

SPECIAL INSTRUCTIONS for Suppliers

This contract is to cover the material as listed above. The vendor must show the Autoneum purchase order number, part number, and Autoneum material class type on all invoices, packing slips, and bills of lading. Issues regarding price, payment terms and transportation must be directed to the Autoneum corporate purchasing department. This contract is subject to the "material quality system requirements" as noted in the attached addendum "a" which is considered an integral part of the terms and conditions of this order. All labels must be bar coded, and conform to "AIAG" format and contain the Autoneum part number. The supplier is required to review the Autoneum supplier development manual to ensure compliance to Autoneum requirements and protocol. The supplier development manual is available at <https://sds.autoneum.com/Login.aspx>.

I. RESTRICTED SUBSTANCE

If the product or service detailed in this purchase order is restricted, toxic, a hazardous substance or has environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale, a warrant or certificate the product or service complies with governmental and safety regulations with regard to packaging, labeling, storage, and handling instructions, first aid instructions, etc., must accompany each shipment.

II. PPAP

PPAP submissions are required. Direct any questions to local quality manager. IMDS declaration will be considered an integral part of the PPAP process.

III. PREMIUM FREIGHT

The supplier shall provide detailed documentation, monthly, for each occurrence of premium freight incurred while producing material for this contract. The supplier will maintain a 100% on time delivery rating and 100% correct quantity rating.

IV. MATERIAL SAFETY DATA SHEET

Materials safety data sheets (MSDS) required for all purchased materials.

V. FLAMMABILITY

Suppliers will submit "evidence" of annual compliance to FMVSS302 flammability requirements.

VI. PAYMENT

To ensure proper payment invoice must include vendor number and purchase order number payment is issued on the first, second and third Friday of each month. All invoices due on or before each Friday's date will be included in the payment.

VII. IMDS

Autoneum requires all suppliers to register their products on the IMDS website. In order to comply with OEM requirements, Autoneum suppliers are requested to:

1. Register on IMDS website at www.mdsystem.com
 2. Declare all products supplied to Autoneum
 3. Submit IMDS entry number to Autoneum including Autoneum part number.
- For further details please consult the Autoneum supplier development manual.

VIII. CONFLICT MINERALS

The Supplier agrees to submit a Conflict Mineral Reporting Template (template can be found at <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>) on a yearly basis in compliance with OEM requirements. The submission should be performed on the supplier portal, where there is a link to the Central Data Exchange (CDX) system, the use of which is free of charge.

PURCHASE ORDER ADDENDUM – "A"

Autoneum North America – Material Quality System Requirements

In accordance with Autoneum North America quality assurance policy and in compliance with ISO 9001 and ISO/TS 16949 quality standards, the materials and services provided under this purchase order are subject to the Quality System requirements as listed below. This document and any other Autoneum specified raw material approval notices, drawings, specifications, process requirements, inspection instructions and other technical data are therefore considered an integral part of the purchase order.

I. AUTONEUM MATERIAL CLASSIFICATION

The material class type, "A", "B" or "C", is noted as a standard clause of this order and the notes detailed in the main body of the purchase order. The vendor on all invoices, packing lists and bills of lading must note this class designation for each item shipped.

II. CERTIFICATE OF ANALYSIS

In following the instructions of item #1 above, if an item covered under this purchase order has a material class type of "B" or "C", the vendor must provide a Certificate of Analysis for each production lot shipped of each individual item. This Certificate of Analysis must be provided as follows:

The original documents must be emailed to the plant Quality Control Manager, for each lot shipped, prior to the arrival of all shipments. (AND/OR)

The original document must be attached to the material being shipped. In the case of bulk tank trucks, the Certificate of Analysis must be given to the driver.

Quality Control Manager at various Autoneum Plants are as follows:

Location	Ship to Address	email
Aiken, SC	1103 Powder House Rd.	cofasaiken.quality@autoneum.com
Bloomsburg, PA	480 West 5th Street	cofasbloomsburg.quality@autoneum.com
Hermosillo, S. MX	Blvd. Garcia Morales #257	cofashermosillo.quality@autoneum.com
Jeffersonville, IN	100 River Ridge Parkway	cofasjeffersonville.quality@autoneum.com
London, ON	1800 Huron Street	cofaslondon.quality@autoneum.com
Oregon, OH	645 N. Lallendorf Rd	cofasoregon.quality@autoneum.com
SanLuisPotosi SLP	Av. Central 510 WTC	cofas_slp.quality@autoneum.com
Tillsonburg, ON	1451 Bell Mill Rd.	cofastillsonburg.quality@autoneum.com
Wynn Road, OH	1150 N. Wynn Rd.	cofaswynn.quality@autoneum.com

The certificate of Analysis must indicate the following information:

- 1) Manufacturers Lot Number
- 2) Autoneum Purchase Order Number
- 3) Autoneum Part Number
- 4) Date of Shipment
- 5) Critical quality testing and inspection requirements as listed on the Autoneum raw material approval documents for each individual item shipped.

NOTE: The Certificate of Analysis should be formatted to include material properties, test methods, specifications and actual test results.

III. RECEIVING REQUIREMENTS

Receiving hours for raw materials for Autoneum Manufacturing locations are as follows:

Autoneum PLANT	FLT Full Truck Load	LTL Less Than a Truck
Aiken, SC	7:00 am - 2:30 am	7:00 am - 2:30 am
Bloomsburg, PA	11:00 pm - 7:00 pm	2:00 pm - 4:00 pm
Hermosillo, Sonora MX	7:00 am - 12:00 am	7:00 am - 12:00 am
Jeffersonville, IN	7:00 am -- 2:30 pm	7:00 am -- 2:30 pm
London, ON	7:00 am - 3:00 pm	7:00 am - 3:00 pm
Oregon, OH	7:00 am - 3:00 pm	7:00 am - 3:00 pm
SanLuisPotosi SLP MX	8:00 am - 2:30 pm	8:00 am - 2:30 pm
Tillsonburg, ON	7:00 am - 12:00 am	7:00 am - 12:00 am
Wynn Road, OH	7:00 am - 12:00 am	7:00 am - 12:00 am

Deliveries during other hours or on weekends can only be made if prearranged and approved by Autoneum Corporate Purchasing or the plant-purchasing representative.

IV. SHIPPING QUANTITIES

Deliveries must be made for the complete quantity ordered. Partial shipments will be accepted providing vendor gives advanced written notice. Unless agreed to by Autoneum, backordered quantities are to be shipped "prepaid" at vendor's expense.

V. ON TIME DELIVERIES

Vendor performance will be monitored at all Autoneum manufacturing locations for on time deliveries as well as product quality. The required dates issued on individual purchase orders or contract releases are "Delivery Dates" – not ship dates. For materials that are routed by Autoneum, vendor on time performance will be based on the required availability date to allow for the necessary transit time for an on time delivery. NOTE: The Autoneum mandatory supplier/subcontractor requirement is for 100% on time deliveries or 100% on time availability if Autoneum arranges transportation.

VI. PREMIUM FREIGHT

Supplier shall provide detailed documentation, monthly, for each occurrence of premium freight incurred when producing material for this contract.

VII. SUPPLIER VISITS/QUALITY AUDITS

Autoneum Automotive North America and specified customers of Autoneum shall be afforded the right to visit supplier facilities to:

Conduct on site quality audits of supplier's quality system and manufacturing process

Verify that the purchased products conform to the specified requirements

VIII. SUPPLIER ACKNOWLEDGMENT

If this scheduling agreement is not acknowledged by the supplier within 14 calendar days of receipt, the order is deemed accepted.

AUTONEUM NORTH AMERICA, INC.
GENERAL TERMS AND CONDITIONS OF PURCHASE (Scheduling Agreements)

(Edition: January 2013/v2)

I OFFER AND ACCEPTANCE

1.1 Offer. Each scheduling agreement (the "Scheduling Agreement"), together with these Terms and Conditions as may be amended from time-to-time (the "Terms and Conditions"), that is issued by Autoneum North America, Inc. or one of its affiliated companies (the issuing entity being "Purchaser") to the party to whom such Scheduling Agreement is addressed (the "Supplier") is an offer to purchase the products or services (collectively, the "Goods") identified in that Scheduling Agreement Release (as defined in Section 2.2 below).

1.2 Acceptance. (a) Supplier will be deemed to have accepted a Scheduling Agreement or Scheduling Agreement Release and these Terms and Conditions when any of the following occurs: it (1) executes and returns a written acknowledgement, (2) otherwise indicates its acceptance of the Scheduling Agreement or Scheduling Agreement Release, or (3) otherwise performs, including delivering and rendering any of the Goods to Purchaser that are the subject of the Scheduling Agreement or Scheduling Agreement Release. Upon acceptance, the Scheduling Agreement and each Scheduling Agreement Release, together with these Terms and Conditions, Purchaser's Supplier Development Manual (the "Purchaser's Supplier Manual"), the Purchaser's Supplier Code of Conduct (the "Purchaser's Code of Conduct") (both the Purchaser's Supplier Manual and the Purchaser's Code of Conduct have been made available to Supplier on Purchaser's supplier web portal platform), and any other documents specifically incorporated by reference in the Scheduling Agreement or Scheduling Agreement Release or these Terms and Conditions or separately agreed to in writing, including, without limitation, specifications, drawings, requirements of Purchaser's customer, quality requirements, releases or similar documents issued by Purchaser to Supplier, will become a binding contract between Purchaser and Supplier (collectively, the "Contract") and constitute one agreement and may not be treated as separate contracts. Acceptance is expressly limited to the terms of the Contract. Any additional or different terms proposed by the Supplier are deemed material and are objected to and expressly rejected by the Purchaser, and the Contract shall be deemed to be accepted without Supplier's additional or different terms.

