

**Delfingen US, Inc.**  
**General Conditions of Purchase**

**1. Purpose and scope of the General Conditions of Purchase**

These General Conditions of Purchase ("GCP") apply to the purchase by DELFINGEN US, Inc. and its direct or indirect subsidiaries (collectively the "Purchaser") of goods and services from any supplier (the "Supplier") including: (a) production and service parts, components, assemblies and accessories; (b) raw materials; (c) tooling; and (d) design, engineering or other services.

**2. Order**

(a) Supplier will be deemed to have accepted this Purchase Order when Supplier acknowledges this Purchase Order or begins performance under this Purchase Order. Supplier's acceptance is limited to acceptance of Purchaser's terms. Purchaser hereby objects to and rejects any proposal by Supplier for additional or different terms. If Supplier proposes additional or different terms which relate to the description, quantity, price or delivery schedule of the goods or services, Supplier's proposal will operate as a rejection of Purchaser's offer. In all other cases, Supplier's proposal will be deemed a material alteration of Purchaser's terms and conditions, and Purchaser's terms and conditions will be deemed accepted by Supplier without Supplier's additional or different terms. If this Purchase Order is deemed an acceptance of Supplier's prior offer, Purchaser's acceptance is expressly conditional on Supplier's assent to Purchaser's terms.

(b) Purchaser and Supplier agree that notwithstanding the prior or subsequent use by Supplier of any order form, invoice or other document containing printed terms or conditions, Purchaser and Supplier are contracting solely on the basis of this Purchase Order and these GCP, which contain the entire understanding of the parties and are intended as a final expression of their agreement and a complete statement of the terms thereof, and may not be amended, modified or otherwise supplemented unless such amendments, modifications or supplements are in writing and signed by Purchaser's authorized representative. A provision contained in any order form, invoice or other document used by Supplier (whether prior or subsequent to the date of this Purchase Order) which is inconsistent with this subparagraph will have no force or effect and will not be binding on the Purchaser unless such provision is contained in an order form, invoice or other document dated subsequent to the date hereof and is specifically initialed by Purchaser's authorized representative.

**3. Delivery and packaging of the products**

Supplier agrees (a) to properly pack, mark and ship goods, in accordance with the requirements of Purchaser and involved carriers in a manner to secure lowest transportation costs; (b) to route shipments in accordance with instructions from Purchaser; (c) to make no charge for handling, packaging, storage, transportation or hauling of goods unless otherwise stated in this Purchase Order; (d) to provide with each shipment packing slips with the Purchase Order number marked thereon; (e) to properly mark each package with this Purchase Order number, the factory, plant and dock number, and where multiple packages comprise a single shipment, to consecutively number each package; and (f) to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Purchaser's instructions. Supplier will include on bills of lading or other shipping receipts correct classification identification of the goods shipped in accordance with Purchaser's instructions and carrier's requirements. The marks on each

package and identification of the goods on packing slips, bills of lading and invoices shall be sufficient to enable Purchaser to easily identify the goods purchased.

#### **4. Quality and delivery date**

(a) Time is of the essence for all times and dates contained in this Purchase Order. Supplier shall immediately notify Purchaser if it expects any delay in delivery of goods or the performance of services. In the event that a delay in delivery or performance of services is imminent and/or occurs, Supplier shall, in addition to being liable for any loss or damage incurred by Purchaser as a result of such delay, use its best efforts, and Purchaser may require, that Supplier take such actions as the use of premium wages, overtime, and premium shipments, to deliver the product or perform the services as soon as possible after the contracted date, at Supplier's expense. In the event Purchaser pays for premium shipments, Supplier shall, at Purchaser's option, (a) promptly reimburse Purchaser for the difference in cost between the more expeditious method and the original method, or (b) allow Purchaser to reduce its payment of Suppliers invoices by such difference. Supplier acknowledges that Purchaser's customers' are reliant upon Purchaser's timely supply of conforming goods which incorporate the goods supplied hereunder. Supplier further acknowledges that, due to the just-in-time nature of the supply chain in the automotive industry, the inability of Purchaser to supply such goods to its customer will result in the customer and Purchaser incurring significant damages of both a monetary and a non-monetary nature. Therefore, Supplier acknowledges that remedies at law may be inadequate to protect Purchaser against any actual or threatened breach of this Purchase Order by Supplier, and Supplier agrees that Purchaser shall be entitled to seek injunctive relief in the event of any breach or threatened breach of this Purchase Order. Should any delay exceed ten (10) calendar days, in addition to any other remedies at law or equity, the Purchaser shall have the right to partially or totally terminate this Purchase Order with no further liability to the Supplier for the terminated part.

