

**JOYSON SAFETY SYSTEMS**

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**GLOBAL TERMS AND CONDITIONS OF PURCHASE**

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**ADDENDUM**

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These Global Terms and Conditions of Purchase (the “Terms”) are incorporated into and form a part of the purchase orders (each an “ Order” and collectively, the “Orders”), including any amendments to the Order, issued by the buyer identified on the Order (the “Buyer”) to the seller identified on the Order (the “Seller”), whether the Order is issued in written form, by electronic data interchange, or other tangible format.

**1. Scope of these Terms.**

(a) These Terms, together with any addendums attached hereto and incorporated by reference herein (the “Addendums”) and/or Individual Agreements, as defined below, establish the terms and conditions under which the Buyer or its applicable Affiliate that issues one or more Orders purchases and Seller provides the products or services identified on Buyer’s Orders (collectively, the “Products”). Buyer and Seller are referred to individually as a “Party” and collectively as the “Parties”. As used in these Terms, an “Affiliate” of Buyer means legal entities directly or indirectly controlled by Joyson Auto Safety Holdings, S.A., located in Remerschen/Luxembourg, with control defined as ownership of fifty percent (50%) or more of the equity or voting power in such entity. To the extent the terms and conditions of an Addendum conflict with these terms and conditions, the terms and conditions of the Addendum shall govern and control.

(b) The Parties may enter into one or more individual agreements signed by authorized representatives of each Party that may include, without limitation, a Logistics Agreement, a Quality Agreement, a Tooling Agreement, a Project Contract, and a Development Agreement (collectively, the “Individual Agreements”), and Orders in connection with one or more Products. These Terms form an integral part of all signed Individual Agreements and Orders, and if the terms and conditions of signed Individual Agreements and/or Orders contain additional or conflicting terms, the signed Individual Agreements and/or Orders shall govern over these Terms. These Terms, the Individual Agreements, and/or Orders shall supersede any other communications, representations, negotiations, and agreements, whether oral or written, between the Parties prior to the Effective Date.

(c) In no event will Seller's general terms and conditions, those pre-printed or incorporated by reference on forms such as quotations, proposals, invoices, Order acknowledgments, etc., or terms which are additional to or differ from these Terms, an Order, or Individual Agreement, apply to the Parties.

**2. Offer and Acceptance of Order.** Each Order is an offer by Buyer to purchase the Products identified in the Order from Seller. Seller shall accept the offer in writing by signing the Order, through electronic data interchange, or by beginning work, shipping Products, or otherwise performing pursuant to the Order (each of the foregoing, an “Acceptance”). Upon Acceptance, these Terms, the Individual Agreements, and the Order constitutes the complete contract between the Parties. The Order does not constitute an acceptance of any offer or proposal made by Seller.

**3. Changes.**

(a) Required Changes and Requests for Adjustments. Buyer reserves the right at any time to make changes to the Order, including but not limited to quantities, specifications, quality control, materials, packing, and scope of work. Buyer may require Seller to source raw materials from itself or third parties. Seller will promptly implement Buyer directed changes. If any change results in an increase or decrease in cost or affects the timing of performance, Seller or Buyer may request an equitable price adjustment accompanied by supporting documentation within ten (10) days following issuance of Buyer’s written notice of change. The Parties will discuss in good faith whether, and to what extent, an adjustment is

necessary and upon agreement of the Parties in writing, an adjustment to the price will be made (i) in the case of a price increase, solely to compensate Seller for direct and documented costs of delivery, materials and production (excluding overhead and profit) costs incurred as a direct result of the change; or (ii) in the case of a price decrease, to reflect reductions in costs incurred by Seller as a result of the change.

(b) Changes Requested by Seller. Seller shall not make any changes to the Order or any associated Products, including but not limited to design, such as fit, form, or function, content, appearance, specifications, or performance of the Products, the nature, type, or quality of raw materials or goods, processing, equipment, and/or production method, packing, marking, shipping, price, date or place of delivery, location of the facilities, or third party suppliers to Seller of goods or materials used by Seller for the performance of its obligations under the Order. Any changes made by Seller to any Order or to the associated Products without Buyer's written consent shall constitute a material breach of these Terms and the Order.

(c) Suspension of Performance. Buyer may change the frequency and schedule of shipments of Products or direct temporary suspension of shipments, none of which entitles Seller to modify the price for the Products or charge Buyer in any manner. Upon receiving notice of suspension, Seller shall promptly suspend deliveries and work to the extent specified by Buyer. Seller shall properly care for and protect all work-in-process, materials, supplies and equipment necessary for Seller's performance. Upon notice from Buyer to resume, Seller shall diligently resume performance to the extent and on the date specified in the notice.

#### **4. Releases, Quantity, and Forecasted Requirements.**

(a) Quantity and Releases. If quantities of Products are not specified in the Order or the Order states the quantity as "blanket," "see release," "as scheduled," "as directed," or similar terms, Seller will supply Buyer's requirements for Products in the quantities identified in Buyer's firm releases issued to Seller (each a "Release"). Releases constitute an integral part of the Order to which they relate and shall not be regarded as separate contracts (for purposes of these Terms any reference to an Order shall include all Releases relating to such Order). Quantity is of the essence. Buyer is not obligated to accept partial deliveries or excess deliveries. Buyer may return over-shipments for credit at Seller's expense.

(b) Forecasts. Buyer may provide Seller with a Forecast Planning Volume (the "FPV"). The FPV is Buyer's estimate or projection of its future anticipated requirements for Products and may be used for planning purposes only. A FPV is not a binding commitment by Buyer to purchase the volume specified in the FPV and Buyer does not warrant its accuracy or completeness. Unless otherwise authorized in writing by Buyer, Buyer commits to a maximum lead time of eight (8) weeks for raw materials or components necessary for the supply of Products. Seller assumes the risks associated with lead times for raw materials and/or components that exceed the shorter of lead times provided in (i) these Terms, (ii) the Order or (iii) Releases. Buyer may require Seller, at Seller's expense, to participate in electronic data interchange or similar inventory management program for notification of Releases, shipping confirmation and/or other information relating to the Order.

(c) Capacity. Seller shall maintain production and delivery capacity so that deliveries of Products can be made in strict accordance with Releases plus an additional twenty percent (20%). Buyer at its option, may draw down such inventory and in such event, Seller shall have a reasonable time to replenish the inventory. Seller shall immediately inform Buyer if there is any risk of deviation from the Releases and capacity requirements and shall take all available measures to avoid such deviation.

## **5. Packing, Marking, and Delivery Schedules.**

(a) Ingredients. Seller will promptly furnish to Buyer, in such form and detail as Buyer specifies: (i) a list of all ingredients in the Products, (ii) the amount of all ingredients, (iii) information concerning any changes in or additions to the ingredients, and (iv) Seller's source of supply of the ingredients and materials that are incorporated into the Products. Prior to, and together with, the shipment of the Products, Seller will furnish to Buyer and all carriers sufficient written warning and notice (including appropriate labels on the Products, containers and packing) of any hazardous material that is an ingredient or a part of any of the Products, together with all special handling instructions, safety measures and precautions as may be necessary to comply with Applicable Laws (defined below), to inform Buyer and all carriers of any applicable legal requirements and to best allow Buyer and all carriers to prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Products, containers and packing.

(b) Packing and Shipment. Seller will (i) properly pack, mark and ship Products in accordance with applicable laws, regulations, rules, orders, conventions, ordinances, standards, and codes ("Applicable Laws") and sound commercial practices, and with any additional instructions specified by Buyer or any carriers, (ii) route shipments as Buyer instructs, (iii) not charge for costs relating to handling, packaging, storage or transportation (including duties, tariffs, taxes, fees, etc.) unless otherwise expressly stated in the Order or Individual Agreement, (iv) provide packing slips with each shipment that identify the Individual Agreement (if applicable), the Order, Release number and the date of the shipment, and (v) promptly forward the original bill of lading or other shipping receipt with respect to each shipment. Seller will correctly classify and identify the Products on bills of lading or other shipping receipts as Buyer or the carrier requires. The marks on each package and identification of the Products on packing slips, bills of lading and invoices must enable Buyer to easily identify the Products. Seller will pay all costs incurred by Buyer, including but not limited to costs charged by Buyer's customers to Buyer, as a result of Seller's failure to comply with packing and shipping requirements.

(c) On-Time Delivery. Time is of the essence with respect to delivery and other performance by Seller. Delivery must occur on the date directed by Buyer. If Seller fails to meet timely Buyer's delivery requirements due to Seller's acts or omissions, Seller shall be liable for any loss or damage incurred by Buyer as a result of the delay, and at Seller's expense, expeditiously deliver the Product as soon as possible and, for this purpose, and if necessary to assure timely delivery, must use premium wages, overtime, and expedited and/or premium shipment. In the event Buyer pays for premium shipments, at Buyer's option, Seller shall (i) promptly reimburse Buyer for the difference in cost between the more expeditious method and the original method, or (ii) allow Buyer to reduce its payment of Seller's invoices by the difference. Seller acknowledges that Buyer's customers rely upon Buyer's timely supply of conforming goods that incorporate the Products. If Seller anticipates any delay in the delivery of the Products, Seller shall promptly notify Buyer in writing of the cause thereof, and the estimated length of the anticipated delay. Due to the just-in-time nature of the supply chain in the automotive industry, Seller acknowledges that a delay in delivery of the Products to its customer will result in significant damages of both a monetary and a non-monetary nature that will be incurred by Buyer and its customer. If Buyer elects to extend the delivery schedule and/or waive other deficiencies in Seller's delivery performance, in Buyer's sole discretion, Buyer may make an equitable reduction in the Order or Individual Agreement price or set-off from Seller's invoices an amount to compensate Buyer for its damages. Seller acknowledges that remedies at law may be inadequate to protect Buyer against any actual or threatened breach of these Terms, an Individual Agreement or an Order by Seller, and Seller agrees that Buyer shall be entitled to seek injunctive relief in the event of any breach or threatened breach

of these Terms, Individual Agreement or Order. Should any delay exceed ten (10) calendar days, in addition to any other remedies at law or equity, Buyer shall have the right to partially or totally terminate these Terms, an Individual Agreement or Order with no further liability to Seller for the terminated portion of the Individual Agreement or Order.

