

General Terms & Conditions Purchasing North America & Mexico

1. Applicability

The terms and conditions set forth herein (the “GTCP”) shall apply to and exclusively determine the rights and obligations of KAMAX Inc. and KAMAX Mexico S. de R.L. de C.V. („KAMAX“) and its Sellers in connection with any purchase or purchasing arrangement in which KAMAX is the purchaser unless the same are in conflict with terms or conditions contained in the following documents, if any, applicable to a specific purchase or purchasing arrangement, in descending order of priority:

- a. a purchase order issued by KAMAX;
- b. a release issued by KAMAX pursuant to a blanket purchase order;
- c. a master agreement between KAMAX and a Seller;
- d. a quality agreement between KAMAX and a Seller.

The general terms and conditions of any Seller shall be inapplicable to any purchases or purchase agreements between KAMAX and any of its Sellers even if KAMAX does not specifically object thereto. The terms and conditions that apply to any specific KAMAX purchase transaction or purchasing arrangement in the manner set forth above shall constitute the entire agreement between KAMAX and Seller in respect to that specific purchase transaction or purchasing arrangement (the “Agreement”).

2. Shipping

- 2.1 For goods that may contain potentially hazardous and/or restricted materials, if requested by KAMAX, Seller shall promptly furnish to KAMAX in whatever form and detail KAMAX requests (i) a list of all potentially hazardous ingredients in the goods, (ii) the quantity of one or more such ingredients, and (iii) information concerning any changes in or additions to such ingredients. Before shipping the goods, Seller agrees to furnish to KAMAX sufficient warning and notice in writing (including appropriate labels on the goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the goods, together with such special handling instructions necessary to advise the involved carriers, KAMAX, and their respective employees 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 KAMAX. Seller shall comply with all applicable federal, state, local and foreign laws and regulations pertaining to product and warning labels. If products are shipped by Seller to European destinations, before shipments are made, Seller shall notify KAMAX of the “Classification of Dangerous Goods” as required by the European Agreement concerning the “International Carriage of Dangerous Goods by Road”.

3. Prices and Payment Terms

- 3.1 The prices agreed shall be (net) fixed prices and represent the total price for manufacturing and delivering the products, including all ancillary services, in particular packaging.
- 3.2 Payment shall be by self-billing or bank transfer, at the choice of KAMAX. Unless otherwise expressly agreed, KAMAX shall make payments within 14 days at 3% discount or within 30 days strictly net. The payment period shall commence (i) upon performance of the contractual obligations by Seller (in the case of deliveries made earlier than contractually agreed, the period shall commence upon the agreed delivery date at the earliest) and (ii) upon receipt of a proper and verifiable invoice by KAMAX. Decisive for determining compliance with the payment deadline shall be the crediting of the amount in Seller’s account in the case of payment by bank transfer, and the receipt of a check for which sufficient funds are available by Seller in the case of payment by check. To ensure verifiability of the invoice Seller shall indicate in each invoice the order number, account details, unloading point, supplier number, part number, number of units, price per unit and volume per delivery.
- 3.3 In the event of defective delivery KAMAX shall have the right to withhold an equivalent proportion of the payment until the contract has been duly performed.
- 3.4 Seller shall not be entitled to offset its claims unless these are undisputed, are about to be decided on by a court or are subject to a final ruling. The same applies to the assertion of retention rights.

4. Terms of Delivery

- 4.1 Unless otherwise expressly agreed, deliveries shall be made DDP to the KAMAX plant to be supplied (Incoterms 2010).
- 4.2 The Seller shall notify KAMAX of any deliveries on the date of their dispatch. A delivery note shall be attached in duplicate to each delivery. The delivery note shall indicate the order number, article number and Seller assigned by KAMAX, as well as the quantity delivered.
- 4.3 For any deliveries agreed as “ex works”, KAMAX shall be notified as soon as possible of the dimensions and the weight of the consignment. Where the Seller commissions a freight forwarder on behalf of KAMAX, the Seller shall ensure that such freight forwarder shall not bill KAMAX for transport insurance coverage and that it issues any necessary notifications and declarations in

this regard. The Seller shall only be entitled to commission the freight forwarder on behalf of KAMAX if KAMAX has previously expressly authorized it to do so.

- 4.4 **Delivery Schedules.** Time is of the essence, and deliveries shall be made both in quantities and at times specified in KAMAX's schedules. Seller shall take action to electronically communicate purchasing and supply chain transactions in a secure (encrypted) manner, including but not limited to receiving KAMAX's RFQs, purchase contracts and production schedules, as well as sending ASNs, quotes and proposals to KAMAX. KAMAX shall not be required to make payment for goods delivered to KAMAX that are in excess of quantities specified in KAMAX's delivery schedules. KAMAX may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this Contract. Where quantities and/or delivery schedules are not specified, Seller shall deliver goods in such quantities and times as KAMAX may direct in subsequent releases.
- 4.5 **Premium Shipments.** If Seller's acts or omissions result in Seller's failure to meet KAMAX's delivery requirements and KAMAX requires a more expeditious method of transportation for the goods than the transportation method originally specified by KAMAX, Seller shall ship the goods as expeditiously as possible at Seller's sole expense.