(b) Without limiting the generality of the foregoing, Supplier and Purchaser, may, however agree to additional or different terms, but only in a physically signed writing ("Signed Writing") by an authorized Purchaser representative. In the absence of such, all conditions or terms of the Supplier are rejected, no matter how communicated by the Supplier. Any reference in the Contract to an authorized representative of Purchaser shall mean its Chief Executive Officer, Chief Operating Officer, Vice Presidents; Director or Manager, Purchasing. In the event of any conflict between the Contract and any prior or contemporaneous agreement or document exchanged between Purchaser and Supplier, the terms of the Contract govern.

(c) Specific terms and conditions on the Scheduling Agreement, any Scheduling Agreement Release and the other documents comprising the Contract will take priority over any inconsistent provision in these Terms and Conditions. With respect to such documents, a subsequently issued version shall prevail over a previously issued one. Except for Article XVII of these Terms and Conditions, if any other provision of these Terms and Conditions is inconsistent with the specific provisions of any other Contract document, then the specific provisions of such other Contract document will control. If the specific terms of any Contract document are inconsistent with the Purchaser's Supplier Manual, then the specific provisions of the Contract document will control. Terms defined in these Terms and Conditions shall have the same meaning in all documents constituting part of the Contract, unless the context expressly provides otherwise.

II SCHEDULING AGREEMENTS, SCHEDULING AGREEMENT RELEASES

2.1 Scheduling Agreements. Purchaser's Scheduling Agreements and Scheduling Agreement Releases (defined in Section 2.2 below) as well as any changes and amendments thereof, shall be in writing and may be delivered to Supplier by facsimile or other electronic means. The Purchaser may amend any Scheduling Agreement or Scheduling Agreement Release, including, but not limited to, quantity, specifications, delivery, terms, quality and packaging. A Scheduling Agreement does not specify a fixed quantity of Goods, which instead are specified in the Scheduling Agreement Releases of the Purchaser issued pursuant to the Scheduling Agreement. With respect to any Scheduling Agreement, the quantity of Goods specified in a Scheduling Agreement Release may be for up to one hundred percent (100%) of Purchaser's requirements for the Goods, and will be set forth in the Scheduling Agreement Release itself.

2.2 Scheduling Agreement Release. Supplier agrees that it will fulfill each Scheduling Agreement Release. A Scheduling Agreement Release ("Scheduling Agreement Release") is the schedule, shipping release, authorization, or similar written instructions issued or transmitted to Supplier by the Purchaser pursuant to a Scheduling Agreement in which Purchaser (i) specifies the firm quantity of Goods that Supplier is to deliver to Purchaser and that Purchaser is obligated to purchase, (ii) specifies the delivery location, schedule and instructions, and/or authorizes (iii) the purchase of raw materials, components or tooling, each for the period and on the terms specified therein.

2.3 End of Production Purchases. Purchaser shall have the right to make one-time purchases at the end of each production run. Supplier will notify Purchaser at least ninety (90) days prior to end of production and Purchaser, to the extent it so elects in its sole discretion, will provide Supplier with a firm order at least thirty (30) days prior to the last production run for any final production orders.

III FORECASTS, QUANTITIES

3.1 Purchaser may periodically give Supplier estimates, forecasts and projections ("Forecasts") of its future volume or quantity

requirements for the Goods and/or the term of a program. Supplier acknowledges that Purchaser's Forecasts are for planning purposes only, are subject to change from time-to-time, are non-binding and, unlike a Release, are not an order, purchase or commitment by Purchaser. Supplier acknowledges that the Forecasts, like any forward looking projections, are based on a number of economic and business factors, variables and assumptions, some or all of which may change over time, and may or may not be accurate at the time they were made or later. In the event that any Scheduling Agreement lists quantities to be ordered on future Scheduling Agreement Releases by Purchaser, such quantities also constitute estimates and forecasts of the quantities that Purchaser may need over the term of the contract, and as such are non-binding on the Purchaser. Because Purchaser cannot accurately determine the quantities it will require in advance, the exact quantities will be set forth on the releases for the time period covered by the release. Unless otherwise expressly agreed in writing between the parties, Purchaser makes no representation, warranty, guaranty or commitment of any kind or nature, whether express or implied, to Supplier in respect of Purchaser's quantitative requirements for or the term of supply of the Goods. Supplier accepts the risks associated with lead times of various raw materials and/or components if they are beyond those provided in Purchaser's Scheduling Agreement Release. Supplier will allocate manufacturing capacity, components, raw materials and parts for the Goods to be able to meet each Forecast. Purchaser and Supplier acknowledge that it may be necessary for the Supplier to make advance commitments to purchase certain quantities of customized raw materials to use in the manufacture of the Goods based upon written requests from the Purchaser. The parties agree that, notwithstanding any commitment by Purchaser to purchase customized raw materials at the end of production of the Goods, upon any production change, or upon termination of the Contract, Purchaser only shall be responsible to pay Supplier for the lesser of (i) the amount of customized raw materials specified in Purchaser's written commitment or (ii) the amount of the customized raw materials associated with four (4) weeks' of regular production quantity of the Goods.

IV SHIPMENT, DELIVERY, AND TRANSFER OF RISK

4.1 Delivery. Supplier shall deliver the Goods in the quantities and on the delivery dates and times, and in the manner specified in the applicable Scheduling Agreement Release. Purchaser shall not be required to make payment for Goods delivered to Purchaser that are in excess of firm quantities and delivery schedules specified in Scheduling Agreement Releases. Goods shipped in advance of the release or shipping dates specified in the applicable Scheduling Agreement Release, or in excess of the quantities specified in the applicable Scheduling Agreement Release shall be at Supplier's risk and may be returned to Supplier and Supplier will pay for all related delivery, return shipping and other costs. If no delivery date is specified or otherwise provided for, Supplier must contact Purchaser during regular business hours to request the delivery, date, time and instructions. If not otherwise stated in the applicable Scheduling Agreement, delivery shall be DDP (Incoterms 2010 Edition) Purchaser's destination as set forth in the Scheduling Agreement. Partial delivery is not permitted without the prior written consent of Purchaser. Goods shipped after the specified shipment date shall be treated as late shipments ("Late Shipments").

4.2 Shipping. (a) Supplier, at its expense, shall properly pack, mark, ship and store the Goods that are the subject of the Scheduling Agreement Release in accordance with the requirements of Purchaser (as specified in the Scheduling Agreement and any other Contract documents) and any carrier. (b) Supplier is responsible for payment of and shall reimburse Purchaser for all costs, expenses and damages incurred by Purchaser as a result of Late Shipments, or improper packing, marking, shipping, or storing of the Goods, and for the return of any rejected Goods. (c) Unless otherwise provided in the Scheduling Agreement, Supplier shall arrange for and pay all costs of shipping the Goods, including, without limitation the cost of customs duties, insurance, and freight. (d) All shipments must be accompanied by packing slips showing Supplier's name, order numbers and quantities. (e) Original bills of lading, express receipts, etc., signed by carrier, must be attached to Supplier's invoice and mailed not later than the day after shipment. (f) Supplier will mark the Goods and packaging with the country of origin as required by applicable law, and provide a certificate of origin and any other documents required for customs clearance and/or tax purposes.

4.3 Risk of Loss. Risk of loss shall pass to Purchaser upon delivery to Purchaser's facility or such other location specified on the face of the Scheduling Agreement, except that risk of loss for excess quantities delivered to Purchaser shall only pass upon acceptance of such excess by Purchaser.

4.4 Changes. (a) Changes to any Scheduling Agreement or Scheduling Agreement Release or to the design or specifications of the Goods, and payment of extra charges shall be permitted only when authorized by Purchaser in writing signed by an authorized representative of Purchaser. (b) Purchaser reserves the right, at any time in writing, to direct changes to the Goods under any Scheduling Agreement or Scheduling Agreement Release, including, but not limited to, changes in the design (including drawings and specifications), processing, methods of packing and shipping and the date or place of delivery of the Goods, or other changes in the scope of Supplier's work covered by the Scheduling Agreement or Scheduling Agreement Release, and Supplier agrees to comply with such changes promptly. Any such changes shall be deemed not to affect the price of the Goods or time of delivery or performance unless (a) Supplier provides Purchaser with written notice of a claim of adjustment within five (5) business days of the notice of the change and (b) after auditing such claim, Purchaser determines that an adjustment (up or down) is appropriate. In such event, Purchaser shall equitably adjust the price or delivery terms of the Scheduling Agreement after receipt of documentation in such form and detail as Purchaser may direct. (c) Purchaser may, following notice to the Supplier, change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle the Supplier to a modification of the price of Goods covered by the applicable Scheduling Agreement or Scheduling Agreement Release..

4.5 Time of Essence. Time is of essence for delivery, quantity and quality of each Scheduling Agreement Release and Supplier shall immediately notify the Purchaser in writing if the Supplier is unable to deliver the Goods in the quantities and on the delivery dates and times specified in the Scheduling Agreement Release and Purchaser may require Supplier, at Supplier's sole cost and expense, to use a more expeditious shipping method than that which was originally specified. The Supplier, at its expense, shall pay for and reimburse Purchaser for any cost incurred by Purchaser due to any actual or potential delay, including the implementation of a production contingency plan.

4.6 Manufacturing Date. The period between the delivery date and the manufacturing code must not exceed three months.

4.7 Safety Stock. Supplier shall maintain in Supplier's inventory a safety stock of finished Goods in an amount specified by Purchaser.

4.8 **Acceptance.** Supplier shall immediately inform the Purchaser in writing if Supplier becomes aware of any defects or nonconformity in the Goods, whether before or after delivery of the Goods to Purchaser. Supplier shall specifically describe the nature of the defect or nonconformity in its notice to Supplier. Acceptance by Purchaser of specific defective or damaged Goods or short or mispacked shipments shall not waive its rights under the Contract with respect to any other non-conforming Goods or shipments. Replacement of damaged or defective Goods and/or re-shipment of short or mispacked Goods by Supplier pursuant to this Section shall not waive Purchaser's rights under the Contract, including, without limitation, its right to terminate the Contract under Article XVII of these Terms and Conditions.

