



***GENERAL TERMS AND CONDITIONS OF PURCHASE FOR
YAZAKI NORTH AMERICA, INC. AND AFFILIATES***

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1. **Scope; Buyer; Acceptance**

(a) These General Terms and Conditions of Purchase (the “Terms and Conditions”) apply to the purchase by the Buyer from the Seller for the materials ordered and any related services (whether or not ancillary to a sale of goods) (collectively, “Goods”). The contract between the Buyer and the Seller for the purchase and sale of Goods is the Purchase Order. A reference to a Purchase Order in these Terms and Conditions is a reference to any of the following: a Tooling Purchase Order, a Spot Buy Purchase Order, Purchasing Scheduling Agreement, a weekly Release, or any other type of purchase order issued by Buyer to Seller. The Purchase Order includes these Terms and Conditions (together with any attachments, or exhibits) any Releases, any manuals or guidelines issued by Buyer whether in writing or electronically which are binding on Buyer and Seller, and any supplemental terms and conditions that may be entered into by Buyer and Seller, or otherwise contained in any Country Supplement (as defined below) (collectively referred to as the “General Purchase Order Documents”). The General Purchase Order Documents may be amended from time to time and the most current version can be found on the [Supplier Information Center](http://www.yazaki-na.com/en/supplier), (SIC www.yazaki-na.com/en/supplier). These Terms and Conditions will apply to a Purchase Order except as expressly modified or waived (in writing and signed by both parties) on the face of such Purchase Order. Captions in these Terms and Conditions are for convenience only. The General Purchase Order Documents represent the entire agreement between the Buyer and Seller and supersede any previous oral or written representations, including but not limited to provisions in Seller's quotations, proposals, acknowledgments, invoices or other documents. Any references in a Purchase Order to Seller's quotation or other form of offer for the Goods is for information only and Buyer hereby rejects all terms and conditions proposed by Seller therein.

(b) The Buyer makes an offer to purchase goods when it issues a Purchase Order. The contract is formed when the Seller accepts the Buyer's offer. Seller's acceptance of Buyer's offer and these General Terms and Conditions occurs on the earliest to occur of the following: (i) Seller notifying Buyer of its acceptance of a Purchase Order; (ii) Seller's commencement of work or performance, including any shipment or delivery, related to the Goods. Without Buyer's written consent, no additional or different terms which may now or in the future appear on Seller's invoices, quotes, acknowledgements or other forms will be effective to modify a Purchase Order and Seller will be deemed to have accepted a Purchase Order without such modifications. The terms of a Purchase Order may not be varied or modified in any manner, unless in a subsequent writing signed by an authorized representative of Buyer. Any stenographic or clerical errors are subject to correction by Buyer. Additional or different terms or any attempt by Seller to vary in any degree any of the terms of a Purchase Order shall be deemed material and are expressly objected to and rejected. The Terms of each Purchase Order may include (and where indicated, are superseded by) supplemental terms and conditions to address special product or local market requirements including legal matters specific to the country from which the Purchase Order is issued and/or the country in which the Buyer or Seller is located, as indicated in the Purchase Order (“Country Supplement”).

(c) “Buyer” shall mean Yazaki North America, Inc. or any of its [Affiliates](#) that purchase or are expected to purchase Goods under these Terms and Conditions (a “Yazaki Affiliate”). As a result, each Buyer shall have the right to issue a Purchase Order and each such Purchase Order shall be a separate contract between such Seller and the Yazaki Affiliate issuing such Purchase Order. Buyer and Seller further agree that except as otherwise provided herein, the other Yazaki Affiliates that are not a party to such Purchase Order shall have no obligations, liabilities, or responsibilities under such Purchase Order, and that any default under such Purchase Order by Buyer shall not constitute an event of default by any other Yazaki Affiliate under any other Purchase Order or agreement.

(d) A Yazaki Affiliate may direct a supplier to purchase Goods from Seller for the benefit of such Yazaki Affiliate under these Terms and Conditions provided that such Yazaki Affiliate notifies Seller in writing in advance. In the case of Purchase Orders issued by such other entities, the term “Buyer” will refer also to that entity and for all purposes relating to said sale of Goods. The issuer of the Purchase Order will be responsible for fulfilling the obligations as the Buyer under these Terms and Conditions.

2. Prices and Payment

(a) The Goods shall be furnished at the prices set forth in a Purchase Order. Seller warrants that the prices in a Purchase Order shall be complete, inclusive of applicable taxes (except those based on Seller's net income, revenues, and the like), excises, duties, importation fees, and any other fees directly related to the production, sale, or transportation of the Goods, except only as otherwise specified by Purchase Order. No additional charges of any type shall be added without Buyer's express written consent, including but not limited to, charges for shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing and crating. Prices are not subject to increase and Seller assumes the risk of any event or cause affecting prices, including without limitation, foreign exchange rate changes, increases in raw material costs, inflation, increases in labor and other production and supply costs, and any other event which impacts the price or availability of materials or supplies.