(b) Should the Supplier not comply with the delivery time and date, the Purchaser reserves the right to apply, without the requirement of formal notice, late delivery charges of 2% of the value of the order or shipment in question, per week of delay. This late delivery charge shall be applied at the Purchaser's discretion, and shall be without prejudice to Purchaser's rights to other damages, injunctions, or termination of the contract. In the event that late delivery charges or other penalties are applied by Purchaser's own customers due to Supplier's late delivery, the Purchaser may transfer these charges and penalties to the Supplier.

#### **5. Acceptance - compliance**

(a) Purchaser may inspect all goods ordered hereunder at all times and places, including during the period of manufacture. Such inspection may at Purchaser's option include confirmation of Supplier's compliance with required quality control procedures. Supplier will permit Purchaser and/or its designees access to Supplier's facilities at all reasonable times and will provide all tools, facilities and assistance reasonably necessary for such inspection and/or confirmation at no additional cost to Purchaser. All goods are subject to final inspection and acceptance anytime after delivery to Purchaser.

(b) Notwithstanding any acts of Purchaser which may be deemed under applicable law to constitute acceptance of the goods, payment for delivered goods will not constitute acceptance thereof. Purchaser may reject any goods which do not meet the specifications set forth in this Purchase Order. Purchaser may return any such goods to Supplier for reimbursement, credit, replacement or correction as Purchaser may direct, or Purchaser may correct and/or replace such goods at Supplier's cost. Any goods rejected by Purchaser will be

at Supplier's risk and expense and Supplier will not thereafter tender such goods for acceptance unless the former rejection or requirement of correction is disclosed. Supplier will reimburse Purchaser for any packaging, handling and transportation costs Purchaser incurs with respect to rejected goods.

(c) Purchaser may revoke its acceptance of goods at any time, whether or not a substantial modification to the goods has been made, if a defect in the goods which could not have been discovered during Purchaser's normal inspection procedures or which is not normally discoverable until the goods are used substantially impairs the value of the goods to Purchaser.

(d) Neither Purchaser's exercise of nor its failure to exercise, any rights provided hereunder will relieve the Supplier from responsibility for such goods as are not in accordance with the Purchase Order requirements or impose liability on Purchaser therefore.

## **6. Price / billing**

The price and the terms of payment and invoicing shall be set out in the Purchase Order or in any other contractual document. Unless otherwise stated, the price of the services and products shall be given excluding tax and shall be deemed to include all the costs involved in packaging, casing, and transport of the products to their place of delivery and all duties and other import costs. The payment currency will be the currency of the Purchase Order. Supplier agrees: (a) to promptly render after delivery of goods or performance of services, correct and complete invoices to Purchaser with appropriate Purchase Order number clearly noted thereon, and (b) to accept payment by check or, at Purchaser's discretion, other cash equivalent (including electronic transfer of funds). Supplier's invoice must include a certification that all goods were produced in compliance with the applicable requirements of sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and Orders of the United States Department of Labor issued in connection therewith. The products and services shall be paid for by check or bank transfer. The payment date is set forth on the Purchase Order, or if not stated, shall be on the 90th day following Purchaser's receipt of a proper invoice. Time for payment shall not begin until correct and complete invoices are received, and Supplier's cash discount privileges to Purchaser shall be extended until such time as payment is due. Purchaser may withhold payment pending receipt of evidence, in such form and detail as Purchaser may direct, of the absence of any liens, encumbrances and claims on the goods or services under this Purchase Order.

## **7. Property and risk**

(a) The Purchase Order shall be a destination contract and the Supplier shall bear the risk of loss until the goods are tendered to the Purchaser at the destination listed on the Purchase Order. The risk of loss shall be transferred when the Purchaser takes physical possession of the goods.

(b) A special property, on behalf of the Purchaser, shall attach to the goods as soon as the goods are identified as the goods to which the Purchase Order applies. This shall occur at the earliest of (1) the date of the Purchase Order if the goods are already existing and identified; (2) the shipping, marking, or other designation by the Supplier as goods to which the Purchase Order refers; (3) the completion of the goods or when the goods have been incorporated into the equipment provided by the Purchaser; or (4) any other manner explicitly stated by the Purchaser. The Purchaser's special property in the goods shall not release the Supplier from its obligations, alter any security in the goods, alter the risk of loss, nor pass title to the Purchaser.

