

General Terms and Conditions

1. ACCEPTANCE

Seller acknowledges and agrees that these General Terms and Conditions are incorporated in and a part of this contract and each purchase order release, requisition, work order, shipping instruction, specification and other document whether expressed in written form or by electronic data interchange relating to the goods and/or services to be provided by Seller pursuant to this contract (such documents are collectively referred to as this "Contract"). Seller acknowledges and agrees that it has read and understands these General Terms and Conditions. If Seller accepts this Contract in writing or commences any of the work or services which are the subject of this Contract, Seller will be deemed to have accepted this Contract and these General Terms and Conditions in their entirety without modification. Any additions to, changes in, modifications of, or revisions of this Contract (including these General Terms and Conditions) which Seller proposes will be deemed to be rejected by Buyer except to the extent that Buyer expressly agrees to accept any such proposals in writing.

2. SHIPPING AND BILLING

2.1 Shipping. Seller will (a) properly pack, mark and ship goods as instructed by Buyer or any carriers and in accordance with any applicable laws or regulations, (b) route shipments as Buyer instructs, (c) not charge for costs relating to handling, packaging, storage or transportation (including duties, taxes, fees, etc.) unless otherwise expressly stated in this Contract, (d) provide packing slips with each shipment that identifies Buyers contract and/or release number and the date of shipment, and (e) promptly forward the original bill or other shipping receipt with respect to each shipment as Buyer instructs. Seller will include on bills of lading or other shipping receipts the correct classification identification of the goods shipped as Buyer or the carrier requires. The marks on each package and identification of the goods on packing slips, bills of lading and invoices must enable Buyer to easily identify the goods.

2.2 Billing. Seller will accept payment based upon Buyers evaluation of the receipt of goods to a supplied Sellers invoice. Buyer may withhold payment for any goods or services until Buyer receives evidence, in such form and detail as Buyer requires, of the absence of any liens, encumbrances and claims on such goods or services.

2.3 Delivery Schedules. Deliveries will be made in the quantities, on the dates, and at the times specified by Buyer in this Contract or any subsequent releases or instructions Buyer issues under this Contract. Time is of the essence with respect to all delivery schedules Buyer establishes. Buyer will not accept goods that are delivered in advance of the delivery date specified in Buyers delivery schedules. Seller bears the risk of loss of all goods delivered in advance of the delivery date specified in Buyers delivery schedules. If Buyer determines that the requirements of Buyers customers, or market, economic or other conditions require changes in delivery schedules, Buyer may change the rate of the scheduled shipment or direct temporary suspension of scheduled shipment without entitling Seller to a price adjustment or other modification of this Contract.

2.4 Premium Shipments. If Seller fails to have goods ready for shipment in time to meet Buyers delivery schedules using the method of transportation originally specified by Buyer and as a result Buyer requires Seller to ship the goods using a premium (more expeditious) method of transportation, the costs associated with the premium freight will be paid by the Seller, unless Buyers actions caused Seller to fail to meet Buyers delivery schedules, in which case Buyer will pay any costs for premium shipment.

2.5 Order Coverage. The Buyers liability will be limited to a maximum of eight weeks manufactured goods and four weeks raw material procurement per the Buyers purchase order and material forecast.

3. SPECIFICATION, DESIGN AND SCOPE CHANGES

Buyer may at any time require Seller to implement changes to the specifications or design of the goods or to the scope of any services or work covered by this Contract, including work related to inspection, testing or quality control. While Buyer will endeavor to discuss any such changes with Seller as early as practical, Seller will promptly implement such changes. Buyer will equitably determine any adjustment in price or delivery schedules resulting for such changes, including Buyers payment of reasonable costs of modifications to Sellers Equipment and Facilities (as defined in Article 16) necessary to implement such changes. In order to assist in the determination of any equitable adjustment in price or delivery schedules, Seller will as requested provide information to Buyer including documentation of changes in Sellers cost of production and the time to implement such changes. In the event of any disagreement arising out of such changes, Buyer and Seller will work to resolve the disagreement in good faith, provided, however, that Seller will continue performing under this Contract, including prompt implementation of changes required by Buyer, while Buyer and Seller resolve any disagreement arising out of such changes.

4. QUALITY AND INSPECTION

Seller will participate in Buyers supplier quality and development program(s) and comply with all quality requirements and procedures Buyer specifies from time to time. Seller will permit Buyer and its representatives and consultants to enter Sellers facilities at reasonable times to inspect such facilities and any goods, materials and property that relate to this Contract. No such inspection by Buyer will constitute acceptance by Buyer of any work-in-process or finished goods.