(d) Risk of Loss. All shipments are at Seller's risk until receipt at Buyer's location or other final destination designated on the Individual Agreement or Order or other writing by Buyer. Buyer may specify different delivery terms on the Individual Agreement or Order, which delivery terms are defined in Incoterms 2020 published by the International Chamber of Commerce ("Incoterms"). Unless specified in an Individual Agreement or on the Order, Products shall be shipped DAP (Incoterms 2020). Seller shall insure the Products at their replacement value for the benefit of Buyer and Seller as their interest may appear and provide to Buyer proof of the insurance. If risk of loss is assumed by Buyer under Buyer's designated delivery term on the Individual Agreement or Order, all risk casualty insurance for replacement value must be provided by Seller for the benefit of Buyer. The cost of any insurance shall be paid by Seller unless otherwise agreed in writing by Buyer. Risk of loss shall not be governed by transfer of title.

(e) Title to Products. Products ownership is defined as 'title transfer our plant' (TTOP.) Unless otherwise specified in an Individual Agreement or Order, title to all Products shall vest in Buyer when the Products are received at Buyer's premises. Seller shall pay all taxes or fees related to possession, storage or transport of the Products until Buyer takes possession of the Products consistent with the Incoterms 2020 that govern an Individual Agreement or Order.

## **6. Prices and Payment Terms.**

(a) Prices. Seller shall manufacture, supply and deliver the Products for the duration of the Individual Agreement or Order at the complete and firm prices specified therein. Prices are not subject to increase unless specifically stated in the Order or an Individual Agreement, and Seller assumes the risk of any event or cause affecting prices, including without limitation, foreign exchange rates, export taxes, tariffs, duties, increases in raw material costs, inflation, increases in labor and other production costs, or any other event which impacts the price or availability of materials or supplies, and are inclusive of all federal, state, provincial, value added, and local taxes, duties, and tariffs applicable to the provision of the Products. Seller shall separately invoice Buyer for any sales, value added, or similar turnover taxes or charges that Seller is required by Applicable Laws to pay or collect from Buyer. If Buyer is required by Applicable Laws to withhold taxes for which Seller is responsible, Buyer shall deduct the withholding tax from payment to Seller and provide to Seller a valid tax receipt in Seller's name. If Seller is exempt from such withholding taxes as a result of a tax treaty or other regime, Seller shall provide to Buyer a valid tax exemption certificate at a minimum of 30 days prior to payment being due.

(b) Invoices. Seller will submit correct and complete invoices which comply with Applicable Laws, and requirements and instructions issued by Buyer (e.g., form, content, and method for submission of invoice).

(c) Payment Date. Payment terms are set forth in the Order or Individual Agreement. If the payment due date is not specified in the Individual Agreement or Order, the payment will be due ninety (90) days from the Payment Start Date. The "Payment Start Date" is the later of: i) the receipt and acceptance of Products at Buyer's facility; or (ii) Buyer's receipt of Seller's invoice. Buyer may withhold payment until a correct and complete invoice or other required information is received and verified. If the payment date is not a business day, payment shall be due the next business day thereafter. Payment shall be deemed to occur upon transmittal by Buyer of any paper draft or Buyer's wire transfer of payment

into the account of Seller.

(d) Setoff; Recoupment. In addition to any right of setoff or recoupment permitted by law, all amounts due Seller shall be considered net of indebtedness or obligations of Seller and its Affiliates to Buyer and its Affiliates. Buyer may set off against or recoup from any amounts due or to become due to Seller or its Affiliates, any amounts due to Buyer or its Affiliates, however and whenever arising. If an obligation of Seller to Buyer or any of its Affiliates is disputed, contingent or unliquidated, Buyer or any of its Affiliates may defer payment of all or any portion of the amount due until such obligation is resolved.

**7. Customs Related Matters.**

(a) Customs Invoice. If Products will cross an international border during delivery, Seller shall provide a commercial invoice in the form and content as required for customs clearance.

(b) Trade Agreements and Customs Documentation. Unless otherwise prohibited by Applicable Laws, transferable credits or benefits associated with Products purchased by Buyer belong to Buyer, including trade credits, export credits, or rights to the refund of duties, tariffs, taxes, or fees, and rights that may be acquired from Seller's supplier(s) that Seller can transfer to Buyer. Seller will provide Buyer and the appropriate governmental agency with all information and records relating to the Products and will cooperate as necessary for Buyer to (i) receive these benefits, credits, and rights, (ii) fulfill any customs obligations, (iii) claim preferential duty treatment under applicable trade preference regimes, and (iv) participate in any duty deferral or free trade zone programs of the country of import.

(c) Export Authorizations and Fees. Seller will obtain all export licenses and authorizations unless otherwise expressly agreed to in writing by Buyer, in which case Seller will provide all information and records necessary to enable Buyer to obtain those export licenses or authorizations. An Individual Agreement or Orders for Products to be produced in Mexico and other countries with IMMEX or similar programs shall be processed under such programs as may be requested by Buyer.

(d) Customs Regulations. Seller warrants that any information that is supplied to Buyer about the import or export of Products is true and accurate and all sales covered by an Individual Agreement or Order will be made at not less than fair value and under circumstances that will not give rise to the imposition of new anti-dumping and countervailing duties in connection with the Applicable Laws of the countries to which the Products are exported. To the extent that any Products are to be imported into the United States of America, Seller shall comply with all applicable recommendations or requirements of the Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism ("C-TPAT") initiative. Upon request, Seller shall certify in writing its compliance with the C-TPAT initiative and shall provide any supporting documentation requested by Buyer and/or the Bureau of Customs and Border Protection.

**8. Directed Supplier Relationship.** If a customer of Buyer (a "Directing Customer") recommends, suggests, or otherwise identifies Seller as the source from which Buyer is to obtain the Products (the "Direct Supply Relationship"), Seller shall comply with all provisions of an Order (including the terms of these Terms and Individual Agreements) even though Seller may have negotiated economics and other terms with the Directing Customer. A Directed Supply Relationship shall also exist when Buyer is limited as a practical matter to Seller for the Products required. At Buyer's request, Seller shall negotiate performance, pricing, quality, warranty and other contract issues relating to the Products with the Directing Customer and Buyer. Seller shall provide in writing all information relating to the Products, including the Products' design and performance approved by the Directing Customer and Buyer, design for interface of the Products with Buyer's Products, testing data and reports, and other matters which could affect Buyer's use of the Products. Buyer may require Seller to comply with both:



(i) the Directing Customer's terms and conditions of purchase as amended by Directing Customer; and  
(ii) the terms of the Order, these Terms, and Individual Agreements and to the extent there is a conflict with an Order, these Terms, Individual Agreements and Directing Customer's terms and conditions of purchase, Buyer may elect the provisions which apply. Notwithstanding anything to the contrary, in no event will Seller have a right to receive payment from Buyer for the Products in a Direct Supply Relationship except following, and in proportion to, Buyer's actual receipt of payment for those Products in which the specific Products are incorporated from the Directing Customer. Any lengthening of applicable payment terms to Buyer from Directing Customer will automatically lengthen the payment terms as between Buyer and Seller by an identical amount of time, and Buyer may, at its option and on notice to Seller, otherwise revise its payment terms for Products to take into account any other change in the payment terms of a Directing Customer for the Products under these Terms, an Individual Agreement or Order.

## **9. Quality and Inspection.**

(a) Quality Standards. Seller shall comply with the requirements and standards identified in the Quality Agreement.

(b) Nonconforming Products. Buyer may, but is not required, to inspect Products prior to use, and Buyer may reject an entire shipment based on sampling testing. Seller shall inspect the Products using reasonable commercial care prior to shipment. If Buyer rejects any Products as nonconforming, Buyer may, at its option, (i) reduce the quantities of Products ordered under the Individual Agreement or Order by the quantity of nonconforming Products; (ii) require Seller to replace the nonconforming Products; (iii) require Seller to inspect the Products and remove and replace nonconforming or defective Products; (iv) have the Products corrected at any time prior to shipment from Buyer's facility as Buyer deems necessary; and/or (v) exercise any other applicable rights or remedies, including but not limited to requiring Seller to reimburse Buyer for all reasonable expenses that result from any rejection or correction of defective Products. Defective Products not in conformity with Buyer's specifications, or the terms of these Terms, an Order, or Individual Agreements may be held by Buyer pending Seller's instructions at Seller's risk and expense and, if Seller so directs, may be returned at Seller's expense; provided, if Seller fails to provide written instructions within seven (7) days from notice, Buyer may return the Products freight collect, charge Seller for storage and handling, or otherwise dispose of them at Seller's expense. Payment for any nonconforming Products shall not constitute an acceptance of the nonconforming Products or waive Buyer's right to revoke acceptance, limit or impair Buyer's right to exercise any rights or remedies, or relieve Seller's responsibility for the nonconforming Products. Acceptance shall not release Seller's responsibility for defects, non-conformities, warranty or other claims and does not limit or impair Buyer's right to assert any legal or equitable remedy, whether or not acceptance has been revoked.