V PRICE, PAYMENT AND SET OFF

5.1 **Prices.** Supplier shall sell the Goods to Purchaser, in such quantities as may be ordered by Purchaser during the Term, at the unit price agreed to by Purchaser and Supplier and reflected in the Scheduling Agreement for such Goods issued by Purchaser to Supplier. Unless otherwise specified in writing on the applicable Scheduling Agreement, the specified price shall be the complete price for such Goods, including, without limitation, any and all taxes, duties, tariffs, fees and similar assessments, costs for packaging, labeling and shipping materials specified by Purchaser for the Goods and any costs or expenses incurred by Supplier in connection with the performance of its obligations under the Contract. The prices stated in the Contract are firm and not subject to adjustment for any reason, including, without limitation, any changes in volume, price of raw materials or labor, unless expressly agreed to in a Signed Writing by the Purchaser's Authorized Representative and Supplier.

5.2 **Price Warranty.** To the extent permitted by Applicable Law, Supplier represents and warrants as of the effective date of the Contract and again at the time of each shipment of the Goods that the prices for the Goods sold to Purchaser are no less favorable than those currently extended to any other customer of Supplier for the same or substantially similar goods in the same or substantially similar quantities. In the event that the Supplier reduces its price for the same or substantially the same goods during the term of the Contract, Supplier will reduce the prices for the Goods correspondingly. In the event that the Goods provided by the Supplier are not competitive in price, technology or quality, Purchaser shall have the option to amend the Scheduling Agreement Release to provide for less than the specified quantities stated in the Scheduling Agreement Release and Purchaser shall have the right to obtain the remaining Goods from another third party source or from Purchaser's internal sources.

5.3 **Invoices.** For each shipment of Goods, Supplier shall submit an invoice to Purchaser in the form required by Purchaser at the address designated in the Scheduling Agreement or such other address as Purchaser may designate from time to time.

5.4 **Payment.** Purchaser shall pay Supplier for all conforming Goods timely received in good condition. Payment is due according to the terms set forth in the Scheduling Agreement or, if time for payment is not otherwise specified in the Scheduling Agreement, the payment term will be net 60 days from the later of the date of Purchaser's receipt of the Goods or Supplier's invoice for the Goods, all payments subject to the conditions stated in this Section 5.4. Time for payment shall not begin until correct and complete invoices are received. Supplier's cash discount privileges to Purchaser shall be extended until such time as payment is due. Purchaser may withhold payment pending receipt of evidence, in such form and detail as Purchaser may direct, of the absence of any liens, encumbrances or claims on the Goods under the Scheduling Agreement Release. Notwithstanding the stated payments terms on any Scheduling Agreement, Purchaser payments will be made in accordance with Purchaser's central payables system ("CPS") if Supplier is included in Purchaser's CPS. If Supplier is not included in Purchaser's CPS, payments will be made on the Friday next following the sixtieth (60th) day following the date of Purchaser's receipt of Supplier's invoice and receipt of Goods, unless such Friday is the last Friday of a calendar month, in which case payment shall be deferred until the first Friday of the next calendar month. In case of defective/nonconforming Goods, the Purchaser shall be entitled to withhold payment pro rata to the value of the defective/nonconforming Goods until such Goods have been modified, replaced or repaired in accordance with the provisions of Section VIII below. Purchaser may, at its option, upon notice to Supplier, revise its payment terms for the production of Goods to take into account any change in the payment terms of the Purchaser's customer applicable to the Goods under any Scheduling Agreement Release. Payment of any invoice shall not constitute acceptance of the Goods.

5.5 **No Assignment of Receivables.** Without previous written consent of the Authorized Representative of Purchaser, the Supplier shall not be entitled to assign its receivables from Purchaser to third parties or to have such receivables collected by third parties.

5.6 **Set Off.** In addition to any right of setoff or recoupment provided or allowed by law, all amounts due Supplier, or any of its subsidiaries or affiliates shall be considered net of indebtedness or obligations of Supplier, or any of its subsidiaries or affiliates to Purchaser or any of its subsidiaries or affiliates, and Purchaser or any of its subsidiaries or affiliates may set off against or recoup from any amounts due or to become due from Supplier, or any of its subsidiaries or affiliates to Purchaser or any of its subsidiaries or affiliates however and whenever arising. In the event that Purchaser or any of its subsidiaries or affiliates reasonably feels itself at risk, Purchaser or any of its subsidiaries or affiliates may withhold and recoup a corresponding amount due Supplier or any of its subsidiaries or affiliates to protect against such risk. The Purchaser will administer all the accounts of the Supplier arising from orders and other agreements the Supplier has with the Purchaser on a Net Settlement Basis. Net Settlement Basis means that, unless prohibited by law, Purchaser may set off and recoup against Purchaser's accounts payable to the Supplier any amounts for which Purchaser determines in good faith the Supplier is liable to it under any purchase agreement or any other agreement with the Supplier, including, without limitation, Purchaser's attorney fees and costs of enforcement, charges of Purchaser's customer to Purchaser or a Related Company, professional and service fees and other costs incurred by the Purchaser or a Related Company. The Purchaser may do so without prior notice to the Supplier. For purposes of this Article V, "Supplier" includes any of its Related Companies. A "Related Company" is any parent company of the Purchaser or the Supplier and any subsidiary or affiliate in which any of them owns or controls at least 50% of the voting stock, partner-ship interest or other ownership interest.

5.7 **Audit; Other Information.** Purchaser shall have the right at reasonable times and upon reasonable notice to audit such Supplier's records as are reasonably necessary for Purchaser to verify the amounts due to Supplier, Supplier's performance under the Contract, and related to the manufacture of the Goods. Supplier shall make such books and records available to Purchaser or its designees and provide copies of such books and records to Purchaser or its designees upon request.

VI QUALITY, INSPECTION, PRODUCT SURVEILLANCE, DOCUMENTATION, BLACK AND GRAY LIST

6.1 **ISO Compliance.** Supplier represents and warrants that, at the time of acceptance and at all times during the term of any Purchase Order with Purchaser, Supplier is and will remain compliant with automotive industry standard TS 16949 and its quality standards under ISO (minimum of ISO 9001 (ver. 2008) et seq.).

6.2 **Quality Requirements.** Supplier will meet all specifications and quality requirements of Purchaser and Purchaser's Customer. Supplier agrees to participate in Purchaser's quality and development programs as requested by Purchaser. Supplier will provide necessary resources as identified by Purchaser to support product development, process development, validation, production launch and any other aspect of the manufacture and production of the Goods.

6.3 **End of Vehicle Life Requirements.** Supplier will meet all OEM End of Life Vehicle ("ELV") reporting and other requirements.

6.4 **Inspection.** Prior to each shipment of Goods, Supplier shall perform an outgoing Goods inspection to determine whether the Goods conform to the Purchaser's specifications, are merchantable and fit for their intended use. Supplier is obliged to maintain test records and inspection and test schedules and to make these available to Purchaser at its request. Test records must be kept for at least fifteen (15) years from the date the test record is created and be presented to the Purchaser on request. The Supplier is required to enter into written agreements with any sub-suppliers which impose on such sub-suppliers the same record-keeping requirements and right to provide Purchaser with access to test records. At any time during the term of a Contract during regular business hours and following reasonable prior notice, Purchaser and Purchaser's customer have the right, but not the obligation, to inspect and test all Goods, orders in process, Supplier's production facility(ies), material, any property of Purchaser in possession of Supplier, including, without limitation, all Tools (defined in Article XI below), and Supplier's records relating to any and all of the foregoing. The fact that Purchaser may have inspected, tested or failed to inspect or test any Goods, orders in process, Supplier's production facility(ies), material, and any property of Purchaser, Tools and Supplier's records relating thereto shall not affect any rights of Purchaser under the Contract. Purchaser's inspection of the Goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished Goods nor shall it relieve Supplier from any obligation to inspect or test the Goods. Supplier waives any right to require the Purchaser to conduct an inspection.

6.5 **Declaration of Origin.** If requested by Purchaser, Supplier shall provide a declaration of origin for the Goods being supplied and materials contained therein or used for the manufacture thereof.

6.6 **Black Substances.** Purchaser maintains a "Black and Gray List", available on the Purchaser's web site: http://www.purchasing.autoneum.com/fileadmin/user_upload/purchasing/downloads/Autoneum_B_G_List_-_ind_V_Final.pdf which "Black and Gray List" may be modified by Purchaser from time to time. Supplier shall check Purchaser's web site no less frequently than weekly for updates and changes to the "Black and Gray List" Supplier shall also declare with each shipment of Goods whether the Goods contain any substances listed on the "Black and Gray List" and, if so, Supplier shall also represents and warrants that the level of the "Black Substances" in the Goods do not exceed the permitted levels set forth in the Purchaser's "Black and Gray List".

6.7 **Special Warnings or Instructions.** If requested by Purchaser, Supplier shall promptly furnish to Purchaser in such form and detail as Purchaser may direct: (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 such ingredients. Prior to and with the shipment of the Goods, Supplier agrees to furnish to Purchaser sufficient warning and notice in writing (including appropriate labels on the Goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the Goods, together with such special handling instructions as may be necessary to advise carriers, Purchaser, and their respective employees of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Purchaser. The Supplier shall also provide Purchaser copies of all Material Safety Data Sheets for all ingredients used in the Goods. (see International Material Data System <http://www.mdssystem.com>). Supplier shall provide Purchaser with a Material Safety Data Sheet ("MSDS") for each Good and any other disclosures and/or documents where required by applicable law, prior to its being approved for purchase hereunder. Such MSDS and other disclosures and/or documents shall be compliant with all applicable laws, including without limitation, the laws of the State of California.