5. NON-CONFORMING GOODS

Buyer is not required to perform incoming inspection of any goods, and Seller waves any right to require Buyer to conduct any such inspections. Seller will not substitute any goods for the goods covered by this Contract unless Buyer consents in writing. It is expressly agreed that inspections and payments prior to delivery will not constitute final acceptance. Goods rejected after delivery may, at Buyers option, be returned to Seller for reimbursement, replacement or correction, or be replaced or corrected by Buyer at Sellers expense. Any goods rejected by Buyer shall be at Sellers risk and expense and shall not thereafter by tendered for acceptance, unless the fact of former rejection is disclosed. Packaging, handling, and transportation costs incidental to return will be at Sellers expense.

6. FORCE MAJEURE

Neither Seller nor Buyer shall be liable for any failure or delay in the performance of its obligations hereunder when such failure or delay is caused directly or indirectly by act of God, flood, war, riot, accident, strikes, or labor trouble, act of government, the existence of any circumstance making performance commercially impractical or any other cause beyond the partys reasonable control; provided that the party whose performance is so delayed shall give prompt written notice to the other party.

During any delay or failure to perform by Seller, Buyer may (i) purchase substitute goods from other available sources, in which case the quantities under this Contract will be reduced by the quantities of such substitute goods and Seller will reimburse Buyer for any additional costs to Buyer of obtaining the substitute goods compared to the prices set for the in this Contract and/or (ii) have Seller provide substitute goods from other available sources in quantities and at times Buyer requests and at the prices set for the in this Contract. If Seller fails to provide adequate assurances that any delay will not exceed thirty (30) days or if any delay lasts more than thirty (30) days, Buyer may terminate this Contract without liability. Before any of Sellers labor contracts expire and as soon as Seller anticipates or learns of any impending strike, labor dispute, work stoppage or other disruption at Sellers facilities that might affect the delivery of goods to Buyer, Seller will produce and locate in an area that will not be affected by any such disruption, a finished inventory of goods in quantities sufficient to ensure the supply of goods to Buyer for at least thirty (30) days after such disruption commences.

7. WARRANTY

7.1 General. Seller warrants and guarantees to Buyer, its successors, assigns and customers that the goods and services covered by this Contract will (a) conform to all applicable specifications, drawings, samples, descriptions, brochures and manuals furnished by Seller or Buyer, (b) will be merchantable, (c) of good material and workmanship, (d) free from defect, and (e) are fit and sufficient fro the particular purposes intended by Buyer and any customer of Buyer. If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty charge backs for non-conforming goods.

7.2 Warranty Period. The period for the foregoing warranty will be that provided by applicable law, except that if Buyer ever provides a longer warranty to its customers, such longer warranty period will apply to the goods covered by this Contract.

7.3 Remedies and Damages. If any goods are reasonably determined (including by use of statistical analysis or other sampling methodology) to fail to conform to the warranties set forth in this Contract, Seller shall reimburse Buyer for all reasonable losses, costs and damages caused by such nonconforming goods.

Such costs and damages may include, without limitation, costs, expenses and losses of Buyer and/or its customers arising from (i) inspection, sorting, repair or replacement of any nonconforming goods or system that incorporates the nonconforming goods or (ii) production interruptions or slowdowns, including reasonable markup to recover administrative costs or capital expenses and the labor costs to perform such work.

8. HAZARDOUS MATERIALS

Upon Buyer request, Seller will furnish to Buyer, (a) a list of all ingredients in the goods, (b) the amount of all ingredients, and (c) information concerning any changes in or additions to the ingredients. Prior to and together with the shipment of the goods, Seller will furnish to Buyer and all carriers sufficient written warning and notice (including appropriate labels on the goods, containers and packing lists) of any hazardous material that is an ingredient or a part of any of the goods, together with all special handling instructions, safety measures and precautions as may be as may be necessary to comply with applicable law, 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 goods, containers and packing materials.

9. INSOLVENCY OF SELLER

Buyer may immediately terminate this Contract without liability to Seller in any of the following or any similar events: (a) insolvency or financial difficulties of Seller, (b) filing of a voluntary petition in bankruptcy by Seller, (c) filing of an involuntary petition in bankruptcy against Seller, (d) appointment of a receiver or trustee for Seller, (e) execution of an assignment for the benefit of creditors by Seller, or (f) any accommodation by Buyer, financial or otherwise, not contemplated by this Contract that are necessary for Seller to meet its obligations under this Contract. Seller will reimburse Buyer for all costs Buyer incurs in connection with any of the foregoing whether or not this Contract is terminated, including, but not limited to, all attorney or other professional fees.