(c) Buyer's Access to Facilities/Accommodations. If Seller experiences any problems related to Seller's operations or performance under these Terms, Individual Agreement or Order, Buyer may, but is not required to, designate a representative to be present in Seller's applicable facility to observe Seller's operations and/or conduct an audit for quality, cost, or delivery verification. Seller will ensure that the terms of its contracts with its subcontractors provide Buyer and its customers with all of the rights specified in this Section. If Buyer provides to Seller any accommodations (financial or otherwise) that are necessary for Seller to fulfill its obligations under these Terms, Individual Agreement or any Order, Seller shall reimburse Buyer for all costs, including reasonable actual legal and other professionals' fees, incurred by Buyer in connection with the accommodation and shall grant a right of access to Buyer to use Seller's premises, machinery, equipment and other property necessary for the production of the Products (and a lien to secure the access right) under an access and security agreement prepared by Buyer.

**10. Service and Replacement Parts.** For Products used in the manufacture of motor vehicles, for a period of fifteen (15) years after Buyer completes current model purchases for its customer or such longer time as may be required of Buyer by Buyer's customer, and for Products not used in the manufacture of motor vehicles, for a period of twelve (12) years after Buyer purchases the Products, Seller shall sell to Buyer the quantity of Products needed to fulfill Buyer's and Buyer's customer's past model service and replacement requirements ("Service Parts"). All Service Parts shall be sold at the last price specified in the latest revision to the Individual Agreement or Order plus the actual cost differentials for unique packaging, materials and manufacturing as a result of service volume levels but in no case to exceed twenty (20%) percent of the price for the last production year. If the Service Parts are systems, modules or assemblies, Seller shall, upon request, sell the components or parts that comprise the systems, modules or assemblies at pricing that will not in the aggregate exceed the price of the system, module or assembly. During the fifteenth (15th) year of such period, Buyer and Seller shall negotiate in good faith with regard to Seller's continued manufacture of Service Parts.

**11. Warranties.**

(a) General. In addition to any express or implied warranties provided by law and regardless of Buyer's approval of Seller's specifications, designs, or other data, Seller warrants to Buyer and Buyer's customer(s) that all Products shall: (i) be new and conform to Buyer's applicable specifications, drawings, statements of work, designs, and other requirements of Buyer furnished by Buyer or otherwise obtained by Seller; (ii) be merchantable; (iii) be free from defect in design (to the extent designed by Seller or any of Seller's subcontractors, agents, or suppliers); (iv) before or after incorporation into other products during manufacture, be original to Seller to the extent Seller provides engineering, design, and development services, and not infringe any third-party's Intellectual Property Rights as defined below (v) be free from defects and of good workmanship and materials; (vi) be fit for the particular purposes for which they are purchased, including the specified form, fit, function, and performance as a component and in the component system, as a part of the final product subsystem, in the location within the final Products to be sold by Buyer and its customer and in the environment in which the Products are or reasonably may be expected to perform; (vii) be in strict compliance with all Applicable Laws of any jurisdiction in which the Products, and the products incorporating the Products, are manufactured and to be sold; (viii) be produced by experienced and well trained personnel in a professional and workmanlike manner and in accordance with industry best practices; and (ix) be free of implied, statutory, or any other types of liens, encumbrances, or other rights claimed by Seller to withhold delivery of the Products, and rights of third parties filed by Seller or anyone claiming under or through Seller against Buyer, the Products, the Furnished Property, the site for delivery or installation of the Products, or Buyer's customer, for materials, labor, services, equipment or goods furnished in connection with the production of the Products or Furnished Property. Whether or not Buyer has paid in full for the Products, Seller waives any right it may have pertaining to and agrees not to file or otherwise assert or prosecute or suffer or permit, any mechanic's, storage, materialman's, or other type of liens to be filed or continued against any property of Buyer. Upon demand by Buyer, Seller shall take any and all steps necessary for the immediate release and discharge of any lien that is filed by Seller's subcontractors in the manner required by Applicable Laws. Seller shall secure and furnish to Buyer and its customer, upon request, a waiver of lien from each Seller subcontractor. If there is any conflict or overlap of provisions regarding Seller's warranties, the more demanding provision shall apply. Any attempt by Seller to limit, disclaim, or restrict any warranties or remedies of Buyer, by acknowledgement or otherwise, in accepting or performing under these Terms, an Order, or Individual Agreement shall be null, void, and ineffective without Buyer's prior written consent.

(b) Warranty Period. Seller's warranties begin on the date of delivery to Buyer and, except in the event of a Recall or Remedial Action as described below, continue until the last to occur of the following:

(i) the warranty period offered by Buyer to its customer not to exceed the earliest of ten years or 100,000 miles, if incorporated into a vehicle; (ii) the period provided by Applicable Laws; or (iii) the warranty period Buyer's customer offers to end-users of the Products or for the products into which the Products are incorporated.

(c) **Recalls.** Notwithstanding the expiration of the warranty period set forth above or in an Individual Agreement or Order, if Buyer or its customer, voluntarily or pursuant to a government mandate or requirement, including a request or order from an appropriate government agency or non-governmental organization, makes an offer to owners of vehicles (or other finished products) on which the Products, or any parts, components or systems incorporating the Products, are installed to address a defect or condition in the Product that relates to safety or the failure of the Product to comply with any Applicable Laws, safety standard or guideline, Seller shall bear the cost and expense of any Recall Campaign or any other customer satisfaction or corrective service action (a "Remedial Action") and shall, without charge, provide replacement Products as needed. Seller shall reimburse Buyer for all costs, damages and expenses (including reasonable attorney fees) incurred by Buyer or its Affiliates arising out of a Recall Campaign or Remedial Action in which any Products supplied by Seller are alleged to be defective or otherwise in breach of these Terms, the Order, or Individual Agreements. Buyer shall give written notice to Seller, keep Seller informed and consult with Seller on actions to be taken. Seller shall immediately notify Buyer of any information Seller may possess regarding any incidents related to the Products and shall fully cooperate with Buyer in responding to inquiries by any federal and state agency related to the Products. Buyer shall have the right to perform a full investigation. Seller shall supply to Buyer all field and production tests and repair/replacement parts for parts and components necessary to correct any defect or alleged defect in the Products. The term "Recall Campaign" shall mean any systematic effort to locate, replace, or modify Products, suspected, believed, or known to be, defective and installed in vehicles or vehicle components. Seller shall replace, repair, modify, or correct such Products, and bear the cost and expense of any Recall Campaign or Remedial Action, regardless of whether such Recall Campaign or Remedial Action is initiated by Buyer, Buyer's customer, any governmental or regulatory body, or any other entity.

**12. Competitiveness.** Seller will assure that the Products remain competitive in terms of price, technology, design, quality, and other material terms with similar products and services available to Buyer. In the reasonable opinion of Buyer, if the Products do not remain competitive, Buyer to the extent legally permissible will advise Seller in writing of the area(s) in which another product or service is more competitive with respect to price, technology, design, quality, or other material term of sale or service. If, within sixty (60) days after Buyer notifies Seller of such issue, Seller fails to re-establish its competitive position to the reasonable satisfaction of Buyer, upon written notice to Seller, Buyer may terminate, in whole or in part, the Order or Individual Agreement for Cause as defined below.

**13. Remedies and Indemnification.**

(a) The rights and remedies reserved to Buyer in these Terms, Individual Agreement and/or Order shall be cumulative with and in addition to all other legal or equitable remedies available to Buyer, including but not limited to specific performance when monetary damages are not a sufficient remedy for any actual, anticipated or threatened breach of the Order, these Terms, or an Individual Agreement, and/or recovery of Buyer's reasonable attorneys' fees and expenses. Seller is liable for all damages incurred by Buyer, including but not limited to compensatory, indirect, special, punitive, exemplary or consequential damages, including damages for lost profits or other damages directly or indirectly related to profits, fines, penalties, charges, assessments or other costs, incurred by Buyer as a result of Seller's breach, including but not limited to: (I) breach of or threat to breach any representation, warranty, or obligation set forth in the Order, these Terms, or an Individual Agreement; (II) failure to provide

adequate assurance of timely or proper performance of an obligation under an Order, these Terms, or an Individual Agreement; (III) commencement of a bankruptcy, insolvency, receivership, or similar proceeding, making a general assignment for the benefit of creditors, or commencement by a third party that is not dismissed within thirty (30) days after commencement; (IV) change in control of Seller as defined below; or V) need for an accommodation, financial or otherwise, by Buyer not contemplated by the Order, these Terms, or an Individual Agreement. Such damages shall include but not be limited to costs, expenses and losses incurred directly or indirectly by Buyer: (i) in connection with inspecting, sorting, storing, reworking, repairing or replacing the nonconforming Products; (ii) resulting from production interruptions; (iii) conducting or participating in Remedial Action(s) or Recall Campaigns, including without limitation the amounts paid to distributors and dealers for materials and replacement parts (including reasonable markup to recover administrative costs or other capital expenses) and the labor costs to perform such work; or (iv) resulting from personal injury (including death) or property damage caused by the nonconforming Products. Buyer's damages include reasonable attorneys' fees, and other professional fees, settlements and judgments incurred by Buyer and other costs associated with Buyer's administrative time, labor and materials.