## **8. Cancellation**

(a) **CANCELLATION FOR BREACH:** Purchaser reserves the right to cancel all or any part of this Purchase Order, without liability to Supplier, if Supplier: (i) repudiates or breaches any of the terms of this Purchase Order, including Supplier's warranties; (ii) fails to perform services or deliver goods as specified by Purchaser; or (iii) fails to make progress so as to endanger timely and proper completion of services or delivery of goods; and does not correct such failure or breach within two (2) hours (or such shorter period of time if commercially reasonable under the circumstances) after receipt of notice (oral or written) from Purchaser specifying such failure or breach.

(b) **CANCELLATION OTHER THAN FOR BREACH:** In addition to any other rights of Purchaser to cancel or terminate this Purchase Order, Purchaser may, at its option, immediately terminate all or any part of this Purchase Order, at any time and for any reason, by giving written notice to Supplier. Upon such termination, Purchaser shall pay to Supplier the following amounts without duplication: (i) the Purchase Order price for all goods or services which have been completed in accordance with this Purchase Order and not previously paid for, less any of Purchaser's offsets; and (ii) the actual costs of work-in-process and raw materials incurred by Supplier in furnishing the goods or services under this Purchase Order to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this Purchase Order; less, however, the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Supplier with Purchaser's written consent, and less any of Purchaser's set-offs. Purchaser will make no payments for finished goods, work-in-process or raw materials fabricated or procured by Supplier in amounts in excess of those authorized in delivery releases nor for any undelivered goods which are in Supplier's standard stock or which are readily marketable. Payments made under this paragraph shall not exceed the aggregate price payable by Purchaser for finished goods which would be produced by Supplier under delivery or release schedules outstanding at the date of termination. Except as provided in this paragraph, Purchaser shall not be liable for and shall not be required to make payments to Supplier, directly or on account of claims by Supplier'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 Purchase Order. Within thirty (30) days from the effective date of termination, Supplier shall submit a comprehensive termination claim to Purchaser, consistent with the terms of this Purchase Order, with sufficient supporting data to permit Purchaser's audit, and shall thereafter promptly furnish such supplemental and supporting information as Purchaser shall request. Supplier's failure to submit such termination claim timely shall operate as a bar to any future action on such claim. Purchaser, or its agents, shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of Supplier.

## **9. Contractual guarantee**

Supplier expressly warrants that all goods or services covered by this Purchase Order will conform to the specifications, drawings, samples, or descriptions furnished to or by Purchaser, and will be merchantable, of good material and workmanship and free from defect. In addition, Supplier acknowledges that Supplier knows of Purchaser's intended use and expressly warrants that all goods covered by this Purchase Order which have been selected, designed, manufactured, or assembled by Supplier, based upon Purchaser's stated

use, will be fit and sufficient for the particular purposes intended by Purchaser. The foregoing warranty will be in effect for the longest of (i) the warranty period Purchaser is obligated to extend to its customer, (ii) the time necessary for Purchaser and/or its customer to complete any recall or corrective action relating to the Purchase Order, or (iii) that provided by law.

#### **10. Liability / Limitation of liability**

If the Supplier should be rendered liable for breach of any obligations, Supplier shall undertake to restore the total loss incurred by the Purchaser or its customers, direct or indirect, including the consequences of the Purchaser defaulting on its own obligations as regards its customers and caused by the Supplier's initial breach, notwithstanding any contrary provision in any other document issued by the Supplier. In all cases, should the Purchaser potentially be rendered liable to Supplier under the Purchase Order, Purchaser's liability will be strictly limited to the compensation of the direct loss suffered by the Supplier, and shall exclude any other consequential, indirect or punitive damages or loss suffered by the Supplier.

#### **11. Regulatory obligations**

Supplier, and any goods or services supplied by Supplier, shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the goods 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. Supplier further represents 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 worker treatment or corrupt business practices, in the supply of goods or provision of services under this contract. At Purchaser's request, Supplier shall certify in writing its compliance with the foregoing. Supplier shall indemnify 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 Supplier's noncompliance.

#### **12. Force majeure**

Any delay or failure of either party to perform its obligations hereunder shall be excused if, and to the extent that it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence, such as, by way of example and not by way of limitation, acts of God, action by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, inability to obtain power, or court injunction or order but excluding labor problems (including lockouts, strikes and slowdowns), material shortages, raw material price fluctuations, or inability to obtain equipment, provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party within twenty-four (24) hours or as soon as practicable. During the period of such delay or failure to perform by Supplier, Purchaser, at its option, may purchase goods from other sources and reduce its schedules to Supplier by such quantities, without liability to Supplier, or have Supplier provide the goods from other sources in quantities and at times required by Purchaser and at the price set forth in this Purchase Order. If requested by the Purchaser, Supplier shall, within twenty-four (24) hours of such request, provide adequate assurances that the delay shall not exceed five (5) days. If the delay lasts more than five (5) days or Supplier does not provide adequate assurance that the delay will

cease within five (5) days Purchaser may immediately cancel the Purchase Order without liability.