5. Confidentiality/Intellectual Property Rights/Information

- 5.1 The Seller undertakes to maintain secrecy as to the information provided by KAMAX such as drawings, records, findings, specimens, production means, models, data carriers, etc., and neither to disclose such information to third parties (including subcontractors) without the prior written consent of KAMAX, make any copies thereof nor to use these for any other purposes than as defined by KAMAX. The Seller shall obtain corresponding undertakings from its sub-Sellers.
- 5.2 The Seller shall keep the records and items as well as copies thereof provided to it safe and secure at its expense and surrender or destroy these at any time when requested by KAMAX. At KAMAX's request the Seller shall confirm in writing that it returned or destroyed all such records and items.
- 5.3 The damages for a breach of Seller's obligations under Sections 5.1 and 5.2 will be difficult to ascertain, and therefore Seller shall be subject to liquidated damages of \$30,000 for each such breach. It is further acknowledged by Seller that the damage to KAMAX from any such breach of a continuing nature would be irreparable and therefore Seller consents to the issuance of injunctive relief.
- 5.4 Seller agrees: (i) to defend, hold harmless and indemnify KAMAX and its customers against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorneys 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 industrial design right or other proprietary 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 KAMAX or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions; (ii) to waive any claim against KAMAX and its customers, including any hold-harmless or similar claim, in any way related to a claim asserted against Seller or KAMAX for infringement of any patent, trademark, copyright or industrial design right or other proprietary right, including claims arising out of compliance with specifications furnished by KAMAX; and (iii) to grant to KAMAX a worldwide, nonexclusive, royalty-free, paid-up, irrevocable license (with the right to grant sublicenses to affiliates) to repair and have repaired, to reconstruct and have reconstructed, to make or have made the goods ordered hereunder. Seller hereby assigns to KAMAX all rights, title and interest in and to all inventions, trademarks, copyrights, industrial design rights and other proprietary rights in any material created for and paid for by KAMAX under this order. Technical information and data furnished to KAMAX in connection with this order are disclosed on a non-confidential basis.

- 5.5 All copyrightable works of original authorship (including but not limited to computer programs, technical specifications, documentation and manuals), ideas, inventions (whether patentable, patented or not), know-how, processes, compilations of information, trademarks and other intellectual property (collectively, "Deliverables") shall be original to Seller and shall not incorporate any intellectual property rights (including copyright, patent, trade secret, mask work, or trademark rights) of any third party.
- 5.6 All Deliverables which are created in the course of performing this Agreement (separately or as part of any products), and all intellectual property rights in Deliverables, are owned by KAMAX and not by Seller. Seller agrees that all works of original authorship created by Seller in connection with this Agreement are "works made for hire" as that term is used in connection with the U.S. Copyright Act. To the extent that, by operation of law, Seller owns any intellectual property rights in the Deliverables, Seller hereby assigns to KAMAX all rights, title and interest, including copyrights and patent rights, in such Deliverables.
- 5.7 Seller grants to KAMAX an irrevocable, nonexclusive, worldwide license with the right to grant sublicenses to affiliates to any technical information, know how, copyrights and patents owned or controlled by Seller or its affiliates reasonably necessary for KAMAX to make, have made, use and sell any goods provided by Seller under this Agreement. The license shall be effective from the first delivery of goods under this Agreement. For a period of two (2) model years from Seller's first delivery of goods under this order, KAMAX shall pay to Seller a "reasonable royalty" for such license, which is acknowledged by Seller to be included in the price paid by KAMAX to Seller for the goods. In the event KAMAX sources the goods from a party other than Seller, KAMAX shall pay Seller a "reasonable royalty" for a period of two (2) model years from the date of Seller's first delivery of goods and thereafter, KAMAX's license shall be royalty free, fully paid up, permanent and irrevocable.
- 5.8 Seller shall ensure that any subcontractors to Seller shall have contracts with Seller in writing consistent with the terms of this section.

6. Quality Management

- 6.1 The Seller's deliveries shall meet state-of-the-art scientific and technological standards, applicable safety regulations and the agreed technical specifications. It shall continuously monitor the quality of its deliveries and services. To this end it shall set up a suitable quality management system in accordance with ISO 9001, ISO TS 16949 and furnish proof thereof.
- 6.2 Where the parties have concluded a quality assurance agreement, KAMAX's inspection duty shall be limited to checking the quantity and identity of the delivery item as well as checking for visible damage. KAMAX shall notify the Seller of any defects identified during such inspection. Notification shall be deemed as timely where it is received by the Seller within two weeks of delivery of the goods.
- 6.3 Where the parties have not concluded a quality assurance system, KAMAX undertakes to check the goods for defects within a reasonable period. KAMAX shall notify the Seller of any defects identified. Notification shall be deemed as timely where it is received by the Seller within two weeks of delivery of the goods or, in the case of latent defects, of such defects having been discovered.