(b) Seller, at its expense, shall defend, indemnify, and hold harmless Buyer, its Affiliates, its owners, shareholders, directors, officers, members, managers, partners, successors, assigns, and customers, and their respective employees, agents, contractors, or representatives (each individually an "Indemnified Party" and collectively "Indemnified Parties") with respect to any claim, demand, action, suit, application, cause of action, assessment, charge, judgment, debt, liability, cost, expense (including reasonable attorney's and other professional fees and costs of investigation, settlement, and defense), damages, including damages to property and for personal injury (including death), or economic loss, contingent or otherwise, including loss of value (collectively, a "Claim") that may be brought against an Indemnified Party directly or indirectly related to (i) nonconforming Products, whether or not incorporated into another product, if the Claim was not caused solely by Buyer or a third party; (ii) any wrongful or negligent act or omission of Seller, its agents, employees, or subcontractors or breach of the Order, these Terms, or an Individual Agreement; (iii) any injury (including death) to persons or damage to property during the performance by Seller, its agents, employees, or subcontractors of work or services, including but not limited to work performed on the premises of Buyer or one of Buyer's customers, except to the extent that any such injury (or death) or damage is due solely and directly to the negligence of Buyer or its customer; (iv) the selection, manufacture, installation, use, possession, storage, or repair of Furnished Property (as defined below) by or on behalf of Seller; (v) any countervailing duties or other customs related taxes, tariffs, or other charges, or penalties which may be imposed and, to the extent permitted by law, any preliminary dumping duties that may be imposed on the sale of Products; (vi) any lien by a subcontractor of Seller or any lower tier subcontractor engaged by Seller, including a third party toolmaker; and (vii) any violation of Applicable Laws.

#### **14. Insurance and Performance on Buyer's Premises**

(a) **Insurance.** Seller shall obtain and maintain with companies reasonably acceptable to Buyer insurance coverage in the following minimum amounts (or equivalent amounts in local currency) or as may be reasonably requested by Buyer addressing risks arising from or relating to its provision of Products pursuant to an Order, these Terms, or an Individual Agreement, in each policy with worldwide coverage: extended product liability insurance and recall insurance, providing for adequate coverage, but not less than (i) in case of the extended product liability insurance: US\$ 10,000,000 per claim for personal injuries and property damage (including exclusive pecuniary losses) and a maximum annual indemnity limit of no less than US\$ 20,000,000, and (ii) in case of recall insurance: US\$ 5,000,000 per claim and per insurance year; workmen's compensation - statutory limits for jurisdictions in which work is to be performed; employer's liability-\$1,000,000 each accident for bodily injury or each employee for bodily injury by disease; commercial general liability-\$10,000,000 per occurrence and general

aggregate, products and completed operations aggregate; automobile liability/bodily injury-\$5,000,000 per person and \$10,000,000 per occurrence; and property damage-\$5,000,000, as well as fire and extended coverage insurance for the full replacement value of all Furnished Property and Seller's Equipment as defined below. Seller waives subrogation against Buyer. Buyer shall be named as an additional insured under the product liability policies. Seller shall furnish to Buyer a certificate of insurance completed by its insurance carriers certifying that the required insurance coverages are in effect and will not be canceled or materially changed until 30 days after prior written notice has been delivered to Buyer. The certificate shall set forth the amount of each coverage, number of the policy, date of expiration. If Seller is a self-insurer of workers compensation liability as may be permitted by Applicable Laws, Seller shall furnish Buyer a certificate of the government authority of the jurisdiction in which any labor is to be performed approving the self-insurance. The purchase of the required insurance coverage or the furnishing of a certificate shall not be a satisfaction of Seller's liability hereunder, or in any way modify or limit Seller's obligation to indemnify Buyer or comply with any other requirement under an Order, these Terms, or an Individual Agreement.

(b) Performance on Buyer's Premises. If Seller performs work on Buyer's or its customer's premises or utilizes the property of Buyer or its customer, Seller shall take all necessary precautions to prevent the occurrence of any injury (including death) to persons or damage to property during the progress of Seller's performance and shall ensure that its employees, agents, and subcontractors comply with all Applicable Laws and with Buyer's or its customer's work rules, safety, and environmental procedures and standard practices. Unless otherwise agreed in writing, Buyer or its customer (as bailor) provides their respective property to Seller (as bailee) on an AS-IS WHERE-IS basis, without warranty of any kind, express or implied.

#### **15. Compliance with Laws.**

(a) Applicable Laws and Regulations. Seller will comply with the Applicable Laws of the country where the Products are provided, manufactured and/or the country of destination, including without limitation those related to (i) the manufacture, labeling, transport, import, export, licensing, approval, or certification of the Products, (ii) all Federal, State, and Local Applicable Laws in connection with Seller's performance of its obligations under the Order, these Terms, or an Individual Agreement; and (iii) Applicable Laws relating to environmental and safety standards, warnings, and requirements, hiring, wages, hours, and conditions of employment, subcontractor selection, discrimination, occupational health or safety, data privacy, and motor vehicle safety.

(b) Compliance Policies. Seller is required to comply with the Supplier Code of Conduct and all Applicable Laws.

#### **16. Buyer's Property.**

(a) Ownership. All tooling, jigs, dies, gauges, fixtures, molds, patterns, supplies, materials, and other equipment and property (and all related appurtenances, accessions and accessories, substitutions and replacements) furnished to Seller by Buyer or its customer, or acquired or developed by Seller but paid for, or to be paid for, by Buyer or its customer (whether paid separately or amortized in the price of the Products) (collectively, "Furnished Property") shall be and remain exclusively the personal property of Buyer or its customer. Furnished Property used by Seller to manufacture, store, and transport Products will be held as an at will bailment in trust for the benefit of Buyer or its customer. Title to Furnished Property that is acquired by Seller or its contractors, and the components thereof, shall vest in Buyer upon acquisition or production of the Furnished Property whether or not the Furnished Property has been

completed or fully paid. Seller will assign to Buyer or its customer contract rights or claims in which Seller has an interest with respect to Furnished Property and upon request, sign separate at-will bailment, bills of sale, financing statements, and other agreements confirming Buyer's or Buyer's customer's ownership of the Furnished Property. Seller shall properly mark all Furnished Property as the property of Buyer or respectively its customer. To the extent not manufactured or designed by Seller, Seller shall not observe, study, disassemble, reverse engineer, test or otherwise try to determine the composition or functioning of Furnished Property.

(b) Maintenance and Taxes. At Seller's expense, Seller shall install, maintain, repair, and replace the Furnished Property to keep the Furnished Property in good condition and working order, reasonable wear and tear excepted, during production the provision of service and replacement parts. Unless otherwise agreed by Buyer in writing, Seller shall use the Furnished Property only for the manufacture, storage, and transport of Products for Buyer. Seller is responsible for the cost of repairing or replacing the Furnished Property if it is stolen, damaged, or destroyed regardless of cause or fault. Each individual item of Furnished Property (and the container in which it may be stored) shall be conspicuously identified as the property of Buyer or its customer. Seller shall ensure that the Furnished Property is safely stored and not commingled with the property of Seller or with that of a third person. Seller will not remove the Furnished Property from Seller's premises or other location approved by Buyer without Buyer's written approval. Seller shall pay all taxes assessed against, or due to use of, the Furnished Property while in Seller's possession or control, whether or not Buyer is required by Applicable Laws to pay such taxes.

(c) Price. The price of Furnished Property charged to Buyer shall not exceed the lesser of (i) the maximum price specified in an Individual Agreement or Order; (ii) Seller's actual cost of acquiring the Furnished Property without any mark-up; or (iii) Seller's actual direct costs of materials, components, and services plus Seller's actual cost of labor and overhead allocable to the Furnished Property if manufactured by Seller. The price set forth in the Individual Agreement or Order will be adjusted to credit Buyer in the amount, if any, by which the price exceeds Seller's actual cost as verified by Buyer.

(d) Warranty Disclaimer; No Liability; Risk of Loss. Seller accepts the Furnished Property "AS IS" "WHERE-IS" and without any representation, warranty or duty from Buyer except as may be specifically stated in an Individual Agreement or Order. It is Seller's obligation to determine if the Furnished Property is suitable for its intended purpose. ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT OF BUYER AND ITS CUSTOMER ARE DISCLAIMED. While in Seller's custody and control, Buyer shall not be liable and Seller shall assume all risks associated with Furnished Property, including but not limited to any loss, damage, injury, or expense of any kind or nature caused, directly or indirectly, by Furnished Property, including, without limitation any indirect, special, or consequential damages.

(e) Third Party Toolmaker. If all or part of the fabrication, modification, repair or refurbishment of the Furnished Property will be subcontracted to a third-party toolmaker, Seller will: (i) identify the toolmaker and location of the Furnished Property in an advance written notice to Buyer; (ii) inform the toolmaker in writing that it is a bailee-at-will, through Buyer, of the Furnished Property; and (iii) be solely responsible for payments to the toolmaker. If a subcontractor brings an action against Seller for payment of the Furnished Property, Seller shall not join Buyer in the action.

(f) Right to Retake Possession; Return. Seller agrees that Buyer or its customer has the right, at any time and from time to time, with or without reason and without payment of any kind, to retake possession or request the return of the Furnished Property. Upon Buyer's request for the return of Furnished

Property to Buyer, Seller shall at its expense prepare Furnished Property for shipment. Seller shall deliver the Furnished Property to Buyer or its customer at Buyer's or its customer's expense in the same or equal condition as originally received by Seller, reasonable wear and tear excepted. Without further notice or court hearings, which rights, if any, are waived, Buyer, its customer or applicable designee(s) will also have the right to enter Seller's premises and take possession of all the Furnished Property. Seller acknowledges that a claim for damages is an adequate remedy and shall have no right to retain possession of Furnished Property to secure payment of amounts owed for Products or for any other reason. Seller waives any statutory or other rights to claim a lien on Furnished Property.