10. TERMINATION FOR BREACH

Buyer may terminate all or any part of this Contract without liability to Seller at any time after execution if Seller (a) repudiates, breaches, or threatens to breach any of the terms of this Contract, including Sellers warranties, (b) fails to perform or threatens not to perform services or deliver goods in accordance with this Contract or (c) fails to assure timely and proper completion of services or delivery of goods.

11. TERMINATION FOR CONVENIENCE

In addition to any other rights of Buyer to terminate this Contract, Buyer may terminate all or any part of this Contract with 90 days written notification to Seller.

Upon such termination, Buyer may, at its option, purchase from Seller any or all raw materials, work-in-process and finished goods inventory related to goods under this Contract which are useable and in a merchantable condition. In no event will Buyer be required to pay for finished goods, work-in-process or raw

materials which Seller fabricates or procures in amounts that exceed those Buyer authorizes in delivery releases, nor will Buyer be required to pay for any goods or materials that are in Sellers standard stock or that are readily marketable. Payments made under this Article will not exceed the aggregate price for finished goods that would be produced by Seller under delivery or release schedules outstanding at date of termination. Within sixty (60) days after the effective date of termination Seller will submit a comprehensive termination claim to Buyer, with sufficient supporting data to permit and audit by Buyer, and will thereafter promptly furnish any supplemental and supporting information Buyer requests. Seller may terminate Contract with 90 days written notification to the Buyer. Buyer will only be responsible for those items released at the time of termination.

12. PATENT INDEMNIFICATION

Seller should indemnify and hold harmless Buyer, its successors, assigns, customers and users of its goods against all suits at law or in equity and all loss, liability and damage, including cost and expenses, resulting from any claim that the manufacture, use, sale or resale of any goods supplied under this Order infringe any patent or patent rights, and Seller shall when notified, defend any action or claim of such infringement at its own expense. In the event the sale or use of such goods is enjoined, Seller shall at its own expense at Buyers option either replace same with equivalent non-infringing goods or modify such goods so they become non-infringing or remove same and refund the purchase price, including transportation, installation, removal and other charges incidental thereto.

13. COMPLIANCE WITH LAWS

Seller and any goods or services supplied by Seller will comply with all applicable laws, rules, regulations, orders conventions, ordinances and standards of the country or countries of origin and destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval, performance and/or certification of the goods or services, including, but not limited to, those relating to environmental matters, wages, hours and conditions of employment. Neither Seller nor any of its subcontractors will utilize slave, prisoner or any other form of forced or involuntary labor in the supply of goods or services under this Contract. Seller will defend, hold harmless and indemnify Buyer from and against any liability, claims, demands, damages or expenses arising from or relating to Sellers noncompliance with this Article.

14. TOOLS

If any articles included in this Contract are made by means of patterns, tools, molds, fixtures or dies that are furnished by the Buyer or if not are paid by the Buyer at an agreed price, they shall become the property of the Buyer and may be removed by the Buyer, upon full payment of the agreed price. If a separate tooling attachment is issued to the Seller it will become incorporated into this Contract.

15. SERVICE AND REPLACEMENT PARTS

During the term of this Contract, Seller will sell to Buyer goods necessary to fulfill Buyers service and replacement parts requirements. If this Contract is not in effect at the end of the vehicle production program into which the goods under this Contract are incorporated, Seller will also sell goods to Buyer to fulfill Buyers and its customers sever ice and replacement parts requirements during the fifteen (15) year period following the end of vehicle production. During the initial five (5) years of the Post Production Period, the price(s) for such goods will be the production prices(s) which were in effect at the commencement of the Post Production Period.

16. ENTIRE AGREEMENT

This Contract, together with the attachments, exhibits, supplement or other terms of Buyer specifically reference in the Contract, constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this Contract and supersedes all written, oral or written representations and agreements. This Contract may only be modified by a written contract amendment issued by the Buyer. Notwithstanding anything to the contrary contained herein, Buyer explicitly reserves, any rights and claims against Seller arising out of, or relating to, any fraud or duress in connection with the formation of this Contract or any breach or anticipatory breach of any previously existing contract between Buyer and Seller (whether or not such previously existing contract related to the same or similar goods or subject matter as this Contract). All payments buy Buyer to Seller under this Contract are without prejudice to Buyers claims, rights, or remedies.