7. Defects

- 7.1 The Seller warrants and represents that all services and deliveries are qualified for a correct, secure and economic use, that they meet the scientific and technological standards and that they are suitable for the intended use.
- 7.2 In rendering its services the Seller shall comply with all relevant legal provisions, in particular all relevant environmental, hazardous material, dangerous goods and accident prevention regulations, as well as the generally recognized safety and occupational health rules.
- 7.3 In the event of defective delivery, KAMAX is entitled to demand, at its choice that the Seller remedy any defects either by means of repair or replacement. This shall not affect any further statutory claims.
- 7.4 In addition to Seller's warranties set forth in the Agreement, KAMAX may remedy a defect itself at the Seller's expense, if it is unreasonable to expect KAMAX to wait for it to be remedied by the Seller, in particular where an immediate remediation of the defect is required to prevent significant damage or to guarantee operational safety.
- 7.5 Unless otherwise required by law, the statute of limitations for defects shall be 30 months from receipt of the delivery by KAMAX or from acceptance (where this is provided for by contract or by law). For products that are replaced or repaired by the Seller by means of subsequent delivery, the status of limitations shall recommence upon delivery of the replaced or repaired products; however, in the case of repair only if it concerns the same defect or the results of defective repair. The preceding sentence shall not apply if, based on the Seller's behavior, KAMAX had good reason to believe that the Seller did not consider itself obliged to take such action, but instead

carried out replacement or repair as a gesture of goodwill or for similar reasons. The status of limitations shall be suspended for the period during which the product cannot be used as contractually agreed. The statute of limitations shall be suspended upon a verbal or written notification of defects by KAMAX. Claims for defects shall become statute-barred at the earliest two months after any claims of end customers for defects have been satisfied. Suspension of the statute of limitation shall end at the latest 5 years after delivery to KAMAX. The two preceding sentences shall not apply where the end customer is not a consumer.

- 7.6 The Seller shall be liable for damage prevention measures (e.g. product recall, customer service measures or other field measures) taken by KAMAX, its customers or other third parties, to the extent such measures result from the defectiveness of the product delivered by the Seller or any other breach of duty for which the Seller is responsible.

8. Product Liability, Indemnification, Liability Insurance

- 8.1 Where the Seller is responsible for damage to products it shall be obliged to indemnify and defend KAMAX on first demand from third-party claims based on such damage.
- 8.2 Within the scope of its liability for claims, the Seller also undertakes to reimburse expenses arising from or in connection with recalls carried out by KAMAX. KAMAX shall inform the Seller – to the extent possible and reasonable – of the content and the scope of recalls to be carried out, giving it the opportunity to comment thereon. In this case KAMAX shall, at its reasonable discretion and taking into account all circumstances of the specific case at hand, decide on which measures to take as part of the recall. To this end, apart from ensuring for efficient hazard management, particular consideration must also be given to KAMAX's good reputation as a manufacturer of quality goods. Other statutory claims shall remain unaffected.
- 8.3 The Seller undertakes to take out product liability insurance that provides an appropriate amount of coverage for product recalls with limits of at least \$5,000,000 per occurrence.

9. Risk of Loss

Notwithstanding any agreement concerning payment of freight expenses, delivery shall not have occurred and the risk of loss shall not have shifted to KAMAX until the goods or tooling or equipment have been delivered to KAMAX's applicable facility and have been accepted at that facility by KAMAX.

10. Insolvency

KAMAX may immediately terminate the Agreement without liability to Seller in the event of the happening of any of the following or any other similar or comparable event: (i) insolvency of Seller; (ii) filing of a voluntary petition in bankruptcy by Seller; (iii) filing of an involuntary

petition in bankruptcy against Seller if such petition is not dismissed within 15 days of its filing; (iv) appointment of a receiver or trustee against Seller and such appointment is not dismissed within 15 days of its filing; or (v) execution of an assignment for the benefit of creditors of Seller.

11. Termination for Breach

KAMAX reserves the right to terminate all or any part of the Agreement, without liability to Seller if (i) Seller repudiates, breaches or threatens to breach any of the terms of the Agreement including, but not limited to, Seller's warranties; (ii) fails to perform services or deliver goods as specified by KAMAX; (iii) fails to make progress so as to endanger timely and proper completion of services or delivery of goods; or (iv) KAMAX terminates for breach of any other agreement with Seller in accordance with the terms of such other agreement (whether or not such other agreement is related to this Agreement between KAMAX and Seller).

12. Termination for Convenience

A. In addition to any other rights of KAMAX to terminate this Agreement, KAMAX may at its option, immediately terminate all or any part of this Agreement at any time and for any reason by giving written notice of exercise of such option to Seller.

B. Upon receipt of notice of termination pursuant to this Section 12, Seller, unless otherwise directed in writing by KAMAX, shall (i) terminate immediately all work under the Agreement; (ii) transfer title and deliver to KAMAX the finished work, the work-in-process, and the parts and materials which Seller produced or acquired in accordance with this order and which Seller cannot use in producing goods for itself or for others; (iii) settle all claims by subcontractors approved by KAMAX hereunder, if any, for reasonable actual costs that are rendered unrecoverable by such termination; (iv) take actions reasonably necessary to protect property in Seller's possession in which KAMAX has an interest and (v) upon KAMAX's request, cooperate with KAMAX in effecting the resourcing of Seller's goods and/or services covered by this Agreement to a different Seller designated by KAMAX.