6.8 **Conflict Minerals.** Supplier represents and warrants that (a) it does not provide to Purchaser any "conflict minerals," as defined in Section 1502(e)(4) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") ("Conflict Minerals") or any products for which any Conflict Minerals are necessary to the functionality or production of the products; (b) it provides Conflict Minerals or products containing Conflict Minerals, and such Conflict Minerals did not originate in the Democratic Republic of the Congo ("DRC") or an "adjoining country," as defined in Section 1502(e)(1) of the Act, or (c) it provides Conflict Minerals or Products containing Conflict Minerals, and such Minerals are sourced solely from scrap or recycled sources. Supplier will reimburse Purchaser for any costs, fines or penalties that it incurs if Supplier does not comply with this Section 6.8.

VII RECALLS.

7.1 **Right to Initiate Recall.** Purchaser reserves the right to initiate a recall of any Goods supplied pursuant to the Contract when Purchaser or Purchaser's Customer determines, or any government agency alleges, such Goods are defectively designed or manufactured; and/or which fail to comply with all applicable federal, state or local laws, rules or regulations including but not limited to safety, environmental and emission laws, rules and regulations.

7.2 **Recall Procedures.** If Purchaser should elect or be required to initiate a product recall, withdrawal or field correction for any reason, Purchaser will notify Supplier. Supplier will assist Purchaser (and its parent, subsidiary or affiliated companies) in an investigation to determine the cause and extent of the problem and in the handling of the recall. Supplier shall not contact or respond to any inquiry by any regulatory

authority with regard to any recall but its communications shall be with Purchaser, who will coordinate communications with regulatory authorities concerning any recall.

7.3 **Recall Expenses.** If any Goods are recalled as a result of (i) supply by Supplier of Goods that do not conform to the warranties contained in the Contract or (ii) the negligent or intentional wrongful act or omission of Supplier or any of its affiliates, subsidiaries or sub-contractors, then Supplier will pay all costs and expenses of such recall, including, without limitation, Purchaser's reasonable attorneys fees and expenses associated with such recall. Reimbursement of Expenses of Recall. Provided Purchaser gives Supplier advance notice of any such recall action, Supplier shall reimburse Purchaser and its customer(s) and their dealers for all costs incurred in connection with such recall, including but not limited to the costs of notifying vehicle owners and replacing all defective Goods. Replacement costs shall include costs of the defective Goods in an amount equal to Purchaser's cost of reimbursement to its customer(s), all labor and material for removal of the defective Goods and installation of the replacement Goods, and the actual costs, if any, of work subcontracted to third parties for the removal of defective Goods and replacement thereof.

7.4 **Taxes.** Supplier shall pay any federal, state (including territorial), foreign, international and/or local sales, excise, use, value-added, gross receipts, duties and/or other taxes imposed on or with respect to Supplier's reimbursement obligations under this Article VII and shall reimburse Purchaser for any such taxes and/or sums imposed on or with respect to Purchaser's warranty claims payments hereunder (including without limitation, any penalty, additional tax, or interest that may be assessed or levied as a result of the failure of Supplier to remit any such tax to the applicable governmental authority, and/or to file any return, form or information statement that may be required to be filed by or with any governmental agency).

7.5 Supplier shall also reimburse Purchaser for warranty claims based on related damage caused by any defect or failure of any Goods and/all costs, settlements, judgments, expenses, fines, penalties, remedies and/or damages, including without limitation, actual attorney's fees, incurred by Purchaser or its customers, in connection with any claim, action, suit or proceeding brought against Purchaser or its customers to the extent based upon an allegation that any Goods supplied by Supplier pursuant to the Contract is defective.

7.6 **Records.** Supplier will maintain complete and accurate records concerning the manufacture of the Goods for the longer of (i) the period of series manufacture for the Goods or (ii) such periods as may be required by applicable law or regulation and provide access to such records to Purchaser and Purchaser's customer upon their request.

VIII WARRANTY

8.1 **Warranties.** In addition to all other warranties expressed or implied in law, Supplier expressly represents and warrants to Purchaser that during the warranty period specified in Section 8.2 of this Contract the Goods will (1) be free from defects in workmanship, materials, and design (except to the extent that the Goods comply with any detailed design provided by Purchaser), (2) conform in all respects to the Purchaser's specifications, drawings, samples, descriptions and performance requirements, including appendices, attachments, etc., as may be amended or replaced by Purchaser from time to time, (3) be merchantable, (4) be fit for their customary use, (5) be fit for the particular purposes intended by Purchaser, (6) be new and adequately marked, contained, packaged and labeled; (7) at the time of delivery to Purchaser, transfer to Purchaser with good and marketable title, free of all liens, encumbrances, and rights of third parties (except those created by Purchaser) whatsoever, including royalties, patent rights, etc; (8) be suitable for use under and conform to all laws, regulations and standards for use in the countries in which the Goods or the vehicles into which the Goods are to be installed are to be sold, (9) conform and satisfy in all respects the terms and conditions specified in Purchaser's Supplier Manual, including appendices, attachments, etc., and as may be amended or replaced by Purchaser from time to time.

8.2 **Warranty Period.** The warranty period for the Goods shall be the longer of (i) the period provided by Purchaser to its customer, (ii) that period provided by applicable law, or (iii) that which is stated in the applicable Scheduling Agreement. Identical warranty terms, as applicable to the original items delivered, shall apply to spare, replacement or repaired parts delivered in accordance with the warranty. Notice of defects in the Goods and warranty claims may be made by Purchaser at any time during the warranty period and by any type of communication. Notwithstanding the expiration of the Warranty Period, Supplier will be liable for costs and damages associated with the conduct of any remedial action or recall taken as a result of failure of the Goods to comply with the Warranties herein, and including, without limitation, all reasonable costs and fees incurred as a result, including in enforcing this obligation.

8.3 **Non-Conforming Goods.** In addition to any other rights and remedies available at law or equity, Purchaser may reject any non-conforming/defective Goods, and at Purchaser's option, (i) request, at Supplier's sole cost and expense, delivery of conforming Goods, (ii) retain and either repair the defective Goods itself or have such work undertaken by a third party and reduce the purchase price paid to Supplier for such Goods, or (iii) terminate the applicable Scheduling Agreement. Upon Purchaser's request, Supplier shall immediately pay any and all costs incurred by Purchaser as a result of such non-conforming/defective Goods, including, without limitation, the costs to inspect, sort, store, transport any nonconforming defective Goods, reimbursement to Purchaser's customer(s) for warranty repairs due to non-conforming/defective Goods, labor and material to remove such Goods and install replacement Goods, any line shut down, production interruptions, recall, corrective action, including, without limitation, the repairing, replacing or reworking of such Goods, any customs duty, taxes, charges, other levies payable in connection with the performance of work, any administrative costs incurred by the Purchaser as a result of such non-conforming/defective Goods, claims for personal injury (including death) or property damage caused by such nonconforming Goods, and for all costs, settlements, judgments, expenses, fines, penalties, remedies and/or damages, including without limitation, actual attorney's fees, incurred by Purchaser or its customer or the customers or the customers' dealers, in connection with any claim, action, suit or proceeding brought against Purchaser or its customers to the extent based upon an allegation that any Goods supplied by Supplier pursuant to the Contract are defective. Purchaser expressly reserves all rights and remedies at law or equity arising out of the delivery of non-conforming/defective Goods.

8.4 **Storage of Non-Conforming Goods.** The Purchaser will use commercially reasonable efforts to store any non-conforming Goods for

seven (7) business days from the date of delivery of such non-conforming Goods. Supplier shall, at its sole cost and expense, pick-up or arrange to collect the non-conforming Goods within seven (7) business days following the date of the Purchaser's notification to Supplier of a non-conformity in the Goods. If defective Goods are not collected within this period, Purchaser may, at Purchaser's option, charge Supplier for storage and handling, or dispose of the non-conforming Goods, and Purchaser shall have no liability to Supplier. Notwithstanding anything to the contrary in this Section 8.4, Purchaser shall not be obligated to hold or return to Supplier any defective Goods, which have been exported by Purchaser outside the continental United States unless Purchaser, its customer(s), Supplier in the importing country or territory separately agree in writing on procedures for such inspections or returns.

8.5 **Payment of Warranty Claims.** Within thirty (30) days after the date of a warranty claim, Supplier shall electronically submit a response to such claim and pay Purchaser the amount of Purchaser's warranty claim. Supplier shall give Purchaser electronic notice of any disputed warranty claim within thirty (30) days of the date of the claim. Supplier's failure to provide such notice or to electronically submit responses to all claims within such 30-day period shall constitute Supplier's irrevocable acceptance of such claim. Supplier hereby authorizes Purchaser to deduct immediately the amount of any accepted or partially accepted claim (including any claim which is deemed accepted due to Supplier's failure to submit a timely response) from any sums due to Supplier from Purchaser. Purchaser's failure to deduct the amount of any accepted or partially accepted claim from amounts due to Supplier shall not release Supplier from its obligation to pay Purchaser in full for the amount of such claim. If Supplier should request Purchaser to hold Goods on a disputed claim for inspection, Supplier must pay Purchaser in full for those claims prior to any inspection taking place.

8.6 **Warranty Claims for Exported Goods.** Supplier acknowledges and agrees that any and all of the Goods may be exported to countries or territories around the world; Purchaser may pay the claim and submit request for reimbursement to Supplier; and Supplier will reimburse Purchaser for such warranty claims in accordance with the procedures specified in Section 8.5 of these Terms and Conditions.

8.7 **Definition of Defective/Non-Conforming.** For purposes of these Terms and Conditions, Goods shall be deemed "defective" or "non-conforming" if: (a) the Goods fails to comply with the representations, warranties and requirements set forth in the Contract, (b) the Goods, or any component or aspect thereof, fails to perform or maintain its appearance in accordance with the reasonable expectations of consumers of Purchaser's customers' motor vehicles (as applicable) for the warranty periods established by Purchaser's customers, (c) any court, governmental agency or arbitration forum determines that any Good is defective, or (d) Purchaser reasonably determines that a Good is defective for any other reason.