(b) Seller will promptly submit correct and complete invoices or other agreed billing communications with appropriate supporting documentation and other information reasonably required by Buyer after delivery of goods, and Buyer may withhold payment until a correct and complete invoice or other required information is received and verified. All invoices under a Purchase Order must reference the Purchase Order number, amendment or release number, Buyer's part number, Seller's part number where applicable, quantity of pieces in the shipments, number of cartons or containers in the shipment, Seller's name and number, bill of lading number and other information required by Buyer. All correspondence must include Purchase Order number. If requested by Buyer, all invoices under the Purchase Order must be accompanied by the Seller's sworn statement indicating the status of payments to Seller's subcontractors and suppliers as of the date of invoice, and, if requested by Buyer, all invoices must be accompanied by lien waivers, in form satisfactory to Buyer, executed by Seller and Seller's subcontractors and suppliers. Seller will accept payment by check or other cash equivalent, including electronic funds transfer. Unless otherwise agreed upon in writing, our default payment terms are Net 30 prox. Buyer will pay Seller in the currency specified in a Purchase Order or, if none is specified, in the currency of Seller's shipping or service location. All cash discounts shall be computed from the date of receipt by Buyer of a final invoice or receipt of the Goods, whichever occurs later. Cash discounts shall be based on the full amount of invoice, less freight charges and taxes if itemized separately on the invoice. Invoices bearing the Purchase Order number must be received by Buyer ten (10) days prior to the cash discount payment date. Delay in receiving invoices or Goods will be considered good cause for withholding payment without losing cash discount privileges. Buyer shall have the right after consultation with Seller, on no less than five (5) days prior written notice to Seller, to reduce and set-off against amounts payable under a Purchase Order any indebtedness or other claim which Buyer, any Yazaki Affiliate, their respective parent company, subsidiaries or other affiliates, may have against Seller, its parent, subsidiaries and affiliates, under a Purchase Order or any other agreement between the referenced parties.

(c) Seller represents and warrants that the prices (and related commercial terms and conditions) of Goods are, and will assure that such prices (and related terms and conditions) remain at all times, no less favorable to Buyer than any price (and related commercial terms and conditions) which Seller presently, or in the future, offers to any other customer for the same or similar goods and/or services for similar quantities and terms and conditions as offered to the other customers.

(d) Buyer will administer on a net settlement basis, as hereinafter defined, all of the accounts of the Seller arising from the Purchase Orders and other agreements the Seller has with Buyer. The term "net settlement basis" means that, unless prohibited by law, the Buyer may without notice set off and recoup against the Buyer's accounts payable to the Seller any amounts for which the Buyer determines in good faith the Seller is liable to Buyer's under any Purchase Order or other agreements with the Seller. A set off and recoupment described herein may include the actual professional fees and other costs of enforcement incurred by the Buyer.

(e) If Buyer's direct or indirect customer directed, recommended, required or requested that Buyer purchase the Goods from Seller (a "Directed Supply Relationship"), notwithstanding the particular payment terms otherwise applicable to the Purchase Order or anything to the contrary in the Purchase Order: (i) in

no event will Seller have a right to receive payment from Buyer for the Goods except following, and in proportion to, Buyer's actual receipt of payment from its Customer for the Goods or, as applicable, the goods in which the Goods are incorporated, (ii) any lengthening of Customer's payment terms to Buyer will automatically lengthen the payment terms as between Buyer and Seller by the same amount of time, and Buyer may, at its option and on notice to Seller, otherwise revised its payment terms for Goods to take into account any other change in the payment terms of Buyer's Customer for the Goods under the Purchase Order; (iii) within three (3) business days of any change in price, specifications or other terms negotiated or proposed between Seller and Buyer's direct or indirect Customer, Seller shall notify Buyer in writing and immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on Buyer without Buyer's specific written consent, and (iv) (without limiting any other rights and remedies of Buyer) Seller will indemnify and hold harmless Buyer from any liabilities, claims, demands, losses, damages, costs and expenses (including without limitation attorneys' fees and other professional fees) incurred by Buyer arising from or relating to the Goods supplied by Seller and/or the Directed Supply Relationship, and including without limitation any charges or set-offs (including without limitation interim field service action cost recovery debits) taken by Customer against Buyer by reason of alleged defects in Goods, even if such set-offs by Customer are before final determination of (and subject to adjustment based upon) whether and to what extent defects in Goods were a cause of the related remedial action undertaken and related costs/damages incurred by Customer. In the event that any requirement imposed by any Purchase Order on Seller is found to be unenforceable or a gap otherwise exists or is created in the terms applicable to any Purchase Order through operation of law, conflict in terms or otherwise, the parties agree that the corresponding requirement of Customer(s) shall be applicable to and binding on Seller for the benefit of Buyer. Seller acknowledges that it is familiar with the automotive industry and the applicable terms of Customer(s).

3. Quantities; Volume Projections

(a) The Seller shall provide the Buyer's requirement for the Goods as stated on the Purchase Order. The Buyer may issue Releases to specify the quantities needed, delivery locations, times and dates. Time and quantity are of the essence in the purchase of the Goods. The Seller acknowledges and agrees to accept the risk associated with the lead times of the various components if they are beyond the firm Release amounts provided by the Buyer. Lead times are fixed at the time of quote acceptance. Any change of lead time after quote acceptance must be requested through the Supplier Change Request (SCR) process. No change to lead time can occur until and unless the SCR process is approved by the buyer.

(b) The Buyer makes no representation, warranty, guaranty or commitment of any kind, expressed or implied, related to volume projections. The Buyer will have no obligation or liability beyond, the quantity specified as firm in the Release.

(c) Any estimates, forecasts, or projections of future volumes made by Buyer to Seller are volume projections which do not represent a commitment or obligation of Buyer to buy the quantities specified in such volume projections. They Buyer's obligations to purchase Goods are only as set forth in Releases issued to Seller.