C. Upon termination by KAMAX under this Section, KAMAX shall pay to Seller the following amounts without duplication: (i) the Agreement price for all finished work and completed services which conform to the requirements of this Agreement and not previously paid for; (ii) Seller's reasonable actual cost of the work-in-process and parts and materials transferred to KAMAX in accordance with subsection (B) (ii) hereof; (iii) Seller's reasonable actual cost of settling the claims of the obligation Seller would have had to the subcontractors in the absence of termination, and (iv) Seller's reasonable actual cost of carrying out its obligations under subsection (B)(iv) and (B)(v). KAMAX shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement

costs or rental, unamortized depreciation costs, general and administrative burden charges resulting from termination of this Agreement or otherwise. Notwithstanding anything herein to the contrary, KAMAX's obligation to Seller upon termination under this Section shall not exceed the obligation KAMAX would have had to Seller in the absence of termination.

D. Within twenty (20) days after the effective date of termination under this Section 12, Seller shall furnish to KAMAX its termination claim, together with all supporting data which shall consist exclusively of KAMAX's obligations to Seller that are listed in subsection (C). KAMAX may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim. Failure to provide such claim and all supporting data within twenty (20) days of the effective date of such termination shall constitute an agreement by Seller that no such claim exists and KAMAX shall be released from any claim by Seller for such matter.

13. Assignment

Seller shall not assign or delegate any of its substantive duties or performance under this Agreement without the prior written consent of KAMAX. Any sale or other transfer of stock or other securities of Seller that would result in a change in control of Seller, shall be deemed an assignment under this Agreement. Seller may assign its claims for money under this Agreement but KAMAX shall not be required to pay the assignee until KAMAX receives written notice of the assignment, a true copy of the assignment and a release from Seller. Any such assignment shall not release the Seller from any claims hereunder and shall not prohibit KAMAX from enforcing its rights against Seller or the assignee. KAMAX may freely assign to any third party its rights and obligations under this Agreement. In the event of such assignment by KAMAX, then KAMAX shall be released from any liability hereunder.

14. Changes

KAMAX reserves the right at any time to direct changes, or cause Seller to make changes, to the design (including drawings and specifications) processing, methods of packing and shipping and the date or place of delivery of the goods covered by this order or to otherwise change the scope of the work covered by this Agreement including work with respect to such matters as inspection, testing or quality control, and Seller agrees to promptly make such changes. Seller shall not make any change in this Agreement without the written approval of KAMAX. Any such changes shall be deemed not to affect the time for performance or cost unless Seller notifies KAMAX in writing within ten (10) days of receipt by Seller of notice of any change order. Seller shall consider and advise KAMAX of the impact of a design change on the system in which the product covered by this Agreement is used. Nothing in this Section 14 shall excuse Seller from proceeding with the Agreement as changed.

Without KAMAX's prior written approval, Seller shall not change (i) any third party Seller to Seller of services, raw materials or goods used by Seller in connection with its performance under

this Agreement, (ii) the facility from which Seller or such Seller operates, or (iii) the nature, type or quality of any services, raw materials or goods used by Seller or its Sellers in connection with this Agreement.

15. Bailed Property

A. All supplies, materials, molds, machinery, equipment, patterns, tools, dies, jigs, fixtures, blueprints, designs, specifications, drawings, photographic negatives and positives, art work, copy layout, consigned material for production or repair and other items furnished by KAMAX, either directly or indirectly, to Seller to perform this Agreement, or for which Seller has been reimbursed by KAMAX (collectively, “Bailed Property”), shall be and remain the property of KAMAX and be held by Seller on a bailment basis. Seller shall bear the risk of loss of and damage to the Bailed Property and Seller at its own expense shall keep such Bailed Property insured for the benefit of KAMAX. The Bailed Property shall at all times be properly housed and maintained by Seller; shall not be used by Seller for any purpose other than the performance of this Agreement; shall be deemed to be personalty; shall be conspicuously marked by the Seller to identify it as the property of KAMAX and indicate KAMAX’s name; shall not be commingled with the property of Seller or with that of a third person and shall not be moved from Seller’s premises without KAMAX’s prior written approval. Seller, at its sole expense, shall maintain, repair and refurbish the Bailed Property in first class condition. All replacement parts, additions, improvements and accessories for such Bailed Property shall automatically become KAMAX’s property upon their incorporation into or attachment to the Bailed Property.

B. Seller agrees that KAMAX has the right, at any time, with or without reason and without payment of any kind to retake possession of or request return of any or all Bailed Property. Upon the request of KAMAX, the Bailed Property shall be immediately released to KAMAX or delivered to KAMAX by Seller, either (i) F.O.B. transport equipment at Seller’s plant; properly packaged and marked in accordance with the requirements of the carrier selected by KAMAX to transport such property, or (ii) to any location designated by KAMAX, in which event KAMAX shall pay to Seller the reasonable cost of delivering such Bailed Property to such location. KAMAX shall have the right to enter onto Seller’s premises at all reasonable times to inspect the Bailed Property and Seller’s records with respect thereto. When permitted by law, Seller waives any lien or other rights that Seller might otherwise have on any of the Bailed Property for work performed on such property or otherwise.

