



# JTEKT North America Corporation

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**GENERAL TERMS AND CONDITIONS**

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These Terms and Conditions are between JTEKT North America Corporation and its Affiliates and Subsidiaries (Buyer), and each party or parties (individually, "Seller") providing Products to Buyer. Buyer hereby buys and Seller hereby sells those Products set forth in the Purchase Order subject exclusively to the Terms and Conditions set forth below, together with such additional terms and conditions as may be specified in the Purchase Order.

1. Definitions. The word "Buyer," whenever used herein, shall mean JTEKT North America Corporation ("JTEKT"). The party with which the purchase order is placed or supply agreement, commercial program agreement, supply contract (or similar purchasing document) ("Purchase Order") is entered, is referred to herein as "Seller." The goods (including, without limitation, tangible and intangible deliverables and works of authorship such as software), labor and/or services covered by the Purchase Order are referred to herein as the "Products," which term includes both goods and services unless the context clearly requires otherwise, and, as to goods, includes all parts, portions, materials, prototypes, tangible deliverables, items, attachments, repairs, replacements and substitutions thereof. The terms "Purchase Order," "herein", "hereto", "hereby", "hereof", and "hereunder" refer to and include the face of the Purchase Order, these General Terms and Conditions, Commercial Program Agreement and any other document(s) specifically made a part of the Purchase Order by Buyer. "Buyer's Plant" means the plant of Buyer the address of which appears on the face hereof or the Purchase Order. "Interest" means interest on the principal amount owed and accruing from demand through the date of repayment at the prime rate of JP Morgan Chase Bank as adjusted from time to time, plus one percent (1%) per annum. "Party" means any natural person, corporation, partnership, governmental authority or other legal entity. "Third Party" means any Party other than Buyer or Seller. "Seller Document" means any bill of lading, quotation, acknowledgment, invoice or other document issued by Seller.
2. Price. The price on the Purchase Order shall not be increased unless agreed to in writing by the Buyer. The price specified on the Purchase Order includes all subcontracting costs associated with the Purchase Order. Buyer will have no responsibility for any decreased profitability or increased costs incurred by Seller, including in connection with any raw materials or subcontractors, unless such additional costs have been negotiated and agreed to in advance and in writing by Buyer. Seller represents that its price for any item or service does not exceed Seller's price charged to any other customer purchasing the same or essentially similar items or service in similar quantities during the six months preceding and the six months immediately following the Purchase Order and Seller shall promptly provide a rebate to Buyer if Seller's price charged to any other customer is less than the price charged to Buyer. Buyer shall receive the benefit of all discounts and other favorable terms of payment offered to Seller's other customers.
3. Price Changes. If the Seller or the Buyer believes a change in pricing (up or down) is warranted, a price change request may be submitted. Seller will provide actual invoices, published price changes, price change requests from suppliers, all relevant sales information, evidence of actions taken to mitigate price increases, and other information reasonably requested by the Buyer to substantiate the requested price change. The parties will negotiate in good faith the terms of any price change. The Seller will continue to ship according to the Buyer's requirements under the current Purchase Order during any pricing negotiations.
4. Taxes. Except as may be otherwise provided on the face of the Purchase Order, the Seller shall pay, out of the purchase price, all federal, state and local taxes applicable to any provision of the Products.
5. Invoicing and Payment. Seller shall invoice Buyer and Buyer shall pay Seller net sixty (60) days from the latter date of receipt of shipment or Seller's invoice or otherwise agreed in writing by Buyer. Payment for Products shall not constitute acceptance, and all Products shall be subject to Buyer's inspection and rejection at Buyer's Plant. Neither payment nor acceptance shall constitute acknowledgment of the absence of breach of warranty, admission that the Products or Services meet the requirements of the Order, or limit any of Buyer's rights hereunder.
6. Volume Forecasts. From time to time, Buyer may (through the isupplier portal), but shall not be required to, provide Seller with a 12-week rolling forecast or volume projection ("Forecast"). Forecasts are for informational purposes only and do not create any binding commitment or obligation of Buyer to purchase the quantities specified in such Forecasts. Buyer makes no representation, warranty, or commitment of any kind, express or implied, related to Forecasts. Seller

shall maintain, at its sole cost, an inventory of parts and components for each Product (including raw materials) sufficient to produce no less than two (2) weeks of Forecasted deliveries of each Product or, where there is no Forecast, adequate to meet Buyer's requirements and delivery schedule. Seller shall be solely responsible for any Products and parts and components thereof (including raw materials) that become excess and/or obsolete at any time except as provided herein, and Buyer shall have no liability to Seller for such excess and obsolescence except as otherwise provided in this Agreement. The Seller acknowledges and agrees to accept the risk associated with the lead times of the various components if they are beyond the firm Purchase Order or release amounts provided by Buyer. Lead times are fixed at the time of quote acceptance. Any change of lead time after quote acceptance must be requested through the Seller change request process ("SCR"). No change to lead time can occur until and unless the SCR process is approved by Buyer.