### **13. Insurance**

Supplier will provide worker's compensation, comprehensive general liability, automobile, public liability, and property damage insurance in amounts and coverage sufficient to cover all claims hereunder. Such policies will name Purchaser as an additional insured thereunder and shall contain endorsements stating that the policies are primary and not excess over or contributory with any other valid, applicable, and collectible insurance in force for Purchaser. Purchaser may require Supplier to furnish evidence of the foregoing insurance but failure to comply with these insurance requirements will not relieve Supplier of its liability and obligations under this clause. Purchaser's action or inaction will not act as a waiver of any of Purchaser's rights described in this clause.

### **14. Transfer and sub-contracting**

Purchaser reserves the right to assign this Purchase Order to any of its subsidiaries or affiliates at any time without further notification or penalty. Supplier may not assign nor subcontract any of its substantive obligations under the Purchase Order without Purchaser's written consent.

### **15. Confidentiality / reference**

(a) Supplier acknowledges and agrees that Purchaser has special knowledge and expertise in various areas which are critical to Purchaser's future success, and acknowledges that Purchaser has developed this special knowledge and expertise through significant investment in research and product development, product and process improvements, the development of proprietary technology and operational techniques, management and marketing. This has resulted in a pool of information that is not generally available to others and which Purchaser considers proprietary and confidential ("Proprietary Information"). Proprietary Information includes all the previously discussed information as well as information relating to designs, inventions, raw material formulations, processes, customer lists, forecasts, financial statements, budgets, pricing, costs, employees and any other information that the Purchaser does not generally distribute to third parties. Supplier agrees to at all times keep all Proprietary Information confidential, and both during the term of its relationship with Purchaser, and at all times thereafter, shall not directly or indirectly (i) disclose any Proprietary Information without the prior written consent of Purchaser, or (ii) use any of Proprietary Information, except as is necessary in performing Supplier's obligations to Purchaser. Further, Supplier agrees that during the term of their relationship, and for a period of 18 months thereafter, not to compete, directly or indirectly, with Purchaser and during the same said period not to hire any of Purchaser's employees. Supplier agrees that any breach of this provision would cause Purchaser irreparable injury and a remedy in law would be inadequate and, without limiting any other remedy available at law or equity, an injunction, specific performance or other equitable relief, in addition to money damages, shall be available to Purchaser. Supplier also agrees to pay Purchaser all costs incurred by it in enforcing any of this provision, including without limitation, actual attorney fees.

(b) Supplier shall not, without first obtaining the written consent of Purchaser, in any manner advertise or publish the fact that Supplier has contracted to furnish Purchaser the goods or services herein ordered, or use any trademarks or trade names of Purchaser in Supplier's advertising or promotional materials. In the event of Supplier's breach of this provision Purchaser shall have the right to cancel the undelivered portion of any goods or services

covered by this Purchase Order and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.

#### **16. Intellectual property**

Supplier hereby agrees: (a) to defend, hold harmless and indemnify Purchaser, its successors and customers against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorney fees) 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 mask work right by reason of the manufacture, use or sale of the goods or services ordered including infringement arising out of compliance with specifications furnished by Purchaser or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Supplier's actions; (b) to waive any claim against Purchaser under the Uniform Commercial Code or otherwise, including any hold harmless or similar claim, in any way related to a claim asserted against Supplier or Purchaser for patent, trademark, copyright or mask work right infringement or the like, including claims arising out of compliance with specifications furnished by Purchaser; and (c) to grant to Purchaser a worldwide, nonexclusive, royalty-free irrevocable license to repair and have repaired, to reconstruct and have reconstructed the goods ordered hereunder. Supplier assigns to Purchaser all right, title and interest in and to all trademarks, copyrights and mask work rights in any material created for Purchaser under this Purchase Order.

#### **17. Waiver / invalidity of a clause**

(a) The failure of either party at any time to require performance by the other party of any provision of this Purchase Order shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver by either party of a breach of any provision of this Purchase Order constitute a waiver of any succeeding breach of the same or any other provision.

(b) If any term of this Purchase 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 or rule, and the remaining provision of this Purchase Order shall remain in full force and effect.