17. **Seller's Equipment.** At Seller's expense, Seller will furnish, keep in good condition, and replace when necessary all its machinery and equipment, including related tooling, jigs, dies, gauges, fixtures, molds, patterns and other accessories, required for the production of Products (collectively, "Seller's Equipment"). If Seller uses Seller's Equipment to produce goods or services similar to the Products for other customers, including aftermarket customers, Seller will not disclose or imply in its marketing efforts that such goods or services are equivalent to those purchased by, or configured for, Buyer. Seller grants Buyer an irrevocable option to take possession of, and title to, all or part of Seller's Equipment that is special for the production of the Products. Buyer may exercise this option upon payment to Seller of the lower of (i) Seller's net book value of such Seller's Equipment (i.e., actual cost less amortization) or (ii) the then current fair market value of Seller's Equipment, less any amounts that Buyer has previously paid to Seller on account of such Seller's Equipment. The foregoing option will not apply to the extent that Seller's Equipment is used to produce goods that are the standard stock of Seller and are being sold by Seller to other customers. Buyer's right to exercise the foregoing option is not conditioned on Seller's breach or Buyer's termination of an Order or an Individual Agreement or upon payment of any other amounts due under the Order or Individual Agreement.

18. **Intellectual Property.**

(a) **Definition.** The term "Intellectual Property" shall mean any and all known or hereafter existing patents, utility models, design patents, rights associated with works of authorship including copyrights, mask work rights, and moral rights, trademarks or service mark rights, trade names, trade dress, trade secrets, know-how, concepts, ideas, discoveries, inventions (whether or not patentable), processes, developments, designs, materials, improvements, artwork, software, documentation, and other intellectual property/proprietary rights, rights in tangible and intangible assets of a proprietary nature, domain names, company names, and the like. "Intellectual Property Rights" means all forms of Intellectual Property protection or proprietary rights available in jurisdictions throughout the world, including, but not limited to, registrations, applications, renewals, extensions, or reissues of the foregoing.

(b) **Infringement Indemnity.** At Seller's expense, Seller shall defend, indemnify and hold harmless Buyer, its Affiliates, owners, shareholders, directors, officers, members, managers, partners, successors, assigns, employees, agents, representatives, customers, and users with respect to every suit, action, proceeding, or claim that may be brought against Buyer or others that use the Products, for any actual or alleged direct or contributory infringement of or inducement to infringe or violate any third party's Intellectual Property or Intellectual Property Rights and against any resulting damages or expenses (including reasonable attorney's and other professional fees and costs of investigation, settlement, and defense) arising out of or relating to the manufacture, marketing, sale, or use of the Products, including cases in which Seller has provided only part of the Products: (i) alone; (ii) in combination by reason of their content, design or structure; or (iii) in combination in accordance with Seller's recommendations or deliverables. Seller shall investigate and defend every such claim, and at Buyer's request, assist Buyer

in Buyer's investigation, defense or handling of any such claim. Seller shall pay all expenses and damages or settlement amounts that Buyer and others selling Buyer's products or using the Products may sustain by reason of each such indemnified claim. If the use or sale of the Products is enjoined, Seller shall, at its own expense and at Buyer's option, either: (a) procure the right to continue using the Products; (b) replace the Products with a non-infringing equivalent provided there is no loss of functionality or performance; or (c) remove the Products and refund the purchase price and any applicable transportation and installation costs thereof. Seller's obligations shall apply even though Buyer furnishes all or any portion of the design and specifies all or any portion of the processing used by Seller and, unless Seller provides a non-infringing equivalent acceptable to Buyer and its customer, even if Buyer has notice of a claim of infringement and continues to use Seller's Products.

(c) Ownership. All Products, Furnished Property, and technical or other information, data, know-how, designs, inventions, discoveries, ideas, and deliverables, along with any improvements, which include Intellectual Property created, developed, conceived, or first reduced to practice by or on behalf of Seller, along with all Intellectual Property needed to manufacture, sell, or use the Products ("Developments"), are the sole and exclusive property of Buyer. Seller agrees that the price of the Products includes reasonable consideration for Developments. Seller shall promptly disclose the full details of such Developments in an acceptable form and assign to Buyer all such Intellectual Property. Seller shall cause its employees to promptly sign any papers necessary to enable Buyer to file applications for patents throughout the world and to record rights in and to such Intellectual Property. To the extent that the Intellectual Property includes any works of authorship created by or on behalf of Seller, such works shall be considered "works made for hire", and to the extent that such works do not qualify as "works made for hire," Seller shall, and hereby does, assign to Buyer all right, title, and interest in all copyrights and moral rights therein. Further, to the extent "works made for hire" or moral rights cannot be assigned under Applicable Laws, Seller waives and agrees not to assert ownership of any works of authorship or any moral rights and consents to Buyer's assertion of ownership of "works made for hire" or moral rights.

(d) License. Seller grants to Buyer, its parent, subsidiaries and affiliates, and their respective successors and assigns, and Buyer accepts, a non-exclusive, irrevocable, royalty-free, fully paid up worldwide license, including the right to sublicense to others in connection with providing the Products to Buyer or Buyer's customer, under: (i) any Intellectual Property owned or controlled by Seller or its Affiliates, and relating to the Products or deliverables, to make, have made, repair, reconstruct, rebuild, relocate, use, sell, and import the Products or deliverables, and any improvements or derivatives thereof, and (ii) any works of authorship fixed in any tangible medium of expression (including drawings, prints, manuals and specifications) furnished by Seller in the course of Seller's activity under these Terms, Individual Agreements, or Orders, to reproduce, distribute and display such works and to prepare derivative works based thereon, subject to the other provisions of the Order, these Terms, or Individual Agreement (all items in clauses (i) and (ii) above, collectively, "Seller's Intellectual Property", and the license granted in Seller's Intellectual Property, the "License"). Seller acknowledges and agrees that the License shall be effective from the first date of delivery of Products, or Furnished Property and extend for so long as Buyer is obligated to sell products incorporating the Products.

(e) Disclosure Regarding Patents. Seller shall specifically identify in a writing delivered to Buyer prior to any shipment of Products, all components, processes, tooling or equipment used in the production of the Products that are subject to any patent of Seller or third party and all concepts, ideas, deliverables, and technologies used to provide the Products that are subject to any Intellectual Property Rights of Seller or a third party. Seller shall obtain from third parties for the benefit of Seller, Buyer, and Buyer's subcontractors and customers, any rights necessary to make, use and sell, receive and use deliverables from, the Products. Seller shall ensure that the terms of its contracts with its subcontractors



and employees are consistent with the terms of this Section.

(f) **Confidential Information.** If the Parties have entered into a nondisclosure agreement (the “NDA”), then the provisions of the NDA shall be deemed to be incorporated into these Terms, Individual Agreements and/or Orders and the term of the NDA shall continue for the longer of the term of any Order or an Individual Agreement between Buyer and Seller. If Buyer or any of Buyer’s Affiliates that have issued Orders to and/or have entered into Individual Agreements with Seller and/or any of Seller’s Affiliates has/have not entered into a NDA with Seller or any of its Affiliates, this Section shall apply. Seller will (i) keep all of Buyer’s Confidential Information (as defined below) confidential and disclose it only to its employees and contractors who need to know such Confidential Information in order for Seller to supply Products to Buyer under the Individual Agreement or Order, (ii) use the Confidential Information solely for the purpose of supplying Products to Buyer, and (iii) not release any public statement regarding involvement in the Order, these Terms, or an Individual Agreement. Seller shall not disclose or imply in its marketing that any of Seller’s other products or services are equivalent to the Products purchased by Buyer. Products provided based on Confidential Information may not be used for Seller’s own use or sold to others or utilized by Seller on behalf of itself or third parties without the prior express written consent from Buyer. “**Confidential Information**” means all information provided to Seller by Buyer in connection with its business, programs, Products, including, without limitation, pricing, payment and other terms of the Order, these Terms, or an Individual Agreement, specifications, data, formulas, compositions, designs, sketches, photographs, samples, prototypes, test requirements, test vehicles, manufacturing, packaging or shipping methods and processes, and computer software and programs (including object code and source code). Confidential Information also includes any materials or information that would be treated as confidential, proprietary, or sensitive in nature by any reasonable business person, as well as any materials or information that contain, or are based on, any Confidential Information, whether prepared by Buyer, Seller, Buyer’s customer or any other person. Upon request Seller will promptly return to Buyer or destroy the original and all copies of Confidential Information.

## 19. **Term and Termination.**

(a) **Initial and Renewal Terms.** If a specific term is stated in an Order or Individual Agreement, it shall continue for such period (the “Initial Term”) and shall be renewed or expire as described therein. If there is no specific term, the Order or Individual Agreement shall continue for the life of the programs for which the Products are used or sold by Buyer, subject to Buyer’s right to terminate as provided in these Terms, an Order, or an Individual Agreement. Except for Orders or Individual Agreements that are not renewed as provided below, the Order or Individual Agreement will renew automatically for a renewal term of the same duration as the Initial Term (“Renewal Term”).

(b) **Non-Renewal.** Buyer or Seller may elect not to renew the Individual Agreement or Order, in whole or in part, at the end of the Initial or any Renewal Term by providing written notice to the other Party. The Parties may only make this election as follows: (i) Buyer will provide its written notice at least one-hundred twenty (120) days prior to the expiration of the Order or Individual Agreement; (ii) Seller will provide its written notice sufficiently in advance of the expiration date of the Order or Individual Agreement to enable Buyer to re-source the Products in a timely manner, but in no case later than one-hundred twenty (120) days prior to the expiration of the Order or Individual Agreement. Seller’s rejection of an amendment to an Order or Individual Agreement does not constitute non-renewal of the Order or Individual Agreement.