7. Obsolescence. Unless otherwise agreed by Buyer in writing, quantities included in Buyer's Forecast in the 8-week frozen window prior to the requirement date will be considered firm orders. Seller may submit a claim for equitable adjustment in the price or delivery time resulting from a Buyer requested change within the 8-week frozen window that affects cost of tooling, components, material or labor. Equitable adjustment claims must be submitted to Buyer within 45 calendar days of the latest Forecast supplied through Buyer's isupplier portal. Claims for equitable adjustment must be supported by sufficient supporting documentation, are subject to Buyer's review, and are not effective unless accepted by Buyer in writing. The remaining 4 weeks of each 12-week rolling forecast submitted by Buyer shall be for planning purposes only, and thus not be binding. Non-Domestic / Long Lead Time (JTEKT Agreed Upon Suppliers) supply base will receive 16-week rolling forecast. Unless otherwise agreed by Buyer in writing, quantities included in the 12-week frozen window prior to the requirement date will be considered firm orders. Seller may submit a claim for equitable adjustment in the price or delivery time resulting from a Buyer requested change within the 12-week frozen window that affects costs of tooling, components, material or labor. Claims for equitable adjustment are not effective unless accepted by Buyer in writing. The remaining 4 weeks of each 16-week rolling forecast submitted by Buyer shall be for planning purposes only, and thus not be binding. Domestic supply base includes suppliers based in North America with products produced in North America. Non-Domestic / Long Lead Time suppliers are suppliers who manufacture their product overseas. This includes if your product is manufactured overseas and is supplied to JTEKT from a domestic warehouse location.
8. Product Fabrication; Shipping Schedules. Time, quality and quantity are of the essence, and Products shall be delivered to Buyer's dock on the due date specified in each Purchase Order. Seller shall not fabricate any of the Products or procure any of the materials required in their fabrication, and Buyer shall have no obligation as to the same, except to the extent expressly authorized in the applicable Purchase Order or in written instructions forwarded to the Seller by Buyer. Deliveries are to be made in quantities and at the times specified on the face of the applicable Purchase Order, commercial program agreement, supply contract (or comparable document), or in written instructions forwarded to the Seller by Buyer. Buyer may from time to time change such quantities and times, or direct temporary suspension of the scheduled deliveries, without any liability whatsoever.
9. Electronic Data Interchange (EDI). Seller shall participate in electronic data interchange ("EDI") as directed by Buyer, at Seller's expense, for notification of Purchase Orders, forecasts, shipping confirmations (ASN), and other similar information. All transactions initiated under EDI shall be governed exclusively by this Agreement, the EDI Agreement, and Buyer's order terms contained in such transmissions.
10. Delivery. Seller will deliver Products in accordance with the Purchase Order issued by Buyer. Buyer also reserves the right to refuse or return, at Seller's risk and expense, shipments made in excess of Buyer's orders or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates. Partial deliveries are not permitted except by Buyer's prior written authorization.
11. Delay in Delivery. If Seller, for any reason, does not comply with Buyer's delivery schedule, then in addition to the Buyer's other rights or remedies available under the Purchase Order or applicable law: (a) the Buyer may: (i) refuse to take any subsequent attempted delivery of the Products; (ii) make all necessary arrangements for the collection of the Products, at

the Seller's cost and expense; and/or (iii) by notice to the Seller, terminate the relevant Purchase Order with immediate effect; (b) the Seller shall indemnify Buyer against all losses, liabilities, costs, expenses, damages (including any direct, indirect, incidental, consequential losses and punitive and exemplary damages), including loss of profits, loss of business, depletion of goodwill and similar losses and all related interest, penalties and legal costs ("Losses") resulting from or in connection with such delivery delay, including: (i) all costs and expenses incurred in obtaining substitute products from a third party supplier; (ii) all transportation costs incurred, including costs related to air freight charges from Seller to the end of the supply chain; (iii) all payments, damages, costs and expenses payable by Buyer to Buyer's Customer, whether pursuant to a binding obligation or on an ex-gratia basis, as a consequence of such late Delivery or relating to any Losses suffered by Buyer's Customer; and (iv) all Losses resulting from production or supply interruptions or delays including administrative fees. Costs incurred at Buyer facilities for sort, rework or line down situations related to quality or delivery issues will be billed at standard hourly rates. All Losses are to be reconciled within 60 days of Buyer's submission of the Losses to Seller. Seller shall notify Buyer in writing immediately of any actual or potential delivery delay. Such notice shall include a proposed revised schedule. Buyer's receipt of Seller's notice and revised schedule proposal or acceptance thereof shall not constitute a waiver to Buyer's available rights and remedies herein.

12. Packing, Marking, And Shipping. Seller shall pack and ship Products according to Buyer's instructions and good commercial practice so as to ensure that no transportation damage occurs. If Seller ships Products by a method other than as specified, Seller shall pay any resulting increased freight costs incurred over that which would have been incurred had Seller complied with Buyer's shipping instructions. No charges will be allowed for packing, crating, freight, local cartage, and/or any other services unless so specified in this Agreement. Buyer's count or weight shall be final and conclusive on shipments not accompanied by a packing list.
13. Risk of Loss and Title. Seller assumes all risk of loss until receipt by Buyer. Title to the Products shall pass to Buyer upon receipt by it of the Products at the designated destination. If the Products ordered are destroyed prior to title passing to Buyer, Buyer may at its option cancel the Purchase Order or require delivery of substitute Products of equal quantity and quality. Such delivery will be made as soon as commercially practicable. If loss of Products is partial, Buyer shall have the right to require delivery of the Products not destroyed.
14. Service and Replacement Parts. If the contract is for the sale of direct material or components for Buyer's finished product, then the following section shall apply. During the term of the agreement, Seller will sell to Buyer Products necessary to fulfill Buyer's service and replacement parts requirements to Buyer's customers at the then current production price(s) under these terms and conditions. If the Products are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that will not, in the aggregate, exceed the price of the system or module less assembly costs. If this Agreement is in effect at the end of the vehicle production program into which the Products covered by the Purchase Order are incorporated, Seller will also sell Products to Buyer to fulfill Buyer's and its customers' service and replacement parts requirements during the longer of (i) the period required by Buyer's customer or (ii) a fifteen (15) year period following the end of such vehicle production program (the longer of (i) or (ii) shall be deemed the "Post Production Period"), and this Agreement will automatically remain in effect during the entire Post Production Period. During the initial five (5) years of the Post Production Period, the price(s) for such Products will be the production price(s) that were in effect at the commencement of the Post Production Period. For the remainder of the Post Production Period, the price(s) for such service Products will be as reasonably agreed to by the parties. If requested by Buyer, Seller will also make service literature and other materials available at no additional charge to support Buyer's service activities. Seller will provide any legal and/or material compliance documentation required by the Buyer to sell or import Products for any applicable market.
15. Product Discontinuance. Notwithstanding Seller's Service and Replacement Parts obligations set forth herein, if Seller plans to cease production of any Products after the fifteen (15) year period as detailed above, then Seller shall provide Buyer with at least one calendar year's notice of such event so that Buyer may request a "last-time" buy from Seller for such Products, which buy must consist of a quantity agreed upon, but in no event less than one (1) years' worth of Products as solely determined by Buyer, and at the then agreed Post Production price.