(d) Seller recognizes that Buyer's customers may change their orders to Buyer in response to changes in market conditions. Buyer may, in turn, have to adjust a Purchase Order to accommodate such requests. As such, Buyer specifically reserves the right to increase or decrease any quantities stated under any Purchase Order or specified in a Release by up to twenty (20) percent at any time prior to final shipment. Seller expressly agrees that: (i) it shall provide and sell to Seller the additional Goods required by such adjustment within the delivery dates set forth by Buyer, and (ii) Buyer shall have no liability to Seller for Goods not purchased by Buyer in accordance with any reduction of Goods as provided herein.

4. Purchase Order

(a) If the Purchase Order covers services, Buyer is required to purchase such services to the extent expressly stated in a Statement of Work (SOW) signed by Buyer. Unless expressly stated on the

face of the Purchase Order, Buyer is not required to purchase Goods exclusively from Seller.

(b) If a Purchase Order is identified as a Purchase Scheduling Agreement (PSA), Seller hereby acknowledges that the quantities specified, and delivery dates listed in such PSA are estimated quantities and delivery dates and constitute volume projections subject to Section 3 above. The purchase of the Goods specified is expressly contingent upon the issuance of a release by Buyer identifying the Goods to be purchased and providing delivery directions ("Release"). When a Purchase Order is identified as a "PSA" or deliveries are otherwise specified to be in accordance with Buyer's written Releases, Seller shall not fabricate or assemble any Goods nor procure required materials, nor ship any Goods except to the extent authorized by such written Releases or provisions of a Purchase Order specifying minimum fabrication and delivery quantities. By accepting a PSA, Seller agrees to accept all Releases issued by Buyer thereunder. Releases are part of a Purchase Order, are governed by these Terms and Conditions and are not independent contracts. Seller Acknowledges and agrees to accept the risk associated with lead times of various raw materials and/or components if they are beyond those provided in authorized Releases.

(c) If the face of the Purchase Order does not specify the quantities, is left blank, or specifies the quantities as zero, "PSA", "as released", "as scheduled", "as directed", "subject to Buyer's production releases", or stated in a similar fashion, then, in consideration for one US dollar (US \$1) the payment of which shall be made by Buyer upon the termination or non-renewal (as opposed to an amendment) of the Purchase Order, and for the opportunity provided by the Purchase Order in the circumstances and under the terms of the Purchase Order, Seller grants to Buyer an irrevocable option during the term of the Purchase Order to purchase Goods in such quantities as determined by Buyer and identified as firm orders in Releases that are transmitted to Seller during the term of the Purchase Order, and Seller shall deliver such quantities on such dates and times at the price and on the other terms specified in the Purchase Order; provided that Buyer shall purchase no less than one piece or unit of each of the Goods and no more than one hundred percent (100%) of Buyer's requirements for the Goods.

5. Samples and Specifications

(a) Seller, at its expense and upon request, shall fabricate from production tooling and processes and furnish to Buyer the number of samples specified on the face of a Purchase Order, or if none is specified, a reasonable number of samples. Seller shall inspect such samples before delivery and shall certify inspection results in the manner requested by Buyer.

(b) Buyer may from time to time, by way of written notice to Seller, make reasonable changes to the drawings, specifications, materials, packaging, testing or quality control, quantity, time or method of delivery or shipment, and other terms of a Purchase Order. At Seller's request with appropriate supporting documentation, the parties will agree upon an equitable adjustment to price and times for performance as a result of Buyer's changes; provided that Seller makes demand for such adjustment and delivers all supporting documentation to Buyer within fifteen (15) days of Seller's receipt of Buyer's notice of change. Time is of the essence for such demand. If Seller does not provide timely notice to Buyer that a requested change may result in a difference in price or time for performance, the parties agree that Buyer's requested change did not affect the price or time for performance. The price shall be adjusted solely to compensate Seller for increased direct costs necessarily incurred as a result of the changes. Seller may not substitute materials or change the specifications of the Goods in any way without written authorization from Buyer.

(c) Seller will not make any changes, including but not limited to, changes in the quantities, drawings, specifications, testing or quality control, packing, shipment, scope of work, delivery schedules and other terms of a Purchase Order unless done pursuant to Buyer's instructions or with Buyer's written approval. Costs associated with supplier initiated changes (including but not limited to testing, obsolescence, part trials, transportation and tooling) will be the sole responsibility of the Seller.

6. Seller's Quality and Development

(a) Seller shall, at its sole cost and expense, participate in, and abide by the terms of, any

seller quality and development programs that are established by Buyer and Buyer's customers as may be required from time to time, The requirement for automotive certification is IATF16949 (ISO 9001 certified and compliance to IATF 16949, at a minimum) and any amendments, supplements and/or successor programs thereto.

(b) Seller agrees to abide by the terms and Buyer's Supplier Quality Manual (SQM). Reference [SQM](#) link and act in accordance with Buyer's Customer Specific Requirements.

(c) Seller shall provide to Buyer all quality records and documents required by Buyer and Buyer's customers, including but not limited to documents required under Buyer's PPAP submission requirements (in accordance with AiAG guidelines), Process Failure Mode & Effects Analysis (FMEA), Design FMEA, (Design Validation Plan & Report (DVP&R) documentation, and documents validating Seller's validation of all tooling used in the production of the Goods.