(c) **Optional Extended Term.** Upon receipt of written notice from Seller of non-renewal of the Order or Individual Agreement, Buyer has the right to extend the term of the Order or Individual Agreement

for a period of up to four (4) months beyond the non-renewal of the Order or Individual Agreement (the "Extended Term"). Buyer will provide Seller with written notice of any Extended Term at least thirty (30) days prior to the expiration based on non-renewal of the Order or Individual Agreement. The written notice will specify the Extended Term (up to 4 months) and Buyer's requirements. Prices and all other terms and conditions will remain in effect during the Extended Term.

(d) Termination for Other than Default. Buyer may at its option immediately terminate all or any part of an Order or an Individual Agreement at any time and for any reason or no reason, by giving written notice to Seller. Seller shall cooperate with Buyer in any transfer of production or other performance to a new supplier and/or the transfer of title and delivery to Buyer of the items purchased by Buyer pursuant to this Section. Upon a termination pursuant to this Section, Buyer shall pay to Seller the following amounts without duplication: (i) the price under the Order or Individual Agreement for all conforming Products as ordered by Buyer which have been completed and not previously paid; (ii) the reasonable, actual, direct, and documented costs of merchantable and useable work-in-process, raw materials, and parts and components reasonably incurred by Seller in furnishing the Products under an Order or Individual Agreement that are not usable by Seller for any other purpose, provided that the foregoing shall not exceed eight (8) weeks with respect to raw materials, parts, and components unless otherwise authorized by Buyer in writing; (iii) any unpaid balance on Furnished Property upon receipt by Buyer; less, (iii) the reasonable value or cost (whichever is higher) of any Products or materials used or sold by Seller with Buyer's written consent and of the cost of any damaged or destroyed Products, materials or Furnished Property. Notwithstanding the foregoing or any transfer to Buyer, Buyer shall not be liable to pay for finished Products, work-in-process, or raw materials in amounts in excess of those authorized in Releases, an Order, or Individual Agreement, for any undelivered Products that are usable or marketable by Seller, or for any finished Products or materials that are not promptly delivered after request by Buyer. Payments made under this Section shall not exceed the aggregate price payable by Buyer for the Furnished Property, or for Products and materials specified in a Release, Order, or Individual Agreement prior to termination. Buyer shall not be liable for, and shall not be required to make, any other payments to Seller, directly or on account of claims by Seller or Seller's suppliers or subcontractors, arising from termination of an Order or Individual Agreement, including for example only, for loss of anticipated profit or revenue or opportunity, for business interruption, unabsorbed overhead, product development and engineering costs, facilities and equipment, unamortized depreciation costs, or interest on claims. Within 60 days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer with sufficient supporting data to permit Buyer's audit and such additional information as Buyer shall request. Buyer shall have no obligation to Seller under this Section if Buyer terminates its obligations under an Order or Individual Agreement because of a default or breach by Seller, and any termination shall be without prejudice to any claims Buyer may have against Seller. In the event of a termination of the Order or Individual Agreement by Buyer as a result of Buyer's customer's cancellation of a vehicle program, Buyer shall only be obligated to compensate Seller for any costs under this Section if, when, and to the extent that Buyer's customer reimburses Buyer for such costs. Payment under this Section shall constitute the exclusive liability of Buyer if an Order or Individual Agreement is terminated by Buyer under this Section. Seller has no right to terminate an Order or Individual Agreement.

(e) Termination for Cause. Buyer may terminate all or any part of an Order or an Individual Agreement for Cause without any liability to Seller or obligation to purchase raw materials, work-in-process, or finished Products, effective upon delivery of written notice to Seller or such other date specified by Buyer in writing. "Cause" for termination includes, but is not limited to, any of the following events: (i) Seller's breach; (ii) a change of control of Seller as a result of the sale of a substantial portion of Seller's assets, or a merger, sale or exchange of stock or other equity interests ("Change of Control"); (iii) Seller's failure to remain competitive in terms of price, technology, design,

quality, delivery, service, or other materials terms of these Terms, an Order, or an Individual Agreement as defined above; (iv) Seller admits in writing its inability to pay its debts as they become due, commences a bankruptcy, insolvency, receivership, or similar proceeding, or makes a general assignment for the benefit of creditors; (v) Seller becomes a debtor in a bankruptcy, insolvency, receivership, or similar proceeding commenced by a third party that is not dismissed within thirty (30) days after commencement; or (vi) an accommodation, financial or otherwise, by Buyer not contemplated by these Terms, an Individual Agreement, or an Order is necessary for Seller to meet its obligations. Seller will reimburse Buyer for all costs Buyer incurs in connection with any of the foregoing, including, but not limited to, reasonable attorneys' fees and other professional fees, settlements and judgments incurred by Buyer.

(f) **Transition of Supply.** In connection with Buyer's termination or non-renewal of an Order or an Individual Agreement, Seller shall cooperate with Buyer in the transition of the Products, as follows: (i) Seller shall continue production and delivery of all Products ordered by Buyer, at the prices and other terms stated in an Order or Individual Agreement, without premium or other condition, during the entire period reasonably needed by Buyer to complete the transition to an alternate supplier(s), without interruption to Buyer's ability to obtain the Products as needed; (ii) at no cost to Buyer, Seller shall promptly provide all requested information and documentation regarding the supply of the Products, including access to Seller's manufacturing and other processes, on-site inspections, bill-of-material(s), tooling, equipment, and operational detail, samples of the Products and components, technical information, drawings, concepts, identification of sub-suppliers or third party consultants or contractors, and other information reasonably requested by Buyer regarding the provision of the Products; and (iii) subject to Seller's reasonable capacity constraints, Seller shall provide overtime production, storage, delivery, and/or management of extra inventory of the Products (parts bank), extraordinary packaging and transportation and other special services as expressly requested by Buyer in writing (collectively, "Transition Support"). If the transition of supply of the Products occurs for reasons other than Seller's breach and the Transition Support is requested by Buyer, Buyer shall, at the end of the transition period, pay the reasonable, actual, documented, direct costs of Transition Support incurred by Seller, provided that Buyer must approve Seller's estimate of Transition Support costs in writing prior to Seller incurring such costs.

**20. Assignment, Change in Control, and Subcontracting.** Buyer may assign or subcontract any of its rights or obligations and Seller waives any right to demand adequate assurances of performance. To the extent permitted by Applicable Laws, without the prior written consent of Buyer, Seller shall not assign these Terms, an Order, or an Individual Agreement or any interest therein, enter into a transaction that results in a Change in Control of Seller, or assign any payment due or to become due to Seller, which assignment shall be void and not binding on Buyer. Subcontracts related to Seller's performance under these Terms, an Order, or an Individual Agreement shall automatically be for the benefit of Buyer without obligating Buyer. Seller is responsible for all actions or inactions of any subcontractor.

**21. Force Majeure.** A delay or failure of either Party to perform its obligations under these Terms, an Order, or an Individual Agreement will be excused and will not constitute a breach only if, to the extent, and for the duration the Party is prevented from performing such obligations specifically due to an unforeseeable event or occurrence beyond its reasonable control and which could not be prevented by the exercise of due care, including but not limited to fire, flood, earthquake, and other extreme natural events, acts of God, riots, civil disorders, and war or acts of terrorism whether or not declared as such by a government. Seller's delay or inability to perform due to Seller's insolvency or lack of financial resources is deemed to be within Seller's control. The change in cost or availability of materials or components, customs duties, tariffs, or similar costs imposed by the government, contract disputes or any labor disruption applicable to Seller, or any of its subcontractors or suppliers, will not excuse Seller's performance (under theories of force majeure, commercial impracticability or otherwise), and Seller

assumes these risks. A delay or failure to perform by Seller will be excused pursuant to this Section only if: (i) as soon as possible (but no more than one full business day) after the occurrence, Seller provides written notice describing the delay and providing the anticipated duration of the delay; (ii) Seller produces and maintains a Product inventory to ensure an adequate supply of the Products for at least thirty (30) days; and (iii) Seller uses all commercially reasonable efforts to resume the supply of the Products. During the delay or failure to perform by Seller, Buyer may at its option in addition to any other rights Buyer may have under Applicable Laws: (a) purchase Products from other sources and reduce quantities ordered, without liability to Buyer; (b) require Seller to deliver to Buyer all finished goods, work in process and parts and materials produced or acquired for work under the Order or Individual Agreement, freight prepaid; (c) have Seller provide the Products from other sources in quantities and at a time requested by Buyer and at the price set forth in the Order or Individual Agreement, or (d) have services rendered from other sources at Seller's expense. Upon Buyer's request, within ten (10) days (or such shorter period as Buyer requires) Seller shall provide adequate assurances that any delay will not exceed thirty (30) days, or if any delay lasts longer than thirty (30) days, Buyer may terminate the Order or Individual Agreement for Cause and Seller shall reimburse Buyer for costs associated with the termination.

22. **Applicable Law and Jurisdiction.** These Terms, an Order, or an Individual Agreement shall be governed by and construed in accordance with the laws of the country where Buyer's receiving location is located, excluding conflict of law provisions and the United Nations Convention on Contracts for the International Sale of Goods (the "CISG"). For all disputes arising out of or in connection with these Terms, an Order, or an Individual Agreement or their validity, the courts shall have exclusive jurisdiction that have general jurisdiction at Buyer's registered office.