IX INDEMNITY, INSURANCE

9.1 **Indemnification.** Supplier shall defend, indemnify and hold Purchaser, its shareholders, officers, directors, employees, distributors, dealers, agents, representatives, servants, affiliates, and their respective successors and assigns, and all entities which sell Goods or products into which the Goods are incorporated, and their respective direct and indirect customers and employees (each an "Indemnitee" and collectively, the "Indemnitees"), harmless from and against liability, costs, damages, losses, claims, expenses (including, without limitation, legal expenses, costs of investigation, actual fees for attorney's, experts and consultants, settlement costs and judgments), penalties, sanctions, or suits (collectively, a "Claim") occasioned by or arising out of: (i) any actual or alleged bodily injury (including death) or property damage, which results in whole or in part from any actual or alleged defect/nonconformity in the Goods; (ii) Supplier's breach of these Terms and Conditions or any other Contract document; (iii) any defect in the Goods; (iv) the design of the Goods (whether or not defective), if Supplier provided the design for the Goods; (v) acts, errors, omissions, negligence or other wrongful conduct of Supplier, its agents or subcontractors; (vi) any customer satisfaction campaign or action to recall any vehicle, or any product into which defective or non-conforming Goods have been incorporated; (vii) any Claim that the Goods (including, but not limited to, any work product) provided under any Scheduling Agreement Release, or the possession or use of such goods or services by any indemnitee, infringe upon, violate, or misappropriates any intellectual property, contract, or other right of a third party, whether such infringement, violation, or misappropriation is direct, indirect, contributory, or by way of inducement; (viii) any work performed by Supplier on Purchaser's premises or which utilizes the property of Purchaser, except to the extent that any such liability, claim or demand arises solely out of the gross negligence of Purchaser. Notwithstanding the foregoing, the Indemnitees retain the right to defend any such Claims through counsel of their own choosing, to settle such Claim, and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense from Supplier.

9.2 **Insurance.** Supplier, at Supplier's sole cost and expense, will at all times carry and maintain in force during the Term of the Contract with insurance companies and in amounts and coverages acceptable to Purchaser, in Purchaser's sole discretion, and sufficient to cover all Claims and obligations of Supplier under the Contract: (i) statutory workers compensation insurance, (ii) employer's liability insurance, (iii) comprehensive worldwide commercial general liability insurance (including coverage for products/completed operations, blanket contractual liability covering the indemnity provision set forth in Section 9.1 above, and coverage for installation and dismantling costs) with minimum coverage of USD\$5,000,000/each occurrence, (iv) automobile liability insurance, including owned, hired and non-owned liability, (v) crime insurance, including employee theft, and (vi) all-risk property insurance covering Supplier's property, including, without limitation, all property owned or paid for by Purchaser on Supplier's premises (including work in process for which Purchaser has paid, whether or not title has passed), tooling, raw material and finished products in Supplier's possession, care, custody and control to the full extent of its insurable value, without deductible. Supplier will designate Purchaser as an additional insured and loss payee under each such insurance policy and such insurance shall be primary and not excess of, any other insurance available to Purchaser, or any of the other additional insureds. Supplier shall also insure Supplier shall provide evidence of such coverage to Purchaser and copies of the above-referenced insurance policies with endorsements naming Purchaser as an additional insured (including, without limitation, the exclusions and endorsements to each such policy and a letter from the carrier(s) of such policies certifying that the copies of the policies being furnished constitute true and complete copies of such policies) at the time of execution of the Contract and thereafter, once annually in January of each calendar year and also upon request by Purchaser. Upon renewal of any such insurance that expires before the termination of Supplier's obligation to carry such insurance pursuant to this Agreement, Purchaser shall be provided with renewal endorsements not less than fifteen (15) days prior to such expiration together with evidence of the payment of premiums thereon. Each renewal endorsement shall contain a provision that the coverage afforded under such policies will not be canceled or modified until at least thirty (30) days prior written notice has been given to Purchaser. Each policy must be written so that the effective (or retroactive) date of the policy is prior to the commencement of the Term of the Contract. All insurance required hereunder shall be maintained

until the expiration of any applicable statute of limitations, but in any event for a period of not less than five (5) years following the later of (i) the last date of delivery of the Goods, or (ii) the earlier termination of the Contract. (Supplier shall be responsible for the payment of all deductibles. The cost of defending any claims made against the CGL and excess policies shall not be included in any of the limits of liability for such policies. Supplier shall require all other persons, firms or entities engaged or employed by Supplier in connection with the Goods to carry and maintain insurance with limits and coverages not less than those required in this Section 9.3.

X SPARE OR SERVICE PARTS

10.1 The Supplier guarantees for the longer of (i) the Term (as defined in Section 17.1), (ii) a period of fifteen (15) years from end of Purchaser's customer's series manufacture, or (iii) the period of time specified by Purchaser's customer to sell to Purchaser Goods necessary for Purchaser to fulfill Purchaser's model service and replacement parts requirements at the price(s) set forth in the applicable Scheduling Agreement, or if none is stated, at the price in effect as of the last date for series manufacture of the Goods. If the Goods are systems or modules, Supplier will sell the components or parts that comprise the system or module at price(s) that shall not, in the aggregate, exceed the price of the system or module less assembly costs. During the fifteen (15) year period after Purchaser completes current model purchases, Supplier will sell Goods to Purchaser to fulfill Purchaser's past model service and replacement parts requirements. Unless otherwise agreed to by Purchaser, the price(s) during the first five (5) years of this period shall be those in effect at the conclusion of current model purchases. For the remainder of this period, the price(s) for Goods shall be as agreed to by the parties. When requested by Purchaser, Supplier shall make service literature and any other materials necessary for service available at no additional charge to support Purchaser's service part sales activities.

10.2 **Subsuppliers.** If subsuppliers of the Supplier discontinue production of key materials or components used for the manufacture of the Goods, the Supplier shall inform the Purchaser immediately. Such a discontinuation will not excuse Supplier's performance obligations under any Scheduling Agreement or other agreement with Purchaser.

XI TOOLS

11.1 **Ownership.** Purchaser shall be the exclusive owner of all tools, equipment, dies, gauges, models, matrixes, patterns, samples, drawings or other materials and all related documentation furnished by the Purchaser to Supplier or ordered or paid for by Purchaser, together with all replacements thereof and materials fixed or attached thereto (collectively, the "Tools"). Title to Tools manufactured or supplied by Supplier related to any Scheduling Agreement of the Purchaser shall vest exclusively in Purchaser as soon as any part thereof is fabricated or acquired by or on behalf of Supplier. Ownership in the Tools will pass to Purchaser notwithstanding incomplete or partial payment, unless otherwise stated in the Contract. The passage of title will not constitute an acceptance of any Tools by Purchaser. Tools and other material provided to the Supplier by the Purchaser or otherwise owned by the Purchaser, may be used by Supplier solely for the manufacture of the Goods according to the Scheduling Agreement.

11.2 **Liability.** Supplier, at its sole cost and expense, is liable for any loss, damage or destruction to Tools until Supplier returns the Tools to the Purchaser. Supplier, at its sole cost and expense, will immediately repair any damaged Tools or, if such item is lost, damaged beyond repair, or held by a third party which received possession of the Tools from Supplier and such third party refuses to release and deliver the Tools to Purchaser upon Purchaser's written demand, replace with identical tooling.

11.3 **Insurance.** All Tools, while in Supplier's custody and control, will be held at Supplier's risk, must be kept, maintained and preserved by Supplier in good working order and repair, and insured by Supplier in an amount equal to the full replacement cost, with Purchaser named as a loss payee on such insurance policy, all at Supplier's sole cost and expense.

11.4 **Marking.** Supplier, at its sole cost and expense, must plainly mark all Tools as Purchaser's or Purchaser's customer's property, in the manner specified by Purchaser and safely store (separate and apart from Supplier's property wherever practicable). The Supplier must obtain the Purchaser's prior written consent before moving any Tools to another location. Supplier will not substitute any property for the Tools, will not deliver or make available to any third party any of the Tools.

11.5 **No Liens.** At no time shall Supplier or any third party have any right, title and interest in the Tools. Supplier shall keep all Tools free and clear of all liens, claims, encumbrances and interests of third parties and promptly resist any attempt to seize or impound such Tools. To the extent permitted by law, Supplier waives any lien or similar right it may have with respect to the Tools. Supplier will hold the Tools on a bailment basis.

11.6 **Return.** Supplier will immediately return to Purchaser upon Purchaser's request, and Purchaser may retake immediate possession of, all Tools and other property of Purchaser or its customers without payment of any kind unless otherwise provided in the Contract. Supplier will return the requested property to Purchaser, properly packaged and marked in accordance with the requirements of Purchaser's carrier.

11.7 **Option to Purchase.** Purchaser shall be granted an exclusive and irrevocable option to purchase any Tools owned by the Supplier, which are solely used to manufacture Purchaser's Goods at the present value of the Supplier's actual cost of such Supplier's owned manufacturing Devices that the Supplier has not yet recovered in the piece price of the Goods by the time the Purchaser exercise the option ("Tooling Purchase Option"). The Tooling Purchase Option may be exercised by Purchaser only in the event that Supplier ceases production of the Goods.

11.8 **Maintenance.** Supplier will at its sole cost and expense, (1) maintain all Tools in good condition and repair for the period commencing on the date the Tools are manufactured and continuing until the date which is 15 years from the date on which the Program ends, including regular maintenance, lubrication and climate controlled storage of all Tools, (2) use Tools only for the manufacture, storage, and transport of Goods for Purchaser unless Purchaser otherwise approves in writing, (3) not make any material modifications to the Tools without

the prior written consent of Purchaser; and (4) not make any modification to the Tools that would invalidate any warranty provided by the manufacturer or supplier of the Tools. All replacement parts, additions, improvements, and accessories to Tools will become part of Tools.

11.9 **Preservation of Tools.** Without the prior written approval of the Purchaser, the Supplier shall abstain from (i) liquidating any Tools, cast iron forms, forms, devices, testing equipment, etc., which are necessary to manufacture the Goods; or (ii) disposing of any obsolete Tools.