7. Inspection

(a) Buyer may, upon reasonable advance notice to Seller, inspect the facility, goods, supplies, materials, tooling, equipment, and production processes, and subject to Seller's prior written approval, conduct testing at Seller's premises for the sole purpose of verifying Seller's performance under a Purchase Order. Seller may restrict Buyer's access as necessary to protect proprietary information and may require appropriate indemnification and releases. Buyer is not required to inspect the Goods and no inspection or failure to inspect will reduce or alter Seller's obligations under a Purchase Order.

(b) All Goods (which term includes without limitation raw materials, components, intermediate assemblies, end products and accessories such as tooling) shall be received subject to the right of inspection and rejection by Buyer and its customer. Notwithstanding payment or prior inspection, Buyer, in addition to any other remedies that it may have pursuant to law or equity, at its option, may reject and return or retain and correct, Goods that fail to conform to the requirements of a Purchase Order even if the nonconformity does not become apparent until the manufacturing or processing stage. If Buyer elects to correct the Goods, it will consult with Seller on the method of correction. Seller will reimburse Buyer for all reasonable expenses, including but not limited to sorting/reworking charges, material costs, expedited freight, line down, etc. for raw and/or finished goods, resulting from rejection or correction. Goods rejected shall be removed by Seller at its expense and at its risk. Goods returned as defective or nonconforming shall not be returned to Buyer or replaced without Buyer's written approval. Furthermore, Buyer may, at its option, reduce the quantity of Goods Buyer may be obligated to purchase by the quantity of Goods returned to Seller hereunder. Payment for Goods prior to inspection shall not constitute an acceptance thereof. Acceptance, whether or not it has been revoked, shall not release Seller's responsibility for latent defects, non-conformities, warranty, or other claims. Nothing in these Terms and Conditions shall relieve Seller from the obligation of testing, inspection and quality control.

(c) If any inspection or test is made on the premises of Seller or its supplier, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and tests on the premises of Seller or its supplier shall be performed in such a manner so as to not unduly delay Seller.

(d) Seller shall provide and maintain an inspection and process control system acceptable to Buyer and its customer covering the Goods. Records of all inspection work performed by Seller as to a particular Good shall be kept complete, separate and available to Buyer and its customer during the performance of a Purchase Order and for such longer periods as may be specified in a Purchase Order, but not less than ten (10) years after the last delivery of the particular Good to Buyer. During the foregoing period, Seller will retain all pertinent documents, data, records and other materials pertaining to the Goods, Seller's obligations under the Purchase Order, and any payments requested by Seller under the Purchase Order.

8. Safe Use and Maximum Life of the Goods

(a) Seller shall provide to Buyer in English all appropriate installation, operation and maintenance manuals to maximize the useful life and performance of the Goods. Seller shall also provide Buyer with any specific warnings or instructions regarding the safe installation, operation and maintenance of the Goods, which should be reasonably provided to the ultimate users of the Goods.

(b) Prior to and with the shipment of the Goods, Seller shall furnish to Buyer 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 the Goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, and their respective employees of how to exercise that measure of care and precaution that will prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Goods, containers and packing shipped to Buyer. If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct (i) a list of all ingredients in the Goods; (ii) the amount of such ingredients; (iii) information concerning any changes in or additions to such ingredients; and (iv) all product, material and substance information required by Buyer in connection with Buyer's efforts to comply with the EU End-of-Life Directive and any other environmental material reporting directives issued by Buyer's customers. Seller shall provide Material Safety Data Sheets for the Goods as required by law or otherwise requested by Buyer. Without limiting the scope of its indemnification obligations elsewhere in these Terms and Conditions, Seller specifically agrees to indemnify and hold Buyer harmless from any costs, fines, expenses, or other damages incurred by Buyer as a result of Seller's failure to provide complete and accurate information under this section.

9. Compliance with Laws; Employment/Business Practices

(a) Seller and the Goods shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, pricing, labeling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including, but not limited to those relating to environmental matters, data protection and privacy, wages, hours, and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents that neither Seller nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor or engage in abusive employment or corrupt business practices including bribery of foreign officials, in the supply of goods or provision of services under these Terms and Conditions. At Buyer's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against any liability claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's noncompliance.

(b) With respect to privacy and protection of data, Seller shall comply with those laws and regulations of the Applicable Country, including without limitation, as applicable, the Data Protection Act of 1988 and the EU General Data Protection Regulation.

10. Shipping

Unless otherwise provided in a Purchase Order: (i) all shipping, drayage, demurrage, storage, insurance, packing and related charges shall be paid by Seller; (ii) all Goods shall be packed, marked and shipped in accordance with the Buyer's requirements set forth in the [Supplier Information Center](#) in a manner to secure the lowest transportation costs consistent with the requirements hereof; (iii) packing slips identifying the Purchase Order number, release number and Yazaki part number must accompany each shipment in a package marked "Packing slip enclosed"; (iv) Seller shall mark each package with the Purchase Order number, Yazaki part number and where multiple packages comprise a single shipment each package shall be shown on packing slips, bills of lading, and invoices; (v) Seller shall be responsible for all extra charges incurred because of Seller's failure to follow Buyer's shipping instructions, including those related to delivery schedules, whether or not Seller's liability for general damages is excused under other provisions of an Order; (vi) Seller shall accurately describe the Goods on the bill of lading or other shipping documents and route shipments in accordance with instructions issued by Buyer;

(vii) Seller shall mark Goods, packaging, and packing as instructed by Buyer and in accordance with the standards of the Uniform Commercial Code (all such markings shall be in English bar code); (viii) Seller shall ship all late shipments by express or other priority methods of delivery at its expense; (ix) Seller shall pay all express and other charges necessary to expedite delivery to enable Seller to meet the delivery schedules throughout the supply chain to the final customer; (x) Seller shall be responsible for the replacement cost of any reusable delivery cartons or other materials delivered to Seller; (xi) all packaging and documentation shall comply with the law of all countries of shipment, routing, and destination; and (xii) Seller shall issue to Buyer electronic advance shipping notices. If Seller is required to use Buyer's returnable packaging, Seller will be responsible for maintaining, cleaning and returning the returnable packaging.