#### **18. Applicable law, competency**

This Purchase Order will be governed and interpreted in all respects by the laws of the State of Michigan, and the Convention on Contracts for the International Sale of Goods shall not apply. The parties stipulate irrevocably that they submit to the personal jurisdiction of the state and federal courts in the State of Michigan and waive all challenges to the personal jurisdiction of such courts.

#### **19. Price Warranty**

Supplier warrants that the prices for the articles sold to Purchaser hereunder are no less favorable than Supplier currently extends to any other customer for the same or similar goods or services in similar quantities. If Supplier reduces its prices to others during the term of this Purchase Order for such goods or services during the term of this Purchase Order, Supplier will reduce the price to Purchaser for such goods or services correspondingly. Supplier warrants that prices shown on this Purchase Order are complete, and that no additional charges of any type will be added without Purchaser's express written consent.

## **20. Indemnification**

Supplier will defend, indemnify, and hold Purchaser harmless against all claims, liabilities, losses, damages, and settlement expenses in connection with any breach by Supplier of these general conditions or for injury or death of any person and damage or loss of any property allegedly or actually resulting from or arising out of any act, omission or negligent work of Supplier or its employees, agents, or subcontractors in connection with performing this Purchase Order, either on Purchaser's property or in the course of their employment.

## **21. Supplier Requirements**

Except as otherwise expressly agreed in writing by Purchaser and Supplier, this Purchase Order is subject to the terms and conditions contained in the Delfingen US, Inc. Supplier Requirements ("SSR"), as revised or amended from time to time, which are hereby incorporated into this Purchase Order for all purposes. The SSR are available from the Purchaser, and Supplier acknowledges receipt, review and acceptance of the SSR. Purchaser reserves the right at its discretion to revise or amend the SSR at any time, and Supplier agrees that any such revised or amended SSR, as posted on Purchaser's website or otherwise made available to Supplier, shall be binding on this Purchase Order and Supplier. In addition, Supplier will maintain an inspection and quality system acceptable to Purchaser and in conformity with any drawings, specifications and data which are part of this Purchase Order and with any quality program of Purchaser described in materials referenced on the face of this Purchase Order and incorporated herein by such reference. Supplier will maintain adequate authenticated inspection and test reports, affidavits, and certifications relating to the work performed under this Purchase Order, retain such records for a period of ten (10) years after completion of this Purchase Order or as otherwise specified by Purchaser, and make such records available to Purchaser upon request. Supplier acknowledges that Purchaser may reduce its incoming inspection procedures in reliance upon Supplier's maintenance of a quality system as required hereunder.

## **22. Customs**

As reasonably requested by Purchaser, Supplier agrees to provide information necessary for Purchaser to comply with all laws, regulations and related legal reporting obligations in the countries of destination. Supplier agrees to provide documentation and/or electronic transaction records to allow Purchaser to meet customs-related obligations, any local content/origin requirements, and to obtain all tariff and trade program duty avoidances and/or refund benefits, where applicable. Supplier agrees to assume, and to indemnify Purchaser against any and all financial responsibility arising from Supplier's failure to comply with the above obligations, including, any fines, penalties, forfeitures or counsel fees incurred or imposed as a result of actions taken by the importing country's government. Supplier agrees to submit a Certificate of Origin upon request.

## **23. Priority / Order of conditions**

In the event of any conflict between the GCP, Purchase Order, any outside agreements, and SSR, the provisions of the GCP shall have priority and control to the exclusion of all inconsistent or conflicting terms. After the GCP, the Purchase Order shall have second priority, then any outside agreement, and then the Delfingen US, Inc. Supplier Requirements.

## **24. Term**

Unless otherwise expressly provided in this Purchase Order or in any other written agreement between Purchaser and Supplier, the term of this Purchase Order is for the period commencing on the date set forth on the Purchase Order and continuing through the end of

the vehicle platform(s) for which such goods are supplied, including any extensions thereof, plus the applicable service period. Unless otherwise provided, the service period shall be 10 years, from the official announcement of the cessation of the vehicle platform.

**25. Written Modifications**

(a) The Purchase Order is an offer to Supplier by Purchaser to enter into the agreement it describes and shall, along with the GCP, SSR, and any written outside agreements signed or issued by Purchaser in connection herewith, be the complete and exclusive statement of such agreement. Neither assumptions nor conditions contained in any proposal by Supplier, nor any modifications proposed by Supplier shall be considered part of the Purchase Order in the absence of Purchaser's written acceptance.

(b) All subsequent modifications must be in writing, signed or issued by Purchaser.