Autoneum North America, Inc.
General Terms and Conditions of Purchase (Direct)
(rev. January 2013)

7

XII INTELLECTUAL PROPERTY RIGHTS

12.1 **No Infringement.** Supplier represents and warrants that the Goods or (where the Supplier has been notified of the intended use of the Goods) any goods with which the Goods are combined do not infringe any third party's intellectual or industrial property rights such as patents, industrial designs, trademarks, trade secrets and the like ("intellectual property rights").

12.2 **Patent Infringement Indemnity.** Supplier will fully indemnify and hold Purchaser harmless from and against any actual or alleged infringement of intellectual property rights of third parties with respect to the Goods or (where the Supplier has been notified of the intended use of the Goods) any goods with which the Goods are combined. Supplier shall, at Purchaser's request and Supplier's sole cost and expense, cooperate and assist Purchaser in the defense of any legal proceedings brought against Purchaser.

12.3 **Limited Rights to Use of IP.** Supplier acknowledges that Purchaser or Purchaser's customers may have valuable intellectual property rights in Tools, documents and information provided to Supplier. The Supplier may use intellectual property rights of the Purchaser only in the production and supply of the Goods. Any further use requires the prior written approval of the Purchaser.

12.4 **Technical Information Disclosed to Purchaser.** Supplier agrees not to assert any claim with respect to any technical information which Supplier shall have disclosed or may hereafter disclose to Purchaser in connection with the goods or services covered by a Contract. Supplier shall furnish to Purchaser, or any other party designated by Purchaser, without restrictions on use or disclosure, all information and data Supplier acquires or develops in the course of Supplier's activities under a Contract.

XIII CONFIDENTIALITY

13.1 **Confidential Information.** During the term and following expiration or termination of the Contract, Supplier, on behalf of itself and its agents, employees, contractors and representatives, agrees that it and they shall treat as confidential and not disclose or permit the disclosure of to any third party or use for any purpose other than to perform Supplier's obligations under a Contract with Purchaser, any Confidential Information. For purposes of these Terms and Conditions, "Confidential Information" includes, without limitation, all confidential information of the Purchaser, or Purchaser's customers, relating to any designs, know-how, inventions, technical data, ideas, uses, processes, methods, formulae, research and development activities, work in process, or any scientific, engineering, manufacturing, marketing, business, cost, pricing or financial information relating to the Purchaser, its present or future products, sales, suppliers, customers, employees, investors, business, or the Goods, whether in oral, written, graphic or electronic form disclosed by the Purchaser prior to or during the term of any Contract

13.2 **Restrictions on Third Parties.** Supplier shall cause its employees, agents, subcontractors, and representatives who have been disclosed to and approved in writing by Purchaser to hold such information in strictest confidence and subject to the same restrictions as those imposed on Supplier under these Terms and Conditions. Any request by Supplier for approval of disclosure to any third party for purposes of use in manufacturing the Goods shall be made in writing and shall be accompanied by an executed written agreement by such third party to honor the confidentiality and non-disclosure provisions of this Agreement. Purchaser may deny any such request in its sole discretion.

13.3 **Disclosure of Contract; Use of Purchaser Trademarks.** Supplier shall not, without first obtaining the written consent of Purchaser, in any manner (a) advertise or publish the fact that Supplier has contracted to furnish Purchaser any goods or services, (b) use any trademarks or trade names of Purchaser in Supplier's advertising or promotional materials, or (c) use Purchaser information in any form of electronic communication such as web sites (internal or external), blogs, or other types of postings.

13.4 **No Reproduction of Confidential Information.** Drawings, models, patterns, samples and similar objects shall not be reproduced, disclosed or otherwise be made available to third parties without the written consent of the party which owns them.

13.5 **Protection of Confidential Information.** If Supplier is required under applicable law to disclose the Purchaser's Confidential Information by any court or to any governmental authority, Supplier shall, prior to such disclosure, notify the other party of such requirement and all particulars related to such requirement. The Purchaser shall have the right, at its expense, to object to such disclosure and to seek confidential treatment of any of its Confidential Information to be so disclosed on such terms as it shall determine, and the notifying party shall fully cooperate with the Purchaser in this regard.

13.6 **Return of Confidential Information.** Upon the termination or expiration of this Contract for any reason, Supplier agrees to return to the Purchaser or destroy (and certify such destruction to the Purchaser's reasonable satisfaction) all documentation or other tangible evidence or embodiment of Confidential Information belonging to the Purchaser and not to use same.

13.7 **Injunctive Relief.** Supplier acknowledges that a breach or threatened breach by such party of any of its obligations under this Article

XIII would give rise to irreparable harm to the Purchaser for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the Purchaser shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

XIV DELAY; FORCE MAJEURE

14.1 **Notice of Delay.** Whenever any actual or potential delay threatens to delay deliveries or Supplier's performance under the Contract, Supplier shall immediately give written notice thereof to Purchaser. Such notice shall include all relevant information with respect to such delay, including the anticipated duration and impact of such delay. In addition, Supplier will notify Purchaser in writing: (i) at least sixty (60) days prior to the expiration of any labor contract or collective bargaining agreement; and (ii) as soon as Supplier becomes aware of any actual or threatened labor strike or other labor disruption; in each case as may be applicable to Supplier or to any of its subcontractors or suppliers that are engaged in manufacturing or providing Goods or Services to Supplier in connection with Supplier's obligations under the Contract.

14.2 **Consequences of Delay.** If Supplier fails or refuses to proceed with the Contract or fails to deliver the Goods or perform services within the delivery dates and times specified in the Contract, Purchaser may, without limiting or affecting its other rights or remedies available hereunder or at law, cancel the then remaining balance of the Contract, unless the delay is an excusable delay (as defined in Section 14.3 below). If Supplier is delayed or unable to perform for any reason, Purchaser may purchase Goods from other sources and reduce its purchases from Supplier accordingly without liability to Supplier. In addition, if Supplier fails to meet the delivery dates or times of the Goods, other than by reason of an excusable delay, Purchaser may, without limiting or affecting its other rights or remedies available hereunder or at law, direct expedited shipment and/or incur premium freight or transportation costs, and Supplier shall pay upon demand all excess costs incurred thereby, including additional handling charges and other expenses (whether related or not) resulting therefrom. Supplier shall be responsible for and shall reimburse Purchaser within 30 days following issuance of Purchaser's invoice for all other direct, consequential, and incidental damages incurred by Purchaser as a result of Supplier's failure to meet the delivery dates or times, other than by reason of an excusable delay, including the cost of any line shutdown and the cost of obtaining goods from an alternate source. Purchaser's actions in obtaining substitute or replacement products shall not limit the rights and remedies available hereunder or at law. To the extent that the Purchaser must exercise its rights to "cover" due to Supplier's failure to timely supply Products, such action shall not be deemed a general waiver for non-performance of Supplier's delivery obligations under the Contract. In the event that Purchaser elects to cover in accordance with this Section, such action shall not limit or impair Purchaser's right to assert any legal or equitable remedy for any non-performance by Supplier giving rise to any such failure to supply. Supplier, at its expense, shall use its best efforts to mitigate any adverse effects or costs to Purchaser due to any actual or potential delay, including: (i) the implementation of a production contingency plan; and (ii) upon Purchaser's express written authorization, increasing Supplier's inventory of finished Goods to a level sufficient to sustain deliveries during such delay.

14.3 **Excusable Delay.** The term "excusable delay" means any delay in making or accepting deliveries or performance which results without fault or negligence on the part of the party involved and which shall be limited to war, damage to production facilities caused by natural disaster or acts of terrorism, and embargoes, irrespective of whether these arise with regard to the Supplier or Purchaser. Supplier agrees that it shall not claim as event of excusable delay any of the following (a) any delay or non performance caused by Supplier's financial difficulties (b) change of credit lines or other financing conditions by financial institution of the Supplier, (c) a change in costs or availability of materials and components based on market condition or subsupplier action affecting the Supplier, or (d) any labor strike or any labor disruption applicable to Supplier or to any of its subcontractors.

14.4 During any period of excusable delay the Purchaser shall be entitled, without any obligation to the Supplier, to revoke a Release or to reduce the quantities of the Goods set forth in such Releases and to obtain such Goods from other sources.

XV SUPPLIER REPRESENTATIONS; FINANCIAL REPORTS

15.1 **Supplier Representations.** Supplier represents and warrants to Purchaser as of the date of each Scheduling Agreement and as of the date of Supplier's acceptance of and delivery pursuant to each Scheduling Agreement Release, that Supplier is solvent and is paying all of its debts as they become due and that all financial information provided to Purchaser is true, complete and correct and fairly represents Supplier's financial condition and that all financial statements of Supplier have been prepared in accordance with generally accepted accounting principles, uniformly and consistently applied.

15.2 **Financial Reports.** During the Term, if requested by the Purchaser, Supplier shall provide Purchaser with copies of Supplier's most recent annual audited financial statements for itself and for any of its related companies involved in manufacturing, supplying or financing the Goods or any component parts of the Goods; provided, however, that Supplier shall not be obligated to provide audited financial statements if Supplier does not regularly prepare such statements. Supplier shall also provide such other financial information concerning its condition and operations as Purchaser may reasonably request at any time and from time to time. Financial reports include income statements, balance sheets, cash flow statements and supporting data. If any such financial reports, or any other information publicly disclosed by Supplier, would reasonably call into question Supplier's longevity, financial stability, solvency or ability to perform its obligations under this Agreement on a timely basis, Supplier shall, as soon as reasonably practicable, notify Purchaser of the circumstances, the expected impact, if any, on Supplier's performance of its obligations under this Agreement and the measures being taken to address such circumstances. Thereafter, Supplier shall provide such additional information as Purchaser shall reasonably request to confirm Supplier's financial stability and the viability of Supplier's plans to perform its obligations hereunder. In addition, upon Purchaser's request, Supplier shall meet with Purchaser at any time and from time to time to discuss Supplier's financial condition and, if requested by Purchaser, submit a plan for addressing any issues that, in Purchaser's reasonable determination, could have a material adverse impact on the performance by Supplier of its obligations under this Agreement.