11. Delivery

Time, quality and quantity are of the essence in a Purchase Order. Delivery must be on the date indicated and to the indicated location, if any, and otherwise as requested by Buyer. If delivery is "A.S.A.P." with a date indicated therewith, delivery must be on or before that date. If a Purchase Order is identified as a "PSA" Purchase Order or if no delivery schedule is provided, deliveries are to be made only in quantities and at times specified in releases or other instructions from Buyer. Buyer shall have no liability for payment of Goods delivered to Buyer which are in excess of quantities specified in a Purchase Order or in Releases and Buyer may return over shipments to Seller at Seller's expense for all packing, handling, sorting and transportation charges. Buyer may, from time to time, change delivery schedules or direct temporary suspension of scheduled shipments. Buyer will be responsible for additional costs of expedited or other special transportation that Buyer may require as a result of changes to its firm releases or delivery schedules to the extent that (i) such changes were not caused by Seller, and (ii) Buyer can recover such costs from its own customers.

12. Extraordinary Expenses

(a) In the event the Seller does not comply with Section 11 above, the Seller shall be responsible for any and all related extraordinary expenses until the Buyer and/or Customer has reached the sufficient quantity of supply on hand. The Seller shall also be responsible for air freight or premium shipping on finished goods for a time period equal to the time taken to return the Buyer and/or Customer to its appropriate on hand, raw material inventory.

(b) Extraordinary expenses may include, but are not limited to, line down charges (Buyer and/or Customer), air freight charges from Seller to the end of the supply chain, 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 costs are to be reconciled within 60 days of submission of the extraordinary expense charges.

13. Electronic Data Interchange (EDI)

Buyer may require Seller to participate in electronic data interchange ("EDI") or similar inventory management program, at Seller's expense, for notification of Releases, shipping confirmations and other information. All transactions initiated under EDI shall be governed by the Buyer's terms contained in such transmissions. Notwithstanding the foregoing, the terms and conditions which may be part of Buyer's EDI system shall be supplemented by these Terms and Conditions.

14. Risk of Loss and Title to Goods

(a) All shipments are at the risk of Seller, unless otherwise stated. If Buyer affirmatively assumes risk of loss in writing, Seller for the benefit of Buyer must provide all risk casualty insurance. Seller must pay the cost of any such insurance unless otherwise agreed to in writing by Buyer. Under no condition will the risk of loss be that of Buyer unless such insurance is provided. Transfer of title shall not govern risk of loss except where expressly agreed to in writing by Buyer.

(b) Title to all Goods shall vest in Buyer on the date of their identification to a Purchase Order. Identification shall occur no later than the date Seller acquires or begins manufacture of the Goods.

15. Confidentiality

(a) At all times prior to, during, and after a Purchase Order, Seller shall (i) maintain the confidentiality of any information disclosed by Buyer, any Yazaki Affiliate, or any of their respective parents, subsidiaries, affiliates, customers, and contractors, whether or not identified as "confidential" upon disclosure ("Confidential Information"); (ii) not disclose or permit the disclosure of any Confidential Information to any person other than its employees for whom such knowledge is essential for performance of a Purchase Order; and (iii) not use Confidential Information except for performance of a Purchase Order. Seller shall immediately notify Buyer of any disclosure of any Confidential Information that is not permitted by these Terms and Conditions or other misuse of any Confidential Information or breach of these Terms and Conditions. Without limiting the direct liability of Seller's employees and others who may have received Confidential Information directly or indirectly from Seller, Seller shall be responsible for the disclosure or other misuse of Confidential Information by Seller's employees and others, and Seller shall immediately take such steps as may be necessary to terminate any continuing disclosure or misuse by any Seller's employees and others of which Seller becomes aware. Buyer makes no representation or warranty of any kind, express or implied, with respect to any Confidential Information. Buyer may, at its sole discretion, elect at any time, by written notice to Seller, to terminate Seller's further use of Confidential Information for any purpose. Upon receipt of such notice, Seller shall, and shall cause Seller's employees to, promptly cease all further use of Confidential Information, return to Buyer all physical materials containing Confidential Information, whether the materials were originally provided by Buyer or copied or otherwise prepared by Seller or any Seller's employee, and erase or otherwise destroy any Confidential Information kept by Seller or any Seller's employee in electronic or other non-physical form. Such termination by Buyer shall not affect Seller's continuing obligations in this subsection.

(b) Any information disclosed by Seller or on its behalf to Buyer or any of its parents, subsidiaries, affiliates, and contractors in any way related to a Purchase Order, shall not be deemed to be confidential or proprietary information, unless otherwise specifically agreed to in writing by Buyer.

