Buyer has the right to deductions or setoffs of any sums due to Buyer from Seller (whether or not arising from this purchase order) against any sums due to Seller from Buyer (whether or not arising from this purchase order).
19. **Assignment.** Seller shall not assign its rights or delegate its duties under this purchase order without Buyer's prior written consent.
20. **Entire Agreement and Amendment.** This purchase order contains all of the terms of the agreement between Seller and Buyer with regard to its subject matter. The contract evidenced by this purchase order may be amended only by writing signed by Seller and Buyer.
21. **Binding Effect and Severability.** The invalidity of any term in this purchase order shall not affect the validity of any remaining term. If any term is determined to be over broad and unenforceable, it shall nevertheless be enforced to the maximum extent permitted by law. The terms of the contract evidenced by this purchase order shall inure to the benefit of and be binding on the successors and assigns of the parties.
22. **State-Law.** The sale of goods and services in accordance with this purchase order shall be governed in all respects by the laws of the State of Michigan.
23. **Jurisdiction and Venue.** Seller and Buyer agree that any action arising out of the sale of goods or services in accordance with this purchase order will be brought, heard and decided in Kent County or Ottawa County, Michigan at Buyer's discretion.
24. **Contract Resolution:** Handled through the arbitration process prior to any formal legal litigation.