C. Seller acknowledges and agrees that (i) Seller has inspected the Bailed Property, agrees to accept it in its current “as is, where is” condition and is satisfied that the Bailed Property is suitable and fit for its purposes and is safe for use, that (ii) the Bailed Property shall only be moved or used by Seller and those moving or using under Seller’s authority, and then only with approved and appropriate failsafe equipment, and only in compliance with all applicable laws, rules and regulations of any governmental or regulatory body or agency, and that (iii) KAMAX HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION

WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE BAILED PROPERTY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. KAMAX will not be liable to Seller for any loss, damage, injury or expense of any kind or nature caused, directly or indirectly, by the Bailed Property, including, without limitation, the use or maintenance thereof or the repair, service or adjustment thereof, or by any interruption of service or for any loss of business whatsoever or howsoever caused, including, without limitation any loss of anticipatory damages, profits or any other indirect, special or consequential damages.

16. Seller's Property

Seller hereby grants KAMAX an irrevocable option, exercisable at any time, to purchase, free and clear of all liens, claims and other encumbrances, any or all of Seller's supplies, materials, molds, machinery, equipment, patterns, tools, dies, jigs, fixtures, blueprints, designs, specifications, drawings, photographic negatives and positives, art work, copy layout and other items necessary for the production of the products under this Agreement (collectively, "Seller's Property") that are specially designed or configured for manufacture or assembly of products under this order. The purchase price ("Purchase Price") for the Seller's Property shall be equal to the unamortized portion of the cost of such items of Seller's Property, less any amounts KAMAX previously has paid to Seller for the cost of such Seller's Property. Seller shall permit KAMAX to audit Seller's records to verify the Purchase Price. This option will not apply to any of Seller's Property that is used by Seller to produce a substantial quantity of like products for other customers of Seller which cannot readily be obtained by Seller's customer(s) from third parties unless, at KAMAX's election upon exercise of the option, Seller assigns to KAMAX and KAMAX assumes Seller's obligation to produce such products for Seller's other customers using those items of Seller's Property during the period subsequent to the sale of the Seller's Property to KAMAX. Seller shall cooperate with KAMAX's reasonable requests for information regarding any such obligation to Seller's other customer(s) and to effect such assignment and assumption. KAMAX's right to exercise the option under this Section 16 is not conditioned on a breach by Seller or KAMAX's termination of this Agreement.

17. Inspection

KAMAX shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of KAMAX covered by this Agreement. KAMAX's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods.

18. Subcontracted Product

Seller shall not subcontract any of its duties under this Agreement without KAMAX's prior written approval. KAMAX or KAMAX's representative shall be afforded the right to verify at any

subcontractor's premises and Seller's premises that subcontracted product conforms to specified requirements. Such verification shall not be used by Seller as evidence of effective control by KAMAX of quality by the subcontractor. Verification by KAMAX shall not absolve Seller of the responsibility to provide acceptable product nor shall it preclude subsequent rejection by KAMAX. Notwithstanding the foregoing, Seller remains fully liable for any work subcontracted.

If KAMAX approves Seller's subcontracting of any of the work under this Agreement, Seller will ensure that the subcontractor agrees to be bound by the terms and conditions of this Agreement.

19. Nonconforming Goods

KAMAX, at its option, may reject and return at Seller's risk and expense, or retain and correct, goods received pursuant to this Agreement that fail to conform to the requirements of this Agreement even if the nonconformity does not become apparent to KAMAX until the manufacturing or processing stage. To the extent KAMAX rejects goods as nonconforming, the quantities under this Agreement will not be reduced by the quantity of nonconforming goods unless KAMAX otherwise notifies Seller in writing. Seller will replace nonconforming goods with conforming goods unless otherwise notified in writing by KAMAX. Nonconforming goods will be held by KAMAX for disposition in accordance with Seller's written instructions at Seller's risk. Seller's failure to provide written instructions within ten (10) days (or such shorter period as may be commercially reasonable under the circumstances) after notice of nonconformity shall entitle KAMAX, at KAMAX's option, to charge Seller for storage and handling, or to dispose of the goods as it deems fit without liability to Seller. Seller shall reimburse KAMAX for (a) any amounts paid by KAMAX on account of the purchase price of any returned nonconforming goods,

and (b) any costs incurred by KAMAX in connection with the nonconforming goods, including, but not limited to inspection, sorting, testing, evaluations, storage or rework. Such reimbursement shall be made within ten (10) days after a debit memo for the costs has been issued by KAMAX. Payment by KAMAX for nonconforming goods shall not constitute an acceptance hereof, limit or impair KAMAX's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects.

20. Warranty for Goods and Services

A. Seller warrants and guarantees that all goods and services covered by this Agreement will conform to the specifications, drawings, samples, or descriptions furnished to or by KAMAX. Seller also warrants and guarantees that all goods and services covered by this Agreement will conform to U.S. industry standards and the laws and regulations in force in countries where products or vehicles equipped with such products are to be sold. This includes, but is not limited to, compliance with all relevant environmental and hazardous waste laws, dangerous goods and accident prevention regulations, and occupational safety and health standards.

B. In addition, Seller acknowledges that Seller knows of KAMAX's intended use and warrants that all goods covered by this Agreement have been selected, designed, manufactured, or assembled by Seller based upon KAMAX's intended use, and will be fit and sufficient for this particular intended use.