16. Intellectual Property Rights

(a) If Buyer furnishes the design for the Goods or requires Seller to prepare a design for the Goods, then Buyer will own all intellectual property rights, including developments or features, relating to such design. If Seller furnishes a pre-existing design for the Goods, then Seller will continue to own all intellectual property rights relating to such design. In the latter event, Seller hereby grants Buyer a permanent, paid-up, nonexclusive, worldwide, irrevocable, royalty-free license, with a right to sublicense to others, to make, have made, use, have used, such intellectual property: (i) in the event that a Purchase Order is terminated by Buyer, or (ii) in the event that Seller for any reason is unable to satisfy the quality, quantity, delivery or related requirements of Buyer for Goods under the Purchase Order and/or additional orders (including, without limitation, in the event of force majeure, or increased demand due to volume requirements for a corrective field service action/recall, or other remedial actions, or by reason of Seller's insolvency, or in the event of a required change or expansion in relation to the country(ies) of manufacture or delivery): (A) to make, have made, use, sell, offer to sell, and import the Goods, (B) to copy, modify, use, distribute, publicly display/perform, prepare derivative works of, reproduce in the case of a mask work, and import or distribute in the case of a semiconductor chip product in which a mask work is embodied, any copyrighted or copyrightable portions of such Seller Proprietary Rights relating in any way to Goods, and (C) to do all other things and exercise all other rights in the Seller Proprietary Rights necessary or useful to avoid, remedy and mitigate, as Buyer reasonably determines to be appropriate, all or any portion of any consequences to Buyer, and to any direct and indirect customers of Buyer, arising from any situation under subparagraphs (i) or (ii) above. Seller shall also cooperate with Buyer in the exercise of such license including providing, without restriction on use, reproduction or disclosure, all information and data deemed necessary by Buyer. At no additional cost, Seller hereby grants Buyer an irrevocable, nonexclusive, worldwide license under Seller Proprietary Rights that is necessary or incident to the reasonably intended

use or application of the Goods. Rights under this Section 15(a) are intended to be subject to 11 USC Section 365(n), as executory agreements under which Buyer has license rights to the Seller Proprietary Rights and are supplementary to any other rights of Buyer under existing Purchase Orders and other agreements (if any) with Seller.

(b) Buyer does not transfer to Seller any patent, trade secret, trademark, service mark, copyright, mask work, or other intellectual property right of Buyer in information, documents, or property that Buyer makes available to Seller under a Purchase Order, other than the right to use such intellectual property rights to produce and supply the Goods to Buyer.

(c) If any Goods to be supplied by Seller to Buyer are covered by patents, design patents, or other industrial or intellectual property rights of Seller or pending applications for such rights of Seller or are produced under a license from a third party, then Seller shall notify Buyer in writing of such patents, design patents, or other industrial or intellectual property rights, pending applications, or such license from a third party as soon as possible, but in no event later than thirty (30) days before first delivery of the Goods to Buyer. Buyer shall have no obligation to Seller for infringement of Seller's or a third party's industrial or intellectual property rights for which Seller has failed to provide its required notice under this Section 15. Seller at its expense will indemnify and hold Buyer harmless with respect to every claim that may be brought against Buyer or others that use the Goods of a Purchase Order, for any alleged infringement of any present or future patent, copyright, industrial design right or other proprietary right based on Seller's activity under a Purchase Order, or the manufacture, sale, or use of the Goods (i) alone; (ii) in combination by reason of their content, design or structure; or (iii) in combination in accordance with Seller's recommendations. Seller will investigate and defend or otherwise handle every such claim, and at Buyer's request, assist Buyer in Buyer's investigation, defense, or handling of any such claim. Seller will pay all expenses and damages, or settlement amounts that Buyer and others selling Buyer's products or using the Goods of a Purchase Order may sustain by reason of each such indemnified claim. If the use or sale of the Goods is enjoined, Seller shall, at its own expense and at Buyer's option, either: (i) procure the right to continue using the Goods; (ii) replace same with a non-infringing equivalent; or (iii) remove the Goods and refund the purchase price and the transportation and installation costs thereof. Seller's obligations will apply even though Buyer furnishes all or any portion of the design and specifies all or any portion of the processing used by Seller.

(d) Seller will furnish to Buyer, or another party designated by Buyer, without restrictions on use or disclosure, all information and data Seller acquires or develops in the course of Seller's activities under a Purchase Order. At Buyer's request, Seller also will discuss with Buyer or another party designated by Buyer, without restrictions on use or disclosure, any potential design, quality or manufacturing problems with Goods Seller worked on or produced pursuant to a Purchase Order.

(e) At Buyer's request, Seller will furnish to Buyer all other information and data of Seller which Buyer deems necessary to understand the design, operation and maintenance of the Goods delivered under a Purchase Order, with no restrictions on use other than Seller's patent rights.

(f) With respect to inventions which Seller conceives or first reduces to practice in the course of Seller's activities under a Purchase Order, Seller grants to Buyer a permanent, paid-up, nonexclusive, worldwide, royalty-free license, with a right to sublicense others, to use such inventions, including any patents on such inventions, without restriction.

(g) Seller grants to Buyer a permanent, paid-up, nonexclusive, worldwide license, including a license to any operating software incorporated into the Goods sold hereunder with a right to grant a sublicense to others, to make, have made, use, have used and sell the Goods sold hereunder or derivatives thereof under any other patents now or hereafter owned or controlled by Seller.

(h) Seller grants to Buyer, and agrees to grant to any company designated by Buyer, a nonexclusive license, on reasonable terms and conditions, to make, have made, use, have used and sell under any other patents now or hereafter owned or controlled by Seller which cover any application of the technology embodied in the information or data Seller acquires or develops in the course of Seller's activities under a Purchase Order.