15.3 **Use of Financial Reports.** The Purchaser may use financial reports provided under this Article XV only to assess the Supplier's

ongoing ability to perform its obligations under the purchase agreements and for no other purpose, unless the Supplier agrees otherwise in writing. The confidentiality obligation under Article XIII shall apply to financial reports delivered under this Article 15.

XVI REQUIRED COMPLIANCE

16.1 Compliance with Laws. In its performance hereunder, Supplier and all Goods supplied under the Contract will comply with all applicable federal, state, provincial and local laws, statutes, rules, regulations, ordinances, codes, treaties, order, writ, judgment, injunction, decree, stipulation, award or determination entered by or with any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction, executive orders, common law, or other requirement of any governmental authority in effect during the Term (collectively, "Applicable Laws"), including without limitation, (a) laws in relation to the manufacture, labeling, transport, import, export, licensing, approval, certification handling, packaging, storing and shipping of the Goods, including, without limitation, (i) all applicable export control laws, including, without limitation, the export control laws of the United States, (ii) to the extent that any Goods delivered under a Contract are to be imported into the United States of America, Supplier shall, upon Purchaser's request, comply with all applicable requirements of the United States Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism Initiative or any successor or re-placement initiative or program, (iii) to the extent that any Goods delivered under a Contract are to be imported into Canada, Supplier shall, upon Purchaser's request, participate in the Canada Border Services Agency's Partners in Protection Program or any successor or replacement initiative or program, (iv) laws, rules and regulations relating to hiring, wages, hours and conditions of employment, international prohibitions on child labor, subcontractor selection, discrimination, occupational health or safety, environmental, safety and emission, including, without limitation, the National Traffic and Motor Vehicle Safety Act, Federal Motor Vehicle Safety Standards, the Consumer Product Safety Act, the Occupational Health and Safety Administration Act ("OHSA") and Hazard Communication Standard (HCS), the Toxic Substances Control Act of 1976, as amended, and any other federal or state safety or equipment laws, rules or regulations, and (f) all national, state, provincial, and local laws and regulations pertaining to product content and warning labels, including without limitation the U.S. Toxic Substances Control Act, European Union Directive 2002/96/EC and 2002/95/EC regarding restrictions of certain hazardous substances, and European Union Regulation 1907/2006/EC regarding Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") and the Restriction of Hazardous Substances Directive ("RoHS"), (g) the U.S. Foreign Corrupt Practices Act; and (h) all economic sanctions laws. Without limiting the foregoing, Supplier shall not act in any manner or fail to take any action that will render Purchaser or any of its affiliates liable for a violation of the U.S. Foreign Corrupt Practices Act ("FCPA"), which prohibits the offering, giving or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, political party or instrumentality to assist Supplier or Purchaser in obtaining or retaining business or in carrying out Supplier's duties and activities under the Contract. Supplier shall not pay, offer, give or promise to pay, nor authorize the payment of, any monies or other things of value, directly or indirectly, to any former or current officer or employee of, or any person acting in an official capacity for, any government, public international organization, or any department, agency or instrumentality thereof (including a government-owned commercial enterprise) or any former or current official of any political party or any candidate for political office on behalf of or for the benefit of Supplier or Purchaser if such payment(s) could be construed as violating the applicable laws of any jurisdiction or any laws applicable to Supplier or Purchaser or any of the Goods. "Directly or indirectly" shall be deemed to include, without limitation, receipt or the intention to provide something of value to a relative, friend and/or associate of any of the foregoing officers, employees, persons, officials and/or candidates identified above. Additionally, Supplier agrees not to receive or accept any payments or other benefits from any parties associated with the performance of its duties and activities under the Contract. Supplier agrees failure to comply with the FCPA or receipt of payment or other benefits could compromise the integrity of the work performed and, therefore, Purchaser would have the right to terminate the Contract immediately.

16.2 Code of Conduct. Supplier agrees to comply with Autoneum's Code of Conduct in Business Relationships. Autoneum's Code of Conduct is available at <http://www.autoneum.com/about-autoneum/code-of-conduct/> and is incorporated by this reference into these Terms and Conditions. The Purchaser reserves the right to terminate any agreement or Scheduling Agreement with a Supplier if the Supplier is not compliant with the standards stipulated in Autoneum's Code of Conduct.

16.3 Purchaser's Supplier Manual. Supplier agrees to participate in Purchaser's quality and development programs and comply with all of the Purchaser's quality requirements and procedures, including, without limitation, those contained in Purchaser's Supplier Manual. The Purchaser reserves the right to terminate any Contract or Scheduling Agreement with a Supplier if the Supplier is not compliant with the Purchaser's Supplier Manual.

16.4 Supplier Requirements. Supplier must provide world-class competitive Goods in terms of cost, quality, delivery, technology and customer support, in addition to all of the conditions, provisions and requirements pertaining to such elements in these Terms and Conditions.

16.5 Permits and Licenses. Supplier shall obtain all permits, consents, licenses, equipment, software, systems and supplies as necessary and/or appropriate to perform under the Contract, at Supplier's sole cost, except as otherwise specifically agreed in writing by the parties hereto.

XVII TERM; TERMINATION; BREACH;

17.1 Term. Unless otherwise stated on the first page of the Scheduling Agreement (as the "Valid To" date), the term of the Contract (the "Term") is the duration of the applicable vehicle production program for which the Goods will be incorporated.

17.2 Termination for Default or Breach; Purchaser's Remedies. If an event of breach or default by Supplier shall occur, Purchaser shall have all rights and remedies afforded by applicable law or at equity, including, without limitation, the right (a) to reduce quantities under the Contract to the extent Purchaser rejects Goods as nonconforming; (c) to terminate all or any part of the Contract, and Purchaser shall have no liability to Supplier; and (d) be entitled to collect from Supplier all of its damages, costs and expenses associated with Supplier's breach,

including incidental and consequential damages, court costs and attorneys' fees and expenses. Purchaser's payment for or acceptance of any Goods under the Contract shall not discharge Supplier from its obligations or constitute a waiver of any of Purchaser's rights. Unless Purchaser makes a written request, Supplier shall not replace non-conforming Goods. Payment for non-conforming goods shall not constitute an acceptance of such goods, limit or impair Purchaser's right to assert any legal or equitable remedy, or relieve Supplier's responsibility for latent defects. Supplier shall have no right to cancel all or any part of the Contract.

17.3 Termination at the Purchaser's Option. (a) In addition to any other rights of Purchaser to cancel or terminate the Contract, Purchaser may, at its option, terminate all or any part of any Scheduling Agreement or Scheduling Agreement Release, and all of its obligations thereunder, at any time and for any reason, by giving written notice of termination to Supplier. Purchaser shall have such right of termination notwithstanding the existence of an excusable delay under Article XIV. (b) Upon such termination Purchaser's obligation to Supplier shall be limited to: (i) payment for conforming Goods received as of the date of termination and not yet paid for, and (ii) Supplier's actual costs of work-in-process and parts and materials that Supplier produced or acquired hereunder and transferred to Purchaser, pursuant to its firm Releases. Purchaser is not required to and will make no payments for finished goods, work-in-process or raw materials fabricated or procured by Supplier in amounts in excess of those authorized in Releases or schedules nor any undelivered goods which are in Supplier's standard stock or are readily marketable. Purchaser's obligations upon termination shall not exceed those Purchaser would have had to Supplier in the absence of termination. Purchaser may audit Supplier's records, before or subsequent to payment, to verify Supplier's termination claim. (c) Purchaser shall have no obligation to Supplier if Purchaser cancels its purchase obligations because of breach or default by Supplier. Notwithstanding the Purchaser's cancellation of any Scheduling Agreement Release or Scheduling Agreement Release, the Supplier is not released from its delivery obligations in respect of Releases that have already been issued by the Purchaser to the Supplier unless specifically cancelled by the Purchaser. Purchaser shall not be liable for and shall not be required to make payment to Supplier, directly or on account of claim by Supplier's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, general and administrative burden charges, including those resulting from termination of the Scheduling Agreement or Scheduling Agreement Release in whole or in part, or otherwise.

17.4 Breach; Default. The following constitute events of breach or default by Supplier: (a) Supplier's failure to timely perform services or deliver conforming Goods as specified by in the applicable Scheduling Agreement Release; (b) Supplier's other failure to perform, observe or comply with or repudiation of any provisions of the Contract, including, without limitation, Supplier's warranties; (c) Supplier's failure to make progress so as to endanger timely and proper completion of services or delivery of Goods; (d) Supplier's failure or threat not to deliver Goods or perform services in connection with the Contract; (e) Supplier's failure to correct a failure to meet Purchaser's quality requirements within 10 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Purchaser specifying the failure; (f) Purchaser cancels for breach any other Scheduling Agreement or Scheduling Agreement Release issued by Purchaser to Supplier in accordance with the terms of such other Scheduling Agreement or Scheduling Agreement Release (whether or not such other Scheduling Agreement or Scheduling Agreement Release is related to the Contract); (g) Supplier's entering or offering to enter into a transaction that includes a sale of a substantial portion of its assets used for the production of Goods for Purchaser or a merger, sale or exchange of stock or other equity interests that would result in a change in control of Supplier, (h) Supplier's failure to remain competitive with respect to quality, technology, delivery, service or pricing of the Goods; (i) Supplier ceases to conduct its operations in the normal course of business, (j) involuntary proceedings under any bankruptcy or insolvency laws are brought against the Supplier, or a receiver for the Supplier is appointed or applied for or an assignment for the benefit of creditors is made by the Supplier, (k) Supplier's filing of a voluntary petition for bankruptcy; and/or (l) insolvency of Supplier.

17.5 No Termination Right by Supplier. Because Purchaser's commitments to its customers are made in reliance on Supplier's commitments under each Scheduling Agreement and Scheduling Agreement Release, Supplier has no right to terminate any Scheduling Agreement or Scheduling Agreement Release.