23. **Audit Rights.** Buyer may upon prior written notice send its authorized representatives to inspect all pertinent facilities, materials, including but not limited to Furnished Property, Seller's Equipment, and Products, and audit relevant books, records, income statements, balance sheets, cash flow statements, payroll data, receipts, and other supporting data, including Seller's policies, in the possession or under the control of Seller relating to any of Seller's obligations under an Order, these Terms, or an Individual Agreement, or any payments requested by Seller pursuant to an Order, these Terms, or an Individual Agreement. Upon Buyer's request, at any time, Seller shall provide a cost/price breakdown in connection with the Products, including any parts and materials incorporated into the Products, Furnished Property, and Seller's Equipment, and at Buyer's option, copies of Seller's cancelled checks and bank statements, and any other information necessary for Buyer to confirm the existence or absence of liens, rebates, credits, or discounts provided to Seller by a third party that relates to the Products, Furnished Property, or Seller's Equipment. Seller will not disclose to any third party, except for its attorneys and professional advisors, the results of audits or any adjustments made by Buyer to the prices and amounts payable to Seller for the Products, Furnished Property, or Seller's Equipment as a result of such audit. Seller shall maintain books and records relating to an Order, these Terms, or an Individual Agreement for a period equal to the greater of six (6) years after completion of final delivery of the Products or as required by Applicable Law and make such books and records available to Buyer at its request. If Seller does not provide access and documentation, Buyer may determine in its reasonable discretion an appropriate adjustment to the price of the Products and/or Furnished Property based on information available to Buyer, including estimated costs, and Seller shall be responsible for Buyer's costs in determining such estimated costs. Seller shall obtain from Seller's suppliers and subcontractors such audit rights for the benefit of Buyer.

24. **Entire Agreement and Modifications.** These Terms, an Order and/or an Individual Agreement is intended by the Parties as a complete and exclusive statement of the terms of their agreement. It supersedes all prior agreements, written or oral, including Seller's quotation unless specifically incorporated, in part or whole, in an Order or Individual Agreement. There are no understandings,

inducements, commitments, conditions, representations or warranties of any kind, whether direct, indirect, collateral, express or implied, oral or written, to Seller from or on behalf of Buyer other than as contained in these Terms, an Order, or an Individual Agreement. No course of prior dealings between the Parties and no usage of the trade may be used by Seller to supplement or explain any term used in these Terms, an Order, or an Individual Agreement. All modifications must be in a writing signed by Seller and Buyer. The Parties expressly waive application of any law, statute or judicial decision allowing oral modifications, amendments, or additions to the terms of these Terms, an Order, or Individual Agreement.

25. **Waiver.** The failure of a Party to enforce any right or remedy provided in these Terms, an Order, an Individual Agreement, or by Applicable Laws at any time will not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy. Payment or performance by Buyer shall not constitute a waiver of any breach, right, or remedy.
26. **Relationship of the Parties.** Seller and Buyer are independent contracting parties and nothing in these Terms, an Order, or an Individual Agreement shall make either Party the agent or legal representative of the other Party for any purpose or grant either Party any authority to assume or to create any obligation on behalf of or in the name of the other.
27. **Severability.** If any terms under these Terms, an Order, or an Individual Agreement is invalid or unenforceable under any statute, regulation, ordinance/by-law, or any other rule of law or Applicable Laws, such term shall be reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance/by-law, other rule of law or Applicable Laws, and the remaining provisions shall remain in full force and effect. Any declaration of unenforceability of a provision of these Terms, an Order, or an Individual Agreement shall be as narrow as possible and shall not void any other provision.
28. **Interpretation.** When used in the terms of these Terms, an Order, or an Individual Agreement, “including” means “including but not limited to” or “including without limitation”, and terms defined in the singular include the plural and vice versa.
29. **Survival.** The obligations of Seller under these Terms, an Order, or an Individual Agreement that, by their nature, extend beyond the expiration or termination thereof shall survive the expiration or termination.

## **ADDENDUM**

This Addendum modifies certain terms and conditions of the Terms applicable to the countries and/or regions identified below where Buyer's registered office is located, and is incorporated by reference into, and forms an integral part of, the Terms. In the event any terms and conditions contained in this Addendum conflict with the terms and conditions set forth in the Terms, the terms and conditions of this Addendum shall govern and control.

### **I. UNITED STATES, CANADA AND MEXICO**

A. The following shall be added to the end of Section 5, Delivery:

In the event of a delay in delivery due to Seller's acts or omissions, in addition to its other rights and remedies available to Buyer, Buyer shall be entitled to the payment of a contractual penalty amounting to 0.5 % of the Order value of the Products for each day of delay up to a maximum penalty amount of 10 % of the Order value of the Products affected by the delay in delivery.

B. The following provision is added as Section 13, Remedies and Indemnification, (b), and the existing Section 13(b) will be renumbered as Section 13(c):

(b) In addition to any other remedies provided in these Terms, the following costs will be charged to Seller for each instance in which nonconforming Products are received by Buyer:

- (i) an administrative fee (\$350.00 maximum/\$100.00 minimum, prorated for value of transaction);
- (ii) an hourly rate of \$25 for US labor and \$15 for Mexican labor for time spent to correct the breach of warranty;
- (iii) in cases where Buyer has notified Seller that nonconforming Products will be returned to Seller:
  - (a) Products will be shipped freight collect unless Seller has submitted, in writing, a request to use a designated carrier upon issuance of Seller's return authorization;
  - (b) If Seller fails to designate a carrier within ten (10) days Seller after Buyer has notified Seller that nonconforming Products will be returned, Buyer will select the carrier and offset any charges related to the return shipment of nonconforming Products;
  - (c) Seller will be charged prorated inbound freight to the extent paid by Buyer; plus
  - (d) any other warranty-related costs.

C. Section 22, Applicable Law and Jurisdiction, is deleted in the entirety and replaced as follows:

If these Terms, an Order, or Individual Agreement relates to Products that will be delivered within North America regardless of the location of Buyer's registered office), these Terms, an Order, or Individual Agreement shall be governed by, construed, and enforced under the Applicable Laws of the State of Michigan, including but not limited to the Uniform Commercial Code, other than its rules on conflicts of law. The UN Convention on the International Sales of Goods shall not apply. The Parties consent to the exclusive jurisdiction and the convenience of the United States District Court for the Eastern District of Michigan, Southern Division or the Circuit Court for the County of Oakland, State of Michigan, to resolve any issues arising under or related to these Terms, an Order, or Individual Agreement. At Buyer's sole option and discretion, Buyer may elect to file suit against Seller in any state or federal court with jurisdiction over any location of Seller.

## **II. EUROPE, (INCLUDING RUSSIA) AND AFRICA**

### **A. The following shall be added to the end of Section 2, Offer and Acceptance of Order:**

An Order is binding for Seller if (i) Seller confirms the Order to Buyer in text form (including e-mail), (ii) Seller commences unconditionally with the performance of the Order or (iii) Seller does not object to the Order in text form (including e-mail) within three (3) days after receipt. Seller shall not object an Order, unless there is an important reason to oppose the acceptance of an Order.

### **B. The following shall be added to the end of Section 5 Packing, Marking, and Delivery Schedules, (c), On-Time Delivery:**

For the avoidance of doubt, any statutory presumption (in particular based on Art. 190 Swiss Code of Obligations) that Buyer will forego delivery in case of any delay with delivery (both before and after the ten-day period granted by Section 6 clause (c) Terms) is expressly excluded. In case of delay in delivery, Buyer shall in addition to its other contractual and statutory remedies be entitled to the payment of a contractual penalty amounting to 0.5 % of the Order value of the Products for each day of delay, up to a maximum penalty amount of 10 % of the Order value for the Products affected by the delay in delivery. The penalty shall apply regardless of whether Buyer has declared a corresponding reservation at the time of delivery.

### **C. The first sentence of Section 9, Quality and Inspection, (b), Nonconforming Products, is deleted in its entirety and replaced with the following two sentences:**

Seller shall carry out a comprehensive outgoing inspection before delivery of the Products to the Buyer. Statutory obligations of the Buyer (in particular based on Art. 201 Swiss Code of Obligations) to inspect the Products and to notify defects are expressly excluded. Accordingly, the Products are not deemed accepted solely because Buyer has not notified Seller of any defect after delivery or the time of discovery of the defect.

### **D. The following sentence shall be added to the end of Section 9(b):**

Any exclusions of liability for defects known at the time of purchase and defects that any normally attentive buyer should have discovered (in particular based on Art. 200 Swiss Code of Obligations) shall not be applicable.

### **E. The following phrase shall be added to the beginning of first sentence of Section 11, Warranties, (a), General, and the introductory phrase prior to Section 11(a)(i) is deleted and replaced with the following:**

Throughout the entire Warranty Period stated below (warranty of durability), in addition to any express or implied warranties provided by law and regardless of Buyer's approval of Seller's specifications, designs, or other data, Seller warrants to Buyer and Buyer's customer(s) that all Products shall:...

### **F. Section 14 Insurance and Performance on Buyer's Premises, (a) Insurance, shall be deleted in its entirety and replaced with the following:**

Seller shall obtain and maintain with companies reasonably acceptable to Buyer insurance coverage in the following minimum amounts or as may be reasonably requested by Buyer, in each policy with worldwide coverage:

- extended product liability insurance and recall insurance, providing for adequate coverage, but

not less than (i) in case of the extended product liability insurance: EUR 10,000,000 per claim for personal injuries and property damage (including exclusive pecuniary losses) and a maximum annual indemnity limit of no less than EUR 20,000,000, and (ii) in case of recall insurance: EUR 5,000,000 per claim and per insurance year; and

- commercial general liability-EUR 10,000,000 per claim and per insurance year.