17. Service and Replacement Parts

(a) At Buyer's request, Seller shall sell to Buyer the Goods necessary for Buyer to fulfill its current model service and replacement parts requirements at the price(s) set forth in the Purchase Order. During the initial five years of the post-production period, the price for such goods will be the production price which were in effect at the commencement of the post production period. For the remainder ten years of the post-production period, the prices for such service goods will be as negotiated to by the parties. If the Goods are systems or modules, Seller shall sell to Buyer 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 set forth in a Purchase Order less assembly costs.

(b) During the longer of (i) the fifteen (15) year period after Buyer completes current model purchases or (ii) such time period granted to Buyers' customers for service and replacement parts, Seller shall sell Goods to Buyer to fulfill Buyer's past model service and replacement parts requirements. The fifteen (15) year period applies to all service and replacement parts for Goods supplied by Seller that are not already fifteen (15) years past the end of volume production. Prices for such parts shall be based on the prices which Seller is contractually obligated to sell such parts to Buyer. Buyer reserves the right, subject to reasonable prior notice to Seller, to lengthen the Seller's service part obligation under this Section 16(b), beyond the fifteen (15) year period, as business circumstances, marketing, sales and other production issues require, all as determined on the basis of the reasonable business judgment of Buyer. When requested by Buyer, Seller shall make service literature and other materials available at no additional charge to support Buyer's service part sales activities. Notwithstanding the foregoing, this is not a requirements contract and Buyer shall be under no obligation to purchase any service and replacement parts from Seller.

(c) Seller must notify Buyer in writing of any planned changes (including tool scrapping) to replacement parts for Goods supplied to Seller at least 120 days in advance of such change.

18. Warranty

(a) Seller expressly warrants and represents to Buyer, Buyer's successors, assigns and customers that all Goods shall be: (i) merchantable, safe and fit for Buyer's intended purposes, which purposes have been communicated to Seller; (ii) free from failure for the period of Buyer's express warranty to its customer; (iii) free from all defects including but not limited to defects in design, workmanship and materials; (iv) in strict compliance with the specifications, samples, drawings, designs or other requirements (including performance specifications) approved or adopted by Buyer; (v) composed of all new components; (vi) free and clear of any liens, encumbrances and any actual or claimed patent, copyright or trademark infringement; and (vii) manufactured in compliance with all applicable federal, state and local laws, regulations or orders, and agency or association standards or other standards applicable to the manufacture, labeling, transporting, licensing, approval or certification, including by way of illustration and not by way of limitation, the Occupational Health and Safety Act, the Fair Labor Standards Act, and any law or order pertaining to discrimination including any regulations in force in countries where the Goods or Buyer's customer's vehicles equipped with the Goods are to be sold. All services performed by Seller shall be performed in a competent, workmanlike manner and in accordance with industry standards. These warranties shall be in addition to all other warranties, express, implied or statutory. These warranties shall survive inspection, test, delivery, acceptance, use and payment by Buyer and shall inure to the benefit of Buyer, its successors, assigns, customers and the users of Buyer's products. Buyer's approval of Seller's design, material, process, drawing, specifications or the like shall not be construed to relieve Seller of the warranties set forth herein, nor shall a waiver by Buyer of any drawing or specification request for one or more articles constitute a waiver of any such requirements for the remaining articles to be delivered hereunder unless so stated by Buyer in writing. Any attempt by Seller to limit, disclaim, or restrict any such warranties or any remedies of Buyer, by acknowledgement or otherwise, in accepting or performing a Purchase Order, shall be null, void, and ineffective without Buyer's prior written consent. All warranties and remedies provided herein are in addition to those provided by law. These warranties are intended to provide Buyer with protection from any and all warranty

claims brought against Buyer by its customer, including customer-required warranties relating to the Goods or any products into which such Goods are incorporated. All such customer-required warranties are incorporate herein by reference.

(b) "Warranty Period" shall mean the longer of the following time periods (i) 18 months from the day of first use of the Goods by Buyer or acceptance by Buyer, whichever occurs later; or (ii) if the Goods are sold by Buyer to a third party (whether or not such Goods are incorporated into Buyer's product), the period of time provided by Buyer to Buyer's customers in Buyer's warranties, which inter alia extends to the future performance of the Goods for a period of time equal to the period during which Buyer's customer is reimbursing its parent company, affiliated companies and/or dealers for consumers' warranty claims and for such longer periods that may be set forth in the Buyer's customer specifications. The terms and conditions of this Agreement shall fully apply with respect to the service and replacement parts identified in Section 16. Seller may contact Buyer's representative for information regarding those countries in which vehicles incorporating Goods purchased from Seller will be sold. Notwithstanding the foregoing, the expiration of a warranty on a particular consumer's product is not to be considered an absolute bar to future claims of Buyer to Seller resulting from, by way of example, individual extensions of warranty as a matter of policy or replacement of Goods in the event of recall or other safety-related concerns, where the same are attributable to the Goods not conforming to Seller's warranties set forth in this Section 16 and Seller agrees to waive the expiration of the Warranty Period in the event there are failures or defects discovered after the Warranty Period of a significant nature or in a significant portion of the goods, or a defect is discovered which, in Buyer's opinion, constitutes a threat of damage to property or to the health and safety of any person. Buyer may change a new vehicle warranty offered by it covering the Goods. If the change is made after a Purchase Order has been issued, Buyer will promptly notify Seller of the change.