17.6 Transition of Supply. Immediately, upon the request of Purchaser, Supplier agrees to take such action as may be reasonably required by Purchaser to accomplish the transition from Supplier to an alternative supplier, including without limitation, a Purchaser-owned facility. Supplier will provide a sufficient bank of the Goods covered by any pending Scheduling Agreement Release(s) to ensure that the transition to an alternative supplier selected by Purchaser proceeds smoothly. Unless otherwise specified by Purchaser on a Scheduling Agreement, a six (6) week parts inventory bank will be deemed sufficient to accomplish the transition. Such six (6) week parts bank will be calculated using the Scheduling Agreement Releases of Purchaser from the six (6) week period immediately prior to the date of Purchaser's request for transition of supply (not including any temporary interruptions, plant or industry shutdowns or other reduced schedules).

17.7 Return of Property. Immediately, upon the expiration or early termination of any Scheduling Agreement or Scheduling Agreement Release for whatever reason, Supplier agrees to return to Purchaser all bailed property or other property of Purchaser or Purchaser's customer in as good a condition as when received by Supplier, and to, in the meantime, take all reasonable steps to safeguard such Property. Supplier shall not have the right to lien against such Property on account of any termination claims, and the pendency of such claims will not give Supplier the right to retain any such property.

XVIII GENERAL PROVISIONS

18.1 Severability. If any provision of the Contract or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of the Contract and the application of such provision to other Persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

18.2 Assignment and Subcontracting. Supplier shall not assign the Contract, or any part of the Contract, or subcontract any of its substantive duties under the Order, without Purchaser's prior written approval. Such approval shall not release Supplier from any of its obligations under the Contract. Supplier shall cause all approved sub-contractors to comply with all provisions of this Contract, including,

without limitation, all confidentiality obligations under these Terms and Conditions. In the event of a breach of one or more of the provisions of the Contract by a sub-contractor, Supplier, shall indemnify, defend and hold Purchaser harmless from and against all loss or damage.

18.3 **Remedies.** Every right and remedy of Purchaser provided for in these Terms and Conditions shall be cumulative and concurrent, and may be pursued singularly, successively, or together, in Purchaser's sole discretion, with, and in addition to any other rights and remedies at law or in equity. Supplier agrees that any violation by Supplier of Supplier's obligations in connection with confidentiality, intellectual property, the production or delivery of Goods or for possession of property, would cause irreparable damage to Purchaser for which damages alone are an inadequate remedy and cannot readily be calculated. Therefore, in addition to all other rights and remedies that Purchaser may have, Purchaser shall be entitled to, in addition to any other remedies that it may have, specific, injunctive (temporary, preliminary and permanent) or other equitable relief (without the requirement of posting of a bond or other security) in order to enforce such provision.

18.4 **Prevailing Party.** If any dispute regarding the enforcement of a Contract arises, then the prevailing party in such dispute shall be entitled to be paid (by the non-prevailing party) all reasonable costs and expenses incurred by the prevailing party in connection with the enforcement of its rights under the Contract, including reasonable attorneys fees.

18.5 **Waiver.** No course of dealing nor any failure or delay by the Purchaser at any time to require performance by the Supplier of any provision of the Contract shall in any way affect the Purchaser's right to require such performance at any time thereafter, and waiver by the Purchaser of any breach of or any default under any provision of the Contract by Supplier shall not constitute a waiver of any subsequent breach or default under and will in no way affect the other terms of the Contract.

18.6 **Entire Agreement.** Supplier agrees that the Contract, including any attachments, exhibits or supplements attached thereto, constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior or contemporaneous oral or written discussions, understanding, representation and agreements. The Contract may be modified only by a writing signed by an authorized representative of Purchaser. Acceptance of deliveries and/or payment by Purchaser shall not be deemed acceptance or approval of any modifications proposed by Supplier.

18.7 **Survival.** The provisions of Articles VII, IX, XI, XII, XIII and XVIII of these Terms and Conditions will indefinitely survive the termination or cancellation of all or any part of the Contract or any Contract document.

18.8 **Relationship of the Parties.** Supplier is solely an independent contractor of Purchaser and neither party shall be deemed the employee, servant, agent, partner, joint venture or legal representative of the for any purpose.

18.9 **Limitation of Liability.** UNDER NO CIRCUMSTANCES WILL PURCHASER BE LIABLE UNDER ANY CONTRACT OR OTHERWISE FOR (A) ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR OTHER INDIRECT DAMAGES OR (B) DAMAGES IN EXCESS OF THE PRICE OF THE GOODS THAT ARE THE SUBJECT OF THE CLAIM, INCLUDING BUT NOT LIMITED TO DAMAGES DENOMINATED AS LOSS OF ANTICIPATED PROFIT OR REVENUE, UNABSORBED OVERHEAD, INTEREST ON CLAIMS, PRODUCTION DEVELOPMENT AND ENGINEERING COSTS, FACILITIES AND EQUIPMENT REARRANGEMENT COSTS OR RENTAL, UNAMORTIZED DEPRECIATION COSTS, GENERAL AND ADMINISTRATIVE BURDEN COSTS, OR OTHERWISE. THESE LIMITATIONS OF LIABILITY APPLY NOTWITHSTANDING THAT THEY CAUSE ANY REMEDY TO FAIL OF ITS ESSENTIAL PURPOSE AND NOTWITHSTANDING THAT PURCHASER KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

18.10 **Dispute Resolution.** Any action brought in connection with this Contract or the transactions contemplated by these Terms and Conditions shall be brought only in a court of competent jurisdiction sitting in Oakland County, Michigan, or in the United States District Court for the Eastern District of Michigan, Southern Division. The Parties agree that exclusive jurisdiction and venue in such courts is proper. Supplier waives any objection to jurisdiction and venue of any action instituted hereunder, and further agrees not to assert any defense based on lack of jurisdiction or improper venue, including forum non-conveniens. Place of performance shall be the legal domicile of the Purchaser.

18.11 **Governing Law.** The Contract shall be governed by the laws of the State of Michigan, without regard to conflicts of law principles.

18.12 **WAIVER OF JURY TRIAL.** THE PARTIES HEREBY MUTUALLY, VOLUNTARILY, IRREVOCABLY AND UNCONDITIONALLY WAIVE FOR THE BENEFIT OF THE OTHER, ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE CONTRACT, THE TRANSACTIONS RELATED THERETO OR THE RELATIONSHIP ESTABLISHED THEREBY. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE PURCHASER TO ENTER INTO THIS TRANSACTION. IT SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF EITHER PARTY TO PURSUE ITS REMEDIES UNDER THE CONTRACT, OR AS AVAILABLE BY LAW OR IN EQUITY.

18.13 **Applicability of Uniform Commercial Code.** Except to the extent the provisions of these Terms and Conditions are clearly inconsistent therewith, the Contract, including, without limitation, these Terms and Conditions will be governed by the applicable provisions of the Uniform Commercial Code. To the extent the Contract entails delivery or performance of services, such services shall be deemed "goods" within the meaning of the Uniform Commercial Code, except when deeming such services, as "goods" would result in a clearly unreasonable interpretation.

18.14 **Electronic Communications and Electronic Signatures.** Supplier shall comply with any method of electronic communication

specified by Purchaser, including requirements for electronic funds transfer, Scheduling Agreement, Scheduling Agreement Release transmission, production releases, electronic signature, and communication. E-mails, even those containing a signature block of one of Purchaser's representatives shall not constitute a Signed Writing.

(a) **Consent to Electronic Communications.** Supplier agrees to send and receive binding Scheduling Agreement and Scheduling Agreement Release Records by means of electronic communication. Supplier shall comply with any method of electronic communication specified by Purchaser. For purposes of these Terms and Conditions, "Record" (whether with or without initial capitals) means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form, and "electronic record" (whether with or without initial capitals) means a record created, generated, sent, communicated, received, or stored by electronic means. Any requirement that any item related to a Scheduling Agreement or Scheduling Agreement Release Record be in writing is satisfied if the item is a record, whether electronic or otherwise. Any requirement that any item related to a Scheduling Agreement or Scheduling Agreement Release Record be signed is satisfied by an electronic signature. Any Scheduling Agreement or Scheduling Agreement Release Record sent by one Party to the other by electronic means in accordance with the Contract will be binding on the Parties to the same extent as if such record was made in writing.

(b) **Time of Receipt; Binding Effect.** (1) **Time of Receipt.** Any Scheduling Agreement or Scheduling Agreement Release Record sent by either Party to the other by electronic mail shall be deemed received when it enters an information processing system used by the recipient for the purpose of receiving electronic records at the address set forth in Section 18.15 of these Terms and Conditions, in a form capable of being processed by that system, provided that the sender does not receive any automated message indicating that the e-mail was not transmitted to the recipient's e-mail account. An electronic record is received under this Section 18.14 even if no individual is aware of its receipt. (2) **Binding Effect.** In the event that Supplier does not send a confirmation of receipt or a rejection of a Scheduling Agreement or Scheduling Agreement Release within 14 days following the time of receipt, Supplier shall be deemed to have accepted such Scheduling Agreement or Scheduling Agreement Release Record.

(c) **Address for Electronic Communications.** Each Scheduling Agreement or Scheduling Agreement Release Record sent by electronic mail will be sent to only to the email address for the applicable party. Only electronic email sent to Purchaser at purchasingNA@autoneum.com is valid. No other email address shall be valid for purposes of binding communications between the Parties. All commercial communications that are not Scheduling Agreement or Scheduling Agreement Release Records shall be submitted directly to the appropriate Autoneum purchasing contact, as agreed upon by the Parties.

18.15 **Notices.** All notices, claims and other communications to Purchaser required or permitted under a Contract shall be made in writing and sent to Autoneum North America, Inc., Attention: Purchasing, 38555 Hills Tech Drive, Farmington Hills, MI 48331-5752.