16. Quality Requirements. The Seller will deliver continuous quality improvement in the manufacture, production and distribution of the Products. Seller will maintain an inspection and quality system that complies with Buyer's Seller Quality Assurance Manual ("SQAM"). Products purchased hereunder shall be manufactured in conformity with any drawings, specifications, and other data which are within any quality program of Buyer described in the Purchase Order. Seller agrees to comply with all requirements of the industry-standard Production Part Approval Processes ("PPAP") for all Products. The Seller, at its own expense, will manufacture the requisite number of sample Products using Buyer or Seller furnished Tooling, as agreed by the Parties, in order to successfully complete the Buyer's Production Part Approval Process (PPAP) and submit the Part Submission Warrant (PSW). The Seller has no claim for payment until Seller has fulfilled all Buyer defined quality and tooling requirements and any other requested documentation has been submitted to Buyer. Seller shall provide Buyer with all requested documentation within thirty (30) days of such request. Products may not be shipped from the Seller's facility until PPAP approval is granted or written authorization is given by Buyer. Seller is responsible for all costs incurred by Purchaser or for any Products shipped that do not conform to the requirements specified in this Section. Seller must ensure that the clauses associated with a Purchase Order are flowed down to all its sub-tier suppliers. Seller must notify Buyer in writing of changes in product and/or process, changes of its own suppliers, changes of manufacturing facility location and, where required, obtain Buyer's written approval.
  
17. Continuous Improvement. Seller has an ongoing responsibility to perform under these terms and conditions in a manner which results in continuous improvement in Seller's provision of Products to Buyer. Seller shall participate in all quality improvement, cost reduction and other manufacturing programs and initiatives of Buyer.
  
18. Infringement; Use of Products Licensed. Seller warrants that the Products, and the sale, offer for sale, import, export, use, copying, exhibition, display, execution, lease and/or other disposition thereof by Buyer and its customers (before or after incorporation into Products during manufacture) do not and will not infringe any patents or other intellectual property rights, United States or foreign. Seller warrants that it is aware of the uses to which the Products are to be put, and grants to Buyer and its customers, and each party or entity to which the Products are provided, a free, worldwide, unrestricted, irrevocable and perpetual license and right under Seller's current and future intellectual property rights to offer to sell, use, have made, repair, reconstruct, copy, exhibit, display, execute, prepare derivative works of, import, export, lease or otherwise dispose of the Products in any manner, and warrants that Seller has full right to grant said license.
  
19. Warranties; Remedies.
  - (a) In addition to any other express and implied warranties provided by law or otherwise, Seller warrants that each Product (whether goods or services) shall: (i) be original (in the case of works of authorship) or new and conform to the Purchase Order in all respects; (ii) conform to all specifications, drawings, samples and other descriptions furnished and/or specified by Buyer; (iii) be merchantable and fit for the purpose for which intended; and (iv) be free from all defects in design, workmanship and materials and be of highest quality and workmanship. Seller shall comply with all quality requirements and procedures established by Buyer or Buyer's customer, as revised from time to time. Seller's warranty term for Products shall be coterminous with the warranty extended to Buyer's customers by Buyer. Seller's liability for breach of warranties given herein may be determined by Buyer's analysis of a sample of Product against which claims are made that the Product is defective. Seller may participate in such analysis in accordance with Buyer's procedure which is subject to change by Buyer from time to time. At all reasonable times, Buyer and Buyer's customer may inspect and/or test the Products to be furnished under the Purchase Order at the locations where the work is being performed. Buyer may conduct one hundred percent (100%) inspection of Products or any lot of Products or, at Buyer's option, Buyer may select and inspect samples thereof, and Buyer shall have the right to reject all or any portion of the Products or lot of Products as any such inspection reveals that any Product is defective or nonconforming.
  - (b) Seller warrants that the materials to be furnished and the services to be rendered under the Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, local laws, orders, rules, ordinances, and regulations.
  - (c) Seller also expressly warrants that title to all of the Products shall be vested in Buyer free and clear of any and all liens,



encumbrances and future obligations or restrictions of whatsoever nature and kind. All warranties of Seller, express and implied, and remedies of Buyer, in this Section or elsewhere, shall survive indefinitely any delivery, inspection, tests, acceptance and payment.

- (d) Upon any breach of warranty, in addition to all other remedies hereunder or under applicable law or in equity, Buyer may: (i) cancel all or any portion of the Purchase Order, (ii) require the Seller to repair or replace any or all Products, at Buyer's option and at Seller's sole expense, either at Buyer's Plant or at any other location designated by Buyer, (iii) return nonconforming Product to Seller and request that Seller investigate the nonconformity and submit an action plan to Buyer to correct the nonconformity in a timely manner, at Seller's expense; (iv) require the Seller to pay all transportation and other charges arising from delivery, storage and return of Products, (v) purchase replacement Products from a third party and charge the same to Seller; and/or (vi) collect from Seller all costs and expenses (including attorneys' fees) incurred by Buyer as a result of Seller's unreasonable denial or enforcement of the warranties provided herein.
- (e) In the event that either Party obtains information that a Product or any portion thereof is alleged to or proven not to meet the specifications, the labeling, or to be otherwise defective, such Party shall notify the other Party immediately and both Parties shall cooperate fully regarding the investigation and disposition of any such matter, including with respect to any Recall. Seller shall maintain such traceability records as are sufficient and as may be necessary to permit a recall or field correction of any Products. Upon the occurrence of a recall or customer satisfaction campaign that is determined to be necessary by Buyer, its customer, an original equipment manufacturer, a court of competent jurisdiction, or a government authority, where Buyer determines one of the potential causes is attributable to Seller, Seller shall take all appropriate corrective actions necessary and will be liable to Buyer for all costs and expenses related thereto, including but not limited to: customer chargebacks to Buyer, costs of inspection, sorting and replacing nonconforming goods, and expenses resulting from production interruptions, to the extent the cause is attributable to Seller. If Buyer's customer debits the Buyer's account pending final determination of responsibility, then Buyer may debit Seller's account on the same basis, to the extent the cause is attributable to Seller under this paragraph.

20. Counterfeit Products. Seller warrants and certifies that components and Products delivered pursuant to a Purchase Order shall (a) be new, (b) be and only contain materials obtained from the OEM or an authorized OEM reseller or distributor, (c) not be or contain any counterfeit products, and (d) contain only authentic, unaltered OEM labels and other markings. Components and Products shall not be acquired from independent distributors or brokers unless specifically authorized in writing by Buyer. Counterfeit Products means components or Products that have been misrepresented as having been designed and/or produced under an approved system or other acceptable method. Counterfeit Products include, but are not limited to: (a) Components or Products that are an illegal or unauthorized copy or substitute of an OEM item; (b) an item that does not contain the proper internal or external materials or components or is not manufactured in accordance with the OEM design; (c) Components or Products that are used, refurbished, or reclaimed but that Seller represents as being new; (d) Components or Products that have not successfully passed all OEM required testing, verification, screening, and quality control but that Seller represents as having met those requirements; (e) Components or Products with a label or other marking intended, or reasonably likely, to mislead a reasonable person into believing a non-OEM Component is a genuine component or Product when it is not.

In the event components or Products delivered under a Purchase Order constitute Counterfeit Products, Seller shall at its expense promptly replace such components or Products with genuine components or Products conforming to the requirements of this Agreement. Notwithstanding any other provision of this Agreement, Seller shall be liable for all costs relating to the removal or replacement of Counterfeit Products, including without limitation Buyer's or Buyer's customer's costs of removing such Counterfeit Products, reinserting genuine components or Products, and any testing necessitated by the reinstallation of any components or Products after Counterfeit Products have been exchanged. Buyer reserves the right to turn over suspected Counterfeit Products to U.S. Governmental authorities for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation.

21. Default. Seller shall be in default hereunder if (a) Seller does not comply with this Agreement or any Purchase Order in all



respects, or (b) Seller is insolvent or makes an assignment for the benefit of creditors, or proceedings in bankruptcy or insolvency are instituted by or against Seller, or (c) Seller fails to provide Buyer with adequate assurance of Seller's ability to perform its obligations under the Purchase Order within five (5) days of written notice by Buyer of Buyer's concern that Seller's financial or other condition or progress on the Purchase Order endangers timely performance. Upon any default hereunder, in addition to all other remedies hereunder or under applicable law or in equity, Buyer may: (i) cancel all or any part of the Purchase Order without liability except to pay the contract price for Products delivered prior to notice of cancellation, (ii) purchase replacement Products from a third party and (iii) recover from Seller on demand any and all increased costs or other damages relating to such default, plus Interest and any attorneys' fees, costs of suit and other damages incurred by Buyer as a result of said default.

22. Continued Performance. The Supplier agrees that the performance of the Seller's obligations is absolute and at no time may Seller refuse to perform any Purchase Order or stop shipment of Products. In the event of any disagreement, dispute, controversy or claim between the parties in respect of a Purchase Order (a "Dispute") the Seller shall (unless otherwise instructed by JTEKT) continue to perform all its obligations under the Purchase Order pending resolution of that Dispute.
23. Notice. In the event of a breach by Seller of any of the provisions of these terms and conditions, Buyer will put Seller on Notice, and Buyer and Seller shall engage in good faith negotiations concerning Seller's breach and the amount of payment due to Buyer to address Seller's breach, without prejudice to any other rights provided for by law or under these terms and conditions such as the right to specific performance, the right to an injunction.
24. Remedies Cumulative; No Waiver. Buyer's remedies relating hereto shall be cumulative and in addition to any other remedies provided herein or by law or in equity. No delay by Buyer in the enforcement of any provision of this Agreement or a Purchase Order shall constitute a waiver thereof, and no waiver thereof shall constitute a waiver of any other provision.
25. Indemnification. Seller agrees to indemnify, defend and hold harmless the Buyer, its affiliates, customers and each other Third Party to which Products are provided, and each of their shareholders, directors, officers, employees and agents, on demand, from and against any and all claims, demands, actions, causes of action, suits, judgments, costs, fees, penalties, damages (consequential and otherwise), attorneys' fees (including those associated with enforcing this Agreement) and all other liabilities and obligations whatsoever ("Losses") arising out of or relating to:
  - (a) personal injuries, damages or death to any natural person or damage to any property (including, but specifically not limited to, injuries, death or damages to the Seller, its agents, servants, employees and/or property) or any spill, discharge or emission of Product, material, substances or hazardous wastes, which relate, in whole or in part, to: (i) any manufacturing, design or other defect, failure to warn, improper handling, improper operating or installation instructions, failure to identify and report hazardous substances, or other act or omission, whatsoever, of Seller or any of Seller's employees, agents, or subcontractors with respect to any of the Products, or (ii) the performance by Seller or any of Seller's employees, agents, or subcontractors of any services, whether on property of Buyer, Seller or any Third Party;
  - (b) any breach of warranty made by Seller or any of Seller's employees, agents, or subcontractors with respect to the Products or otherwise and any claim of a Third Party relating to any Products or their quality;
  - (c) breach of the Purchase Order or any other agreement between Buyer and Seller;
  - (d) any recall campaign in which Buyer or any customer of Buyer or any Third Party participates in connection with any of the Products; and/or
  - (e) patent, copyright, trademark, trade secret or other intellectual property infringement claims against the Products, based upon the manufacture, use, sale, offer for sale, having made, repair, reconstruction, import, export, lease,

copying, executing or displaying the Products (alone or in combination with other products) anywhere in the world, even if they are made to Buyer's specifications or other requests.

- (f) Buyer shall promptly notify Seller of any patent, copyright, trademark, trade secret or other intellectual property infringement claims against the Products. If Buyer's use or re-sale of any Product is enjoined due to an assertion that it infringes any one or more of the foregoing, Seller, at Buyer's option and Seller's expense, shall take one of the following curative actions: (a) obtain for Buyer and its customers the right to use and sell said item; (b) replace or modify infringing items with comparable Products acceptable to Buyer of substantially the same form, fit, and function so as to remove the source of infringement; or (c) refund Buyer's payments for such Products and compensate Buyer for all costs, expenses, and lost business opportunities arising from Buyer's inability to use or re-sell such Products.

To the maximum extent permitted by applicable law, Seller's indemnification shall be applicable even as to Losses caused in whole or in part by an indemnitee's negligence but shall not apply to the extent that Losses are clearly shown to have resulted solely and directly from the willful misconduct of such indemnitee. In furtherance and not in limitation of the foregoing indemnification obligations, Seller agrees that it will pay Interest to Buyer, on demand, on all indemnification amounts owed, and Buyer may at its option participate in the defense of any Third-Party claim with its own counsel, at Seller's expense.

26. Limit Of Liability. In no event shall Buyer be liable for anticipated profits, interest, or penalties or incidental, consequential, punitive, exemplary, or other damages or liabilities in connection with this Agreement or any Purchase Order, whether for breach of contract, late payment, property damage, personal injury or death or otherwise, beyond the total of the price for Products that are the subject of the claim.

27. Change or Cancellation for the Convenience of Buyer. No variations in delivery schedule, price, quantity, specifications, or other provisions of this Agreement will be effective unless agreed to in writing by Buyer. Buyer reserves the right, for any reason, to cancel any undelivered portion of the Purchase Order or make changes to the specifications, amount, type, etc., of the Products. Upon such cancellation or change, and subject to the other provisions hereof, Buyer shall pay to Seller only the following amounts, without duplication, in complete and final satisfaction of any liabilities relating to the Purchase Order: (a) any unpaid purchase price for conforming Products received by Buyer prior to cancellation or change and accepted in accordance with the Purchase Order; (b) the reasonable direct out-of-pocket costs incurred by Seller in connection with Products covered by the Purchase Order and not shipped prior to cancellation or change and a reasonable profit based on such costs; provided that, Seller shall use its best efforts to resell or re-use Products or components not shipped, and the amount set forth in this subsection (b) shall be reduced by the amount received therefor; and (c) an equitable price adjustment for any material changes. Any claim by Seller for adjustment under this clause shall be deemed waived unless asserted in writing within fifteen (15) days from receipt by Seller of the change request. Nothing herein shall excuse the Seller from proceeding with the Purchase Order as changed pending resolution of any claim.

28. Transition of Supply. Upon expiration or termination of the Purchase Order or supply agreement *for any reason*, Seller will cooperate with the Buyer to help avoid production disruptions while the production of the Products is being resourced to another supplier. To the extent requested by the Buyer, and at no cost to Buyer, Seller will: (a) work diligently with the Buyer to identify an alternative source of supply that is acceptable to the Buyer; and (b) promptly provide all requested information and documentation regarding, and access to, Seller's manufacturing process, including identifying Seller's component-part and raw-material suppliers relating to the Products. In addition, the Supplier will supply the Buyer at the prices and other terms stated in the Purchase Order during the transition period to the new supply source. If a transition period longer than 6 months is required, the Buyer and the Supplier will negotiate in good faith on the terms and conditions of any longer transition period.

29. Buyer's Property. Seller shall not purchase for the account of Buyer or charge to Buyer any tools, jigs, molds, dies, fixtures, patterns, or other equipment (collectively, "Tools") used or useable for producing Products pursuant to the Purchase Order, unless such Tools have been listed on Seller's invoice and approved in advance by Buyer in writing. Seller

acknowledges that all Tools so approved, all Tools otherwise supplied by Buyer, and all Products returned by Buyer for repair or pending replacement (collectively, "Buyer Property") are and shall be owned by Buyer and used only to produce Products for Buyer. Seller shall have only temporary possession thereof and shall deliver all or any part thereof to Buyer immediately upon demand or automatically upon any bankruptcy or insolvency filing or other similar event. Seller at its own expense shall keep all Buyer Property in working condition and fully insured for the benefit of Buyer, and Seller shall bear the risk of loss and damage of Buyer Property at all times while in Seller's possession, will keep it segregated from all other assets and labeled as being the property of Buyer, shall not move Buyer Property from Seller's premises without Buyer's prior written consent except in case of an emergency in order to protect Buyer Property and with reasonable notice to Buyer after such emergency move, and will immediately sign and file any UCC-1 forms required by Buyer in respect thereof. Seller hereby grants Buyer the option of purchasing, at the lower of book value or current market value, any Tools which are not Buyer Property and have been used exclusively for the manufacture of the Products.

30. Services Performed on Buyer's Property; Insurance. If Seller's work under the Purchase Order involves operations by Seller on the premises of Buyer or the premises of one or more of its customers, Seller and its employees, agents and subcontractors shall abide and agree to be bound by all applicable rules and regulations of Buyer. Rules and regulations for contractors and subcontractors, are available for inspection at any time by Seller, its employees, agents and subcontractors upon Seller's written request and such rules and regulations are hereby incorporated by reference and made a part of the Purchaser Order. Seller shall take all necessary precautions to prevent the occurrence of any injury to person(s) or property during the progress of such work. Seller hereby waives all mechanics' liens and claims and agrees that none shall be filed or maintained against Buyer's property on account of any work performed or materials furnished under the Purchase Order and shall cause all its subcontractors, materialmen and suppliers (and subcontractors of such parties) to provide similar waivers and agreements in form satisfactory to Buyer. Seller shall be responsible for obtaining and maintaining insurance coverage in amounts not less than the following:

- (a) Workers' Compensation – Workers' compensation meets statutory minimums under the laws of the U.S., foreign country, state, or other governmental subdivision in which the work or any portion of the work is performed (or evidence of authority to self-insure);
- (b) Employer's Liability - \$1,000,000 per accident, \$1,000,000 Bodily Injury by Disease Policy Limit and \$1,000,000 Bodily Injury by Disease Per Employee;
- (c) General Liability (including General Aggregate, Products/Completed Operations, Broad Form Property Damage, and Blanket Contractual Liability) - \$1,000,000 per occurrence, \$2 million aggregate, for bodily injury and property damage combined, including the following coverage features: i) blanket contractual liability, ii) Products, iii) completed operations, and iv) independent contractors' coverage;
- (d) Automobile Liability (including owned, non-owned, hired, and leased vehicles) - \$1,000,000 combined single limit for Bodily Injury and Property Damage combined, covering all "owned," "hired" and "non owned" automobiles and including contractual liability coverage.
- (e) Umbrella or Excess Liability with limits of \$5 million each occurrence and aggregate for bodily injury and property damage with such policy "following form" to all primary policies listed above except for Workers' Compensation.

At Buyer's request, Seller shall promptly furnish to Buyer certificates of insurance setting forth the amount(s) of coverage, policy number(s) and date(s) of expiration for insurance maintained by Seller and such certificates shall require the insurer to give Buyer thirty (30) days prior written notice of any termination, reduction in the amount or scope of coverage under any policy. All insurance required above will be written with insurers rated A or better by the latest "A.M. Best" Guide. Seller's insurance will be primary and noncontributory to that maintained by Buyer. All self-insured retentions and deductibles for such insurance shall be the responsibility of Seller. For each of the above policies, Seller shall arrange a waiver of subrogation in favor of Buyer, and except for Workers' Compensation, shall name Buyer as an additional insured party. Seller's purchase of appropriate insurance coverage or the furnishing of certificates of

insurance shall not release Seller of its obligations or liabilities under this Agreement or a Purchase Order. In the event of Seller's breach of this provision, Buyer shall have the right to cancel the undelivered portion of any Products covered by a Purchase Order and shall not be required to make further payments except for conforming Products delivered or rendered prior to cancellation.

31. Force Majeure. Seller shall not be liable for a reasonable delay or default in furnishing Products hereunder and Buyer shall not be liable for failure to perform any of its obligations hereunder, to the extent that such delays or defaults on the part of Seller or such failure on the part of Buyer, are due to causes beyond their reasonable control (and only to the extent that, Seller's delay or failure to perform is directly caused by a Force Majeure event) including without limitation acts of God, fire, flood, storm, national emergency or war ("Force Majeure Event"), provided that either party has given the other prompt notice of the commencement of the occurrence that caused the failure and shall continue to tender partial performance of the Purchase Order if possible. Notwithstanding the foregoing, in the event any delay in delivery by Seller caused by a force majeure event will, in Buyer's opinion, cause a delay in delivery to Buyer's customers, Buyer shall have the option to terminate all or a portion of the Purchase Order to obtain the Products elsewhere, without liability to Buyer on account thereof. General economic conditions (e.g., recessions, inflationary conditions, etc.), strikes, labor disputes, power outages), supply chain disruptions, transportation, or labor shortages (unless caused by a Force Majeure Event), unprofitability or an increase in the cost or decrease in the availability of raw materials, components, fuel or supplies is not a force majeure event.

32. Set-Off. Without prejudice to any other right or remedy, Buyer shall be entitled at any time to set off any sums owing by Seller or its affiliated companies to Buyer or to any of Buyer's affiliated companies, against sums payable by Buyer in connection with this or any other Purchase Order. Upon Buyer's request, Seller will enter into a separate agreement consistent with these terms.

33. Compliance with Laws.

(a) Seller agrees to comply with all applicable federal, state, provincial and local laws, rules, regulations and ordinances in connection with the design, manufacture, sale, delivery and use of the Products, including without limitation including those relating to the manufacture, labelling, transportation, importation, exportation, licensing, approval or certification of the Products; (b) comply with all Applicable Laws relating to anti-bribery and anti-corruption including but not limited to the (UK) Bribery Act 2010 and the (US) Foreign Corrupt Practices Act of 1977 ("Anti-Bribery & Corruption Laws"); (c) maintain its own policies and procedures so as to ensure compliance with the Code of Conduct and the Anti-Bribery & Corruption Laws and shall enforce them where appropriate; (e) promptly report to Buyer any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of this Agreement and each Contract; (f) comply with all applicable laws relating to competition, anti-competitive behavior or antitrust ("Competition Laws"); (g) not engage in any activity that does or may constitute a breach of Competition Laws, including price fixing, bid-rigging, market partitioning, the sharing of competitively sensitive information with competitors or any similar unlawful behavior (and if any Supplier does breaches any Competition Laws it shall indemnify Buyer against such breach and for the purposes of calculating Buyer damages it shall be assumed that any increased prices have not been passed on by Buyer to Buyer's customer and the Supplier shall not argue or plead any pass-on defense or similar); and (h) when requested by Buyer, certify to Buyer in writing signed by an officer of the Supplier, compliance with this clause by Supplier and all persons associated with it, along with such supporting evidence of compliance as Buyer may reasonably request.

(b) In furtherance and not in limitation of subparagraph 25(a), Seller hereby certifies that the Products were produced and delivered in compliance with the following: (i) all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof; and (ii) all applicable provisions of the Equal Opportunity clause set forth in Title 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). This Agreement shall be deemed to incorporate by reference all the clauses required by the provisions of said regulations and laws. Further, Seller agrees not to discriminate against any employee or applicant for employment because of race, sex, sexual orientation, gender identity, creed, religion, color, national origin, or disability or veteran status, and Seller certifies that it does not maintain any unlawful segregated facilities. To

the extent that any of the Products are to be used by Buyer in connection with its manufacturing or assembly operations, including any activities incidental thereto, Seller hereby certifies and represents that said Products comply with all applicable federal, state, provincial and local environmental, safety and hazardous material transportation rules and regulations. All wood packaging materials shipped from outside the United States must comply with treatment and marking requirements of IPPC ISPM # 15 and the following statement must be on documentation provided with each shipment, "Any wood packaging material contained in this shipment complies with the treatment and marking requirements of IPPC ISPM #15."

- (c) Seller shall abide by the requirements of 48 CFR 52.222-50, Combating Trafficking in Persons. By signing a contract with Buyer, Seller certifies that they conduct business pursuant to all applicable laws that prohibit slavery and human trafficking. Seller's failure to honor its independent legal and contractual commitment to Buyer is a violation of law as well as a breach of its contract with Buyer.
  - (d) The Seller agrees to comply with all U.S. Government regulations, as found in 22 C.F.R. Pt. 120 to 130, International Traffic in Arms Regulations (ITAR), and 15 C.F.R. Pt. 730 to 774, Export Administration Regulations (EAR). Without limiting the generality of the foregoing, Seller shall control the disclosure of and access to technical data, information and other items received under this Agreement in accordance with U.S. export control laws and regulations. Whenever granting access to equipment or technology to a foreign vendor/Subcontractor, or before assigning any Foreign Person (as defined in 22 C.F.R. § 120.16) to perform work under this Agreement, the Seller also agrees to notify Buyer in writing prior to assigning or granting access to a Foreign Person to any work, equipment, or technical data in performance of this Agreement. Failure to comply may be deemed a material failure to perform under this Agreement and shall subject Seller to termination of this Agreement. Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs, or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller. The Seller shall at its own expense be responsible for obtaining all necessary export licenses and authorizations.
  - (e) To the extent any of the statutory or regulatory provisions cited above are amended, supplemented, or replaced, or additional statutory or regulatory provisions are enacted, Seller's obligations under this Agreement and any Purchase Order shall be automatically amended in an identical manner and the Seller Documents shall contain all legends and other disclosures required by the same.
  - (f) If this Agreement or any purchase order is in furtherance of a government contract as indicated on the face of the Purchase Order, then Seller shall be subject to all government contract clauses imposed upon Buyer by any higher tier prime contractor or sub-contractor including the JTEKT SUPPLEMENTAL GOVERNMENT TERMS. A copy of the JTEKT SUPPLEMENTAL GOVERNMENT TERMS may be obtained via the Supplier Portal at <http://supplier.jtekt-na.com/Home/tabid/72/ctl/Login.aspx>. The Supplemental Terms are hereby incorporated by reference and made a part of this Agreement.
34. Ethics And Compliance Program. Seller acknowledges and accepts full and sole responsibility to maintain an ethics and compliance program appropriate for its business throughout the performance of this Agreement.
35. Product and Chemical Disclosure.
- (a) Buyer reserves the right to request 100% disclosure of material and chemical composition as necessary to meet customer and regulatory reporting requirements. Seller is required to provide product material content reports through the International Material Data System (IMDS), Safety Data Sheets (SDS), or other means identified by Buyer for all products, parts, components, and raw materials sold to Buyer. This reporting includes, but is not limited to, 100% material composition and substances of concern (SoC) as defined by Buyer.
  - (b) Seller shall provide, upon and as requested by Buyer or a third party retained by Buyer, to satisfy any applicable regulatory or Buyer's customer requirements restricting the use of any hazardous substances, all reasonably necessary documentation to verify the material composition, on a substance by substance basis including quantity used of each



substance, of any Products ordered by Buyer and/or of any process used to make, assemble, use, maintain or repair any Products ordered by Buyer. Separately and/or alternatively, Seller agrees to provide, upon and as requested by Buyer to satisfy any applicable regulatory or Buyer's Customer requirements restricting the use of any hazardous substances, all reasonably necessary documentation to verify that any Products ordered by Buyer and/or any process used to make, assemble, use, maintain or repair any Products ordered by Buyer, do not contain particular hazardous substances specified by Buyer.

36. C-TPAT Requirements. For Seller's goods to be imported in the United States, Seller shall accept, implement, and comply with all applications, recommendations, or requirements of the United States Customs Service's Customs-Trade Partnership Against Terrorism (C-TPAT) initiative. At Buyer's or the Customs Service's request, Seller shall certify in writing its acceptance, implementation, and compliance with the C-TPAT and any accompanying recommendations and guidelines. Seller shall indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including attorney's fees or other professional fees) arising from or relating to Seller's failure to accept, implement or comply with C-TPAT.
37. Records & Audit. The Seller shall maintain all books, records, data, and information as are necessary to satisfactorily evidence their performance of and compliance with this Agreement and any Purchase Order (including any amounts charged to the Buyer under the Purchase Order) and Seller's overall financial condition ("Books & Records"). Seller shall comply and cooperate immediately with any inspections, reviews, investigations, or audits relating to this Agreement as deemed necessary by Buyer and shall immediately on request provide Buyer with copies of, and permit Buyer and its representatives full access to, all Books & Records. There shall be no charge to Buyer for conducting any such examination or audit. If any such examination reveals any overcharge, the necessary adjustments in such statement and the payments thereof shall be made to Buyer promptly. Unless a longer period is specified in the SQAM, Purchase Order or is required by law or regulation, Seller shall retain all Books & Records related to this Agreement for five (5) years from the date of final payment.
38. Inventions. Buyer shall own all right, title, and interest in and to all intellectual property (including information, designs, development, research, methods, processes, improvements, alternatives, and works of authorship), as well as all tangible and intangible deliverables, and all intellectual property rights in and to all of the foregoing, created, conceived, authored, or reduced to practice under or in connection with the Purchase Order. Seller hereby assigns to Buyer, for no additional consideration, all Seller's rights, including copyrights in all intellectual property and deliverables prepared by Seller under or in connection with the Purchase Order. All the foregoing shall be the confidential and proprietary property of Buyer, whether or not patentable, copyrightable, or otherwise protectable. Seller shall cooperate (and cause its employees to cooperate) in executing any documents and taking any other actions necessary or convenient to patent, copyright or otherwise perfect or protect for the benefit of Buyer any of the foregoing upon request of Buyer. In the event this assignment fails for any reason (including operation of law), Seller hereby grants Buyer a fully paid-up, irrevocable, perpetual, worldwide, license and right to any and all tangible items, intellectual property and intellectual property rights that are not conveyed by the Purchase Order.
39. Proprietary Information. Any information or knowledge which Buyer may have disclosed or may hereafter disclose to Seller in connection with the Purchase Order regardless of form or notice shall be deemed confidential and proprietary information of Buyer and shall not be used by Seller for any purpose other than performing under the Purchase Order for Buyer's benefit, nor shall it be disclosed by Seller without Buyer's prior written approval. Seller agrees not to assert any claims with respect to the use or disclosure of any technical information (including product and chemical disclosure necessary to meet customer or regulatory reporting requirements) by Buyer (or Buyer's direct or indirect customers) which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by the Purchase Order.
40. Return of Confidential Information. Within fifteen (15) days of completion or termination of a Purchase Order, Seller shall promptly return or destroy any Buyer confidential information provided to Seller exclusively for the completed Purchase Order. For Purchase Orders in progress, upon receiving updated revisions that replace original

documentation, Seller shall promptly return or destroy the outdated version.

41. Release Of Information. Seller shall not publish, distribute, or use any information developed under or about the existence of this Agreement, or use the Buyer's company name (or the name of any division, affiliate or subsidiary thereof), logo, trademark, service mark, or trade dress for the purpose of advertising, making a news release, creating a business reference, creating website content or for Products or service endorsement without prior written approval of Buyer. To the extent confidential information is destroyed, Seller shall confirm destruction in writing to Seller.
42. Data Security. All data provided by Buyer will be treated securely and strictly in accordance with all applicable data protection laws and regulations.
43. No Advertising. Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services covered by this contract or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials.
44. Relationship of the Parties. The relationship of the Parties is that of independent contractors. Under no circumstances shall any employees of one party be deemed to be employees of the other for any purpose. Neither Party has the right nor authority to assume or to create any obligation or responsibility on behalf of the other Party.
45. Limitation on Assignment; Changes in Control. The Purchase Order is issued to the Seller in reliance upon its personal performance of the duties imposed and by accepting same the Seller agrees not to assign the Purchase Order or delegate the performance of its duties hereunder, except for the procurement of raw materials, without prior written consent of the Buyer. Failure to comply with provisions in this Section shall effect, at the option of the Buyer, a cancellation of the Buyer's obligations hereunder without liability. Seller shall promptly notify the Buyer in writing in advance of any organizational changes planned by Seller, including name or ownership changes, mergers, or acquisitions. Seller must notify Buyer within 10 days if a change in control occurs. A change of control includes: (i) the sale, lease, or exchange of a substantial portion of the Seller's assets used to produce the Products; (ii) the sale or exchange of a controlling interest in the shares of Seller; or (iii) the execution of a voting or other agreement of control. Buyer may terminate the Contract Document, in whole or in part, without liability to Seller upon 30 days written notice to Seller if a change of control of Seller occurs. In the event of termination under this clause, Buyer will provide payment due for Products or Services delivered and accepted by Buyer.
46. Governing Law; Jurisdiction. The Purchase Order shall be construed and governed by the laws of the State of South Carolina, excluding its choice or conflict of law rules. Any and all lawsuits filed must be filed in the State or Federal Courts of South Carolina and Seller expressly consents to personal jurisdiction within the court system of South Carolina.
47. Dispute Resolution. In the event of a dispute between the parties relating to the Purchase Order, the one raising the matter in dispute will notify the other in writing to describe the nature of the dispute. The Parties shall seek to settle any dispute, controversy or claim relating to this Agreement through good faith negotiation. Should the negotiation fail, either party may refer such dispute to arbitration, conducted before a panel of three arbitrators in South Carolina in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; the expense of such arbitration shall be borne by the non-prevailing party. While arbitration proceedings are pending, the parties will continue to perform their obligations under the Contract Document without setoff for any matters being contested in the arbitration proceedings.
48. No Modification; Acceptance. Any Seller Document which contains terms additional to or inconsistent with the terms of the Purchase Order, or a rejection of any term of the Purchase Order, shall be deemed to be a counteroffer to Buyer and shall not be binding upon Buyer unless specifically accepted in writing by an authorized representative of Buyer. This clause shall constitute a continuing objection to any such terms not specifically accepted by Buyer. However, commencement of performance by Seller, in the absence of written acceptance of such counteroffer by Buyer, shall be deemed to be performance in accordance with the terms of the Purchase Order and an acceptance hereof, notwithstanding prior



dealings or usage of trade.

49. Severability. If any provision of this Agreement or a Purchase Order, or portion of any provision, is declared or found to be unenforceable, the balance of this Agreement or the Purchase Order or such provision shall be interpreted and enforced to the greatest extent possible as if the unenforceable provision or portion had never been a part hereof. In particular, if any interest rate provided for herein is higher than that permitted by applicable law it shall automatically be amended to the highest legal rate.
50. Entire Agreement. These provisions and any others incorporated herein by written reference constitute the full understanding of the parties, a complete allocation of risks between them, and the entire, complete, and only agreement between them concerning the sale of Products. No change of any provision herein is effective unless made in writing and signed by Buyer. Reference in this Agreement or the Purchase Order to any Seller Document does not imply acceptance of any terms and conditions therein, which, if in addition to or inconsistent with the terms and conditions contained herein, shall not be part of the agreement between the parties.