Seller waives subrogation against Buyer. Buyer shall be named as an additional insured under the product liability policies. Seller shall furnish to Buyer a certificate of insurance completed by its insurance carriers certifying that the required insurance coverages are in effect and will not be canceled or materially changed until 30 days after prior written notice has been delivered to Buyer. The certificate shall set forth the amount of each coverage, number of the policy, date of expiration. The purchase of the required insurance coverage or the furnishing of a certificate shall not be a satisfaction of Seller's liability hereunder, or in any way modify or limit Seller's obligation to indemnify Buyer or comply with any other requirement under an Order, these Terms, or an Individual Agreement. Seller shall prove the existence of such insurance to Buyer at any time upon request.

- G. Section 22, Applicable Law and Dispute Resolution, shall be deleted in its entirety and replaced with the following:

The Terms (including the Addendum) and all Orders or Individual Agreements made by and among Buyer and Seller are governed by Swiss law to the exclusion of the Convention on Contracts for the International Sale of Goods (CISG) and any conflict of law principles. All disputes arising out of or in connection with these Terms (including the Addendum) and all Orders or Individual Agreements made by and among Buyer and Seller shall be finally settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce (ICC) by one (1) arbitrator appointed in accordance with said rules. The place of arbitration shall be Zurich, Switzerland. The language of the arbitration shall be English.

### **III. CHINA**

- A. The last sentence of Section 22, Applicable Law and Jurisdiction, is deleted in its entirety and replaced with the following:

Any dispute arising from or in connection with these Terms, an Order, or Individual Agreement shall be submitted to the China International Economic and Trade Arbitration Commissions ("CIETAC") for arbitration in or arbitration in Shanghai according to its then-existing arbitration rules and procedures. The arbitration award shall be final and binding upon the Parties. Each Party also agrees not to (a) attempt to deny or defeat such exclusive jurisdiction by motion or other request for leave from CIETAC or (b) bring any action or proceeding arising out of or relating to the Terms, an Order, or Individual Agreement in any other arbitration institution or court. Each of the Parties irrevocably and unconditionally waives any objection to venue or any defense of inconvenient forum and waives any bond, surety or other security that might be required by the other Party. Each Party agrees that the arbitral award is final and binding upon both Parties. The language of arbitration shall be English. The number of arbitrators shall be three. Each Party shall nominate one co-arbitrator and the two co-arbitrators shall jointly nominate the third arbitrator who shall serve as the presiding arbitrator. The Parties intend that all foreign jurisdictions will enforce any award of CIETEC in any legal proceeding arising out of or relating to the Terms, an Order, or Individual Agreement.



#### **IV. BRAZIL**

A. The following sentence is added to the end of Section 2, Offer and Acceptance of Order:

Seller must communicate in writing to Buyer any objections to these Terms which are incorporated into each Order issued by Buyer within two (2) days after receipt of the Order.

B. The following provision is added as Section 13, Remedies and Indemnification, (b), and the existing Section 13(b) will be renumbered as Section 13(c):

(b) In addition to any other remedies provided in these Terms, the following costs will be charged to Seller in connection with nonconforming Products received by Buyer:

- (i) In the event that Buyer determines it is necessary for one or more employees or representatives to perform quality inspections, Seller will be charged R \$2,000 (two thousand Reais) in connection with the costs of quality monitoring;
- (ii) If Seller is required to perform inspection, sorting, repair, rework, or replacement of any nonconforming Products at Buyer's premises, Seller will pay R \$1,500 (one thousand five hundred Reais) to reimburse Buyer for overhead, material, use of industrial resources, and monitoring or follow-up by Buyer's employees or representatives;
- (iii) If Seller is unwilling or fails to carry out inspection, sorting, repair, rework and/or replacement in connection with the nonconforming Products, Buyer may perform such activities itself or engage a third party to perform such activities, and will charge Seller a fee of R \$250 (two hundred fifty Reais) per hour;
- (iv) If, as a result of Buyer's receipt of the nonconforming Products, Buyer incurs loss or damage to its products that incorporate the nonconforming Products or other parts or materials are damaged and/or cannot be used by Buyer, Seller shall be fully responsible and liable for all of the costs incurred by Buyer related to the nonconforming Products;
- (v) Seller shall be responsible and liable for all costs charged by Buyer's customer to Buyer in connection with the nonconforming Products; and
- (vi) Seller shall be responsible and liable for any charges related to the return shipment of nonconforming Products to Seller and freight charges to send conforming Products after the nonconforming Products have been repaired or replaced from Seller's facility to Buyer's facility.

#### **V. URUGUAY**

A. The first sentence of Section 19, Term and Termination, (d), Termination for Other than Default, is deleted in its entirety and replaced with the following:

Buyer may at its option terminate all or any part of these Terms, an Order, or Individual Agreement at any time and for any reason or no reason, by giving a one-hundred eighty (180) day advance written notice to Seller or prior written notice equivalent to one month per year of the commercial relationship, whichever is greater.

B. The third to the last sentence of Section 19(d) is deleted in its entirety and replaced with the following:

In the event of a termination of the Order or Individual Agreement by Buyer as a result of Buyer's customer's cancellation of a vehicle program, Buyer shall only be obligated to compensate Seller for finished Products pursuant to Orders placed by Buyer prior to notice of cancellation.

## **VI. KOREA**

- A. The first sentence of Section 3, Changes, (a), Required Changes and Requests for Adjustments, is deleted in its entirety and replaced with the following two sentences:

Buyer reserves the right at any time to make changes to the Order, including but not limited to quantities, specifications, quality control, materials, packing, and scope of work, to the maximum extent permitted under Applicable Laws. If Buyer would otherwise be prohibited from unilaterally making such changes to an Order under Applicable Laws, Seller shall, in good faith, discuss with Buyer and use commercially reasonable efforts to implement any changes reasonably requested by Buyer or its customers.

- B. Section 3, Changes, (c), Suspension of Performance, is deleted in its entirety and replaced with the following:

Buyer may change the frequency and schedule of shipments of Products or direct temporary suspension of shipments, to the maximum extent permitted under Applicable Laws. If Buyer would otherwise be prohibited from unilaterally making or directing such changes or suspension under Applicable Laws, Seller shall, in good faith, discuss with Buyer and use commercially reasonable efforts to implement any changes or suspension of shipments reasonably requested by Buyer or its customers. Upon suspension, Seller shall properly care for and protect all work-in-process, materials, supplies and equipment necessary for Seller's performance, and Seller shall diligently resume performance to the extent and on the date agreed to with Buyer.

- C. Section 7, Customs Related Matters, (b), Trade Agreements and Customs Documentation, is deleted in its entirety and replaced with the following:

Unless otherwise prohibited by Applicable Laws, transferable credits or benefits associated with Products purchased by Buyer belong to Buyer, including trade credits, export credits, or rights to the refund of duties, tariffs, taxes, or fees, and rights that may be acquired from Seller's supplier(s) that Seller can transfer to Buyer. Notwithstanding the foregoing, where the Buyer is required under Applicable Laws to pass along any refund of custom duties previously paid by Seller, the Buyer shall comply with the requirements set forth thereunder. Seller will provide Buyer and the appropriate governmental agency with all information and records relating to the Products and will cooperate as necessary for Buyer to (i) receive these benefits, credits, and rights, (ii) fulfill any customs obligations, (iii) claim preferential duty treatment under applicable trade preference regimes, and (iv) participate in any duty deferral or free trade zone programs of the country of import.

- D. Section 12, Competitiveness, is deleted in its entirety and replaced with the following:

To the maximum extent permitted under Applicable Laws, Buyer reserves the right to require Seller to assure that the Products remain competitive in terms of price, technology, design, quality, and other material terms with similar products and services available to Buyer. In the reasonable opinion of Buyer, if the Products do not remain competitive, Buyer to the extent legally permissible will advise Seller in writing of the area(s) in which another product or service is more competitive with respect to price, technology, design, quality, or other material term of sale or service, and Seller shall use commercially reasonable efforts to incorporate and implement Buyer's suggestions and re-establish its competitive position as soon as reasonably practicable after receipt of Buyer's notice. If, within sixty (60) days after Buyer notifies Seller of such issue, Seller fails to implement measures to re-establish its competitive position to the reasonable satisfaction of Buyer, upon written notice to Seller, Buyer may, to

the extent permitted by Applicable Laws, terminate, in whole or in part, these Terms, the Order, or Individual Agreement for Cause as defined below.

- E. The first sentence of Section 19, Term and Termination, (d), Termination for Other than Default, is deleted in its entirety and replaced with the following:

Unless prohibited by Applicable Laws, Buyer may at its option immediately terminate all or any part of these Terms, an Order, or Individual Agreement at any time and for any reason or no reason, by giving written notice to Seller.

**VII. THAILAND**

- A. The second sentence of Section 3, Changes, (a), Required Changes and Requests for Adjustments, which relate to the sourcing of raw materials is deleted in its entirety.

**Revision History**

<b>Revision:</b>	<b>Revision Date:</b>	<b>Description of Change:</b>	<b>Reviewed by:</b>	<b>Process Owner Name:</b>
001	03/17/2020	Initial Release. Replaces TKH-AH-PR-FM-0006	T. Wertheimer M. Fershtman E. Uttermohlen H. Tsujino B. Karpinski L. Rada N. Chen	D. Fenice