(c) Seller will indemnify and hold Buyer harmless in respect of all costs of recall campaigns and other corrective service actions that, in Buyer's or Buyer's customers reasonable judgment, are required to rectify non-conformities in the Goods that are the result of a breach of the foregoing warranty, whether such recall campaigns are mandated by any governmental entity, by Buyer's customers or by Buyer.

(d) Seller represents and warrants to Buyer that the prices charged and to be charged Buyer are the same or lower than all prices charged by Seller or Seller's affiliates to others for the Goods or similar goods during the past 12 months. Prices charged in violation of this clause shall be reduced and any overpayment shall forthwith be refunded by Seller to Buyer. Seller also represents and warrants that the Goods will remain competitive in terms of price and related commercial terms and conditions, as well as in terms of technology, quality and delivery, with substantially similar goods and services available to Buyer from other suppliers.

(e) Seller warrants that it shall engage in the continuous improvement of the Goods, other than Goods that by their nature cannot be improved.

(f) If Seller is certified under ISO 9001 or IATF16949, or any original equipment manufacturer quality program, Seller shall maintain such certification during the performance of a Purchase Order. If Seller is not so certified, Seller shall begin and continue the certification process under ISO 9001 or IATF16949 in a diligent manner. Seller warrants that its performance of a Purchase Order shall be in compliance with the provisions of those sections of ISO 9001 and IATF16949 applicable to the obligations of Seller under the Purchase Order, whether or not Seller is certified or registered under such standards.

(g) Seller warrants that no prison, forced, or other form of involuntary labor shall be used by Seller or its subcontractors.

(h) Seller represents and warrants to Buyer that Seller will fully disclose to Buyer, and give Buyer the full and sole benefit of (unless otherwise expressly agreed by Buyer following disclosure thereof by Seller), any and all discounts, refunds, rebates, credits, allowances or other financial or related incentives

or payments of any kind to be provided or agreed to be provided by Seller (or any affiliate thereof) to any direct or indirect customer of Buyer (or any affiliate of such customer) and relating in any way to, and/or based on or determined, in whole or in part, with reference to Buyer's purchases of Goods from Seller under the Purchase Order .

19. Customer Requirements

(a) As directed by Buyer in writing, Seller agrees to comply with the applicable terms and conditions of any agreements ("Customer Purchase Orders") received by Buyer from a third party ("Customer"), or directly or indirectly applicable to Buyer, pursuant to which or in respect to which Buyer agrees to supply to Customer, or incorporate into goods supplied to Customer, Goods purchased by Buyer from Seller. The term Customer shall also include the final equipment manufacturer of goods or services into which the Goods are or will be incorporated. Buyer may in its discretion supply Seller with information regarding the Customer Purchase Orders, but Seller shall be responsible for ascertaining any terms and conditions contained in Customer Purchase Orders that may affect Seller's obligations under a Purchase Order. Seller will do everything within its control to enable Buyer to meet the terms and conditions of the Customer Purchase Orders. If this Section conflicts with any other paragraph or Section in a Purchase Order, Buyer by written notice to Seller has the right to have the provisions of this Section prevail.

(b) In the event that a Customer files or has filed against it a petition in bankruptcy or insolvency and, in the course of such proceeding and in connection with actual or threatened termination (by rejection or otherwise) by the Customer of its contract(s) with Buyer or contracts relating to Goods purchased by Buyer from Seller, Buyer permits a reduction in the price(s) paid to Buyer for products incorporating the Goods, the price paid to Seller for the Goods from and after the date of such reduction will be automatically adjusted proportionally by the same percentage as the price paid to Buyer by its direct Customer and the Purchase Order will otherwise remain in effect without modification.

(c) These Terms apply to all Sellers under a Purchase Order, including, without limitation, any Seller that is a Directed Supplier. A Directed Supplier is any Seller from which the Buyer has been requested or recommended to procure Goods at the direction or suggestion of the Buyer's Customer and/or the ultimate Original Equipment Manufacturer (OEM) Customer, if different (collectively, the Customer) (including through co-sourcing arrangements), or when, due to a Customer's product description, specification or other limitation, the Buyer is limited to such Seller for the Goods required. In such case, all Yazaki Terms and conditions apply, as well as any additional conditions as identified in the OEM's Terms.

20. Security Requirements

(a) Seller shall comply with all of Buyer's supply chain security requirements, as such requirements are amended from time to time, including those set forth in Buyer's Supplier Manual. Seller shall provide Buyer with documentation such as compliance upon request.

(b) Seller shall comply with all applicable Customs-Trade Partnership Against Terrorism (C-TPAT) security criteria as issued and updated by the U.S. Customs and Border Protection Agency. Seller shall provide Buyer with documentation of such compliance upon request and also provide written notification to the Buyer of any change to the Seller's C-TPAT status.

(c) When applicable based on terms of the Purchase Order, Seller shall be responsible for providing Buyer or its agents, when Buyer is the importer of record, with all information required to comply with the Importer Security Filing (ISF) requirements. Any liquidated damages received due to failure of the Seller to provide correct and timely ISF data will be charged back to the Seller.

21. Liability, Indemnity, and Insurance

(a) To the fullest extent permitted by law, Seller agrees to indemnify, save harmless and defend Buyer, Buyer's parents, and all of Buyer's affiliated companies, their directors, officers, employees,

agents and customers ("Indemnitees") from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all judgments rendered against, and all fines and penalties imposed upon Indemnitees and all attorney's fees and any other cost of litigation ("Liabilities") arising