C. The warranties in sections (A) and (B) above will be effective for the longer of (i) the period provided by applicable law or (ii) the warranty period provided by KAMAX to its customers. However, in the event of a recall campaign or other customer satisfaction or corrective service action undertaken by KAMAX or KAMAX's customers, this warranty period shall continue for the time period as dictated by KAMAX's customer or the federal, state, local, or foreign government where the goods are used or the services are provided.

D. The warranty period for non-production goods shall be the longer of one (1) year after final acceptance by KAMAX or the period stated in Seller's sales materials.

21. Warranty for Tools and Equipment

This section shall apply to the purchase of Tooling and Equipment by KAMAX for use by KAMAX. In the event of an inconsistency between other terms of this Agreement and the provisions of this section, this section shall control.

Seller warrants that all Tooling and Equipment purchased pursuant to this Agreement will, for a minimum period of one (1) year following the date of acceptance of such Tooling or Equipment, conform to the applicable specifications, drawings, or other descriptions furnished to this Agreement. In addition, Seller warrants that the Tooling and Equipment conforms to all applicable laws and regulations, are free from defects in design (to the extent that Seller furnished the design), are of good material and workmanship, and will be suitable for KAMAX's intended purpose. Seller also warrants that all Equipment shall be equipped with approved or appropriate fail safe safeguarding systems, and shall comply with all applicable laws, rules, regulations, and orders of any governmental or regulatory body or agency having jurisdiction over the Equipment.

In the event that the Tooling and/or Equipment must be returned to Seller for repair or replacement, Seller's responsibility shall include, without limitation, all parts, labor, and transportation costs.

Seller shall require its sellers of component parts of goods and/or equipment for Tooling or Equipment purchased to provide a warranty equal to the warranties provided by Seller to KAMAX. Seller shall assign such warranties to KAMAX and provide all necessary documentation to KAMAX to evidence such assignment. In the event that Seller fails to obtain or assign such warranties, Seller agrees to reimburse KAMAX for all loss, cost, liability, or expense (including reasonable attorney fees) related to this failure.

Seller warrants that it will, whenever possible, use commercially available purchase parts of the highest industry quality, and will supply a detailed bill of materials listing all parts. Seller further agrees that it will comply with all specific product-sourcing directions of KAMAX.

Seller will also offer KAMAX an extended warranty on the Tooling and Equipment on commercially reasonable terms. Seller shall inform KAMAX in writing on the terms of the extended warranty prior to delivery of the Tooling and/or Equipment to KAMAX. KAMAX shall have the option to purchase the extended warranty until sixty (60) days after the acceptance of the Tooling and/or Equipment.

22. Customs; Export Controls

Upon acceptance of this Agreement, Seller is obligated to provide KAMAX with NAFTA Certificates of Origin for all Components and Raw Material supplied for the duration of this order. The NAFTA Certificates of Origin must include the Seller's plant location as supplied. Completed NAFTA Certificates of Origin must be submitted by Seller to KAMAX's Purchasing Department, ATTN: NAFTA Coordinator

Credits or benefits resulting or arising from this Agreement, including trade credits, export credits or the refund of duties, taxes or fees, shall belong to KAMAX. Seller shall provide all information necessary (including written documentation and electronic transaction records) to permit KAMAX to receive such benefits or credits, as well as to fulfill its customs related obligations, origin marking or labeling requirements and local content original requirements, if any. Export licenses or authorizations necessary for the export of the goods shall be the responsibility of Seller unless otherwise indicated in this Agreement, in which event Seller shall provide such information as may be necessary to enable KAMAX to obtain such licenses or authorization(s). Seller shall undertake such arrangements as necessary for the goods to be covered by any duty deferral or free trade zone program(s) of the country of import.

23. Compliance with Laws; Employment/Business Practices

Seller, and any goods or services supplied by Seller, 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, sub-contractor selection, discrimination, Occupational Safety and Health regulations, and motor vehicle safety. This section shall be deemed to incorporate by reference all the clauses required by the provisions of said laws, orders, rules, regulations, and ordinances.

All purchased materials used in part manufacture shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials, as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale. All Sellers must

be in compliance with ISO9001 and TS16949. All on-site work is to be conducted in a manner that is protective of the environment and must meet or exceed applicable environmental regulations. Project approval must be obtained from KAMAX site Environmental Coordinator prior to arrival and commencement of any job that has the potential to cause spills, air emissions, water discharges, or generation of liquid or solid wastes. All waste materials generated by contractor services shall be removed and properly disposed by the contractor unless prior approval is granted to leave the waste on-site. Potential environmental impacts not included in the proposal or quote process must be communicated to KAMAX prior to the commencement of the project or the service to be rendered. Methods that provide protective measures and prevent negative effects to the environment must be incorporated in the project.

Seller 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 employment or corrupt business practices, in the supply of goods or provision of services under this Agreement. Seller agrees to comply with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, and that neither it nor any of its subcontractors will directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority to obtain or retain any contract, business opportunity, or other benefit or to influence any act or decision of that person in his/her official capacity. At KAMAX's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold KAMAX 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.

In the event that the services or goods provided under this Agreement may be deemed to be necessary for the performance of a government contract, Seller agrees to comply with the EEO Clause in Section 202 of Executive Order 11246, as amended.

24. Sales Tax Exemption

KAMAX hereby certifies that materials and services purchased under this Agreement and identified as industrial processing are eligible for state and federal sales tax exemption under the Federal tax payer identification number indicated on the face of this order.

25. Indemnification

A. Seller shall indemnify and hold KAMAX, KAMAX's affiliated entities and the directors, officers and employees of both KAMAX and any affiliated entities (collectively, "Indemnitees") harmless from any claims, liabilities, damages (including special, consequential, punitive and exemplary damages), costs and expenses (including reasonable attorney fees) incurred in connection with any claims (including lawsuits, administrative claims, regulatory actions and other proceedings to recover for personal injury or death, property damage or economic losses) that are related in any way to or arise in any way from Seller's misrepresentations, performance or nonperformance of its obligations under an Agreement between KAMAX and Seller, including claims

based on Seller's breach or alleged breach of warranty (whether or not Seller's goods or services have been incorporated into KAMAX's products and/or resold by KAMAX), and claims for any violation of any applicable law, ordinance or regulation or government authorization or order. Seller's obligation to indemnify the Indemnitees under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise resulting from Seller's acceptance of this order. When permitted by law, Seller's obligations hereunder shall also apply to any liability arising out of an Indemnitee's sole negligence and will survive the termination or expiration of this Agreement.

B. If Seller performs any work on KAMAX's premises or utilizes the property of KAMAX, whether on or off KAMAX's premises, Seller shall indemnify and hold KAMAX, its directors, officers and employees harmless from and against any liabilities, claims, demands or expenses (including reasonable attorney fees) for damages to the property of or injuries (including death) to KAMAX, its employees or any other person arising from or in connection with Seller's performance of work or use of KAMAX's property. When permitted by law, Seller's obligations hereunder shall also apply to any liability arising out of an Indemnitee's sole negligence and will survive the termination or expiration of this Agreement.

C. Seller further covenants and agrees both for itself and its insurance carriers that they shall not, under any circumstances, assert any worker's compensation liens or other similar liens against KAMAX, and any such liens as to KAMAX are hereby expressly waived to the extent permissible by law.

26. Insurance

In addition to the insurance Seller is required to obtain and maintain pursuant to Section 8.3 hereof, Seller shall also obtain and maintain at its sole expense insurance with such insurance carriers and for such coverages and in such amounts as are reasonably acceptable to KAMAX. Seller shall also at its sole cost and expense, add KAMAX as an additional named insured on such policies as they relate to liability in any way claimed to arise as a result of any actions taken in connection with this Agreement by Seller. Seller shall furnish to KAMAX certificates of insurance setting forth the amount of coverage, policy number and date(s) of expiration for insurance maintained by Seller and such certificates must provide that KAMAX shall receive thirty (30) days prior written notification from the insurer of any termination or reduction in the amount or scope of coverages.

27. Limitation of Liability

Under no circumstances, including KAMAX's breach of this AGREEMENT or KAMAX's negligence, will KAMAX or its officers or agents be liable for incidental, consequential or punitive damages, and KAMAX's liability will be limited to any unpaid purchase price for product purchased pursuant this Agreement.

28. Production Part Approval Requirements

With respect to Agreements for production parts, Seller agrees to meet the full requirements identified in the industry production part approval process manual and agrees to present this information and data relating thereto to KAMAX upon request, regardless of the authorized submission level, at Level No. 3, unless otherwise authorized in writing by KAMAX.

29. Parts Identification

All goods supplied pursuant to this Agreement which shall be construed as a completed part shall permanently bear the KAMAX's part number and name or code name, Seller's name or code name, and date of manufacture by Seller.

30. Invoices

All invoices and/or advanced shipping notices ("ASN") for material shipped pursuant to this Agreement must reference the order number, amendment or release number, KAMAX's part number, Seller's part number where applicable, quantity of pieces in shipment, number of cartons or containers, Seller's name and number, and bill of lading number, before any payment will be made for material by KAMAX. KAMAX reserves the right to return all invoices or related documents submitted incorrectly, and payment terms will be determined as of the date of the latest correct invoice or ASN received.

31. Setoff

In addition to any right of setoff or recoupment provided by law, all amounts due Seller, or its subsidiaries or affiliates shall be considered net of indebtedness or obligations of Seller, or its subsidiaries or affiliates to KAMAX or its subsidiaries or affiliates, and KAMAX or its subsidiaries or affiliates may setoff against or recoup from any amounts due or to become due from Seller, or its subsidiaries or affiliates to KAMAX or its subsidiaries or affiliates however and whenever arising.

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

If an obligation of Seller or its subsidiaries or affiliates to KAMAX is disputed, contingent or unliquidated, KAMAX may defer payment of the amount due until such obligation is resolved.

32. Force Majeure; Labor Disruption Inventory

- 32.1 Any delay or failure of either party to perform its obligations under the purchase order will be excused to the extent that Seller is unable to produce, sell, or deliver, or KAMAX is unable to accept delivery, buy, or use, the goods, directly as the result of acts of God, fires, floods, explosions, riots, natural disasters, wars, epidemics, sabotage, or governmental order (excluding all labor issues) (collectively, a Force Majeure Event). Written notice of the Force Majeure Event (including the anticipated duration of the delay) must be given by the affected party to the other party as soon as possible (but in no event more than 10 days after the Force Majeure Event occurs). For clarity, an event that increases the cost of Seller's performance, even substantially, is not a Force Majeure Event.
- 32.2 During any Force Majeure Event affecting Seller's performance, KAMAX may, at its option, purchase the goods from other sources and reduce its delivery schedules to Seller by those quantities, without liability to KAMAX, or require Seller to provide goods from other sources in quantities and at times requested by KAMAX at the price in the purchase order.
- 32.3 Seller will use all diligent efforts to ensure that the effects of any Force Majeure Event are minimized and, as promptly as possible, resume full performance under the purchase order. If requested by KAMAX in writing, Seller will, within five days after KAMAX's request, provide adequate assurances that the delay in Seller's performance resulting from the event will not exceed 30 days. If the delay lasts more than 30 days or Seller does not provide those adequate assurances, KAMAX may immediately terminate the purchase order without liability to Seller.

33. Applicable Law - Arbitration – Forum

- A. This Agreement shall be governed by the internal laws of the State of Michigan without regard to any applicable conflict of laws provisions. The United Nations Convention on the International Sale of Goods is expressly excluded.
- B. All disputes arising under or in connection with this Agreement shall be finally settled by arbitration in Oakland County, Michigan, before a single arbitrator appointed by the American Arbitration Association ("AAA") which arbitration shall be conducted under AAA's commercial arbitration rules in effect at the time of this Agreement, provided, however, that discovery shall be permitted as authorized by the arbitrator in accordance with the United States Federal Rules of Civil Procedure. The decision of the arbitrator shall be final and binding upon KAMAX and Seller, shall not be appealable, and judgment on the award rendered shall be entered in the circuit court of Oakland County, Michigan. Each party will bear equally the costs and expenses of AAA

and of the arbitrator. Each party will bear its own costs and expenses. Notwithstanding the foregoing, KAMAX shall have the right to seek equitable relief from any court of competent jurisdiction.

C. Subject to the obligation to arbitrated disputes set forth in Section 33 hereof, Seller agrees that it is subject to the personal jurisdiction of the state of Michigan, and that, subject to paragraph B. above, it will initiate any legal action against KAMAX only in the Circuit Court for the County of Oakland, Michigan, U.S.A.

34. Advertising

Seller shall not refer to KAMAX in advertising or public releases without KAMAX's prior written approval.

35. Price Adjustments

Seller assumes the risk of pricing of all goods and materials utilized by Seller in completing this Agreement. KAMAX shall not, absent execution of a written document in a form acceptable to KAMAX in its sole and absolute discretion, have any obligation whatsoever to negotiate with Seller regarding any contemplated increase in price for such goods and materials to be provided by Seller pursuant to this Agreement.

36. Service and Replacement Parts

Upon receipt of a request by KAMAX, Seller will sell to KAMAX all goods necessary for KAMAX to fulfill KAMAX's and its customers' service and replacement parts requirements for its current model year at the then current production prices order plus any cost differential for packaging. If the goods are systems, modules or assemblies, Seller will sell the components or parts of such systems, modules or assemblies at prices that will not in the aggregate exceed the then current production price of the system, module or assembly less the costs of labor involved in connection with the system, module or assembly plus any cost differential for packaging.

After the current model production of the vehicle involved, Seller will sell KAMAX goods necessary for KAMAX to fulfill KAMAX's and its customers' service and replacement parts requirements for past model years at the prices then specified in the last order for current model production plus any cost differential for packaging for the first three (3) years of past model service. For the following seven (7) years of past model service, the prices shall be as specified in the last order for current model production plus any cost differential for packaging and manufacturing. The prices for service and replacement parts after that ten (10) year period will be as negotiated by the Seller and KAMAX.

37. Financial and Operational Condition of Seller

Seller will permit KAMAX and its representatives to review Seller's books and records concerning compliance with this Agreement and Seller's overall financial condition. Seller agrees that if Seller experiences any delivery or operational problems, KAMAX may, but is not required to, designate a representative to be present in Seller's applicable facility to observe Seller's operations. Seller agrees that if KAMAX provides to Seller any accommodations (financial or other) that are necessary for Seller to fulfill its obligations under this Agreement, Seller will reimburse KAMAX for all costs, including attorneys' and other professionals' fees, incurred by KAMAX in connection with such accommodation and will grant access to KAMAX to use Seller's premises, machinery, equipment and other property necessary for the production of goods covered by this Agreement under an access agreement.

38. Requirement of a Writing

All terms of the Agreement as well as any amendments or supplements thereto shall be in writing. Communications via mail, fax or email shall satisfy this requirement of a writing.

39. Invalid Provisions

Should a provision of these GTCP be or become invalid, this shall not affect the validity of the remaining provisions. In the event of a gap, this shall be filled by a valid and enforceable provision which would have been agreed upon by the parties given the economic purpose of the Agreement and the purpose of the GTCP had they recognized the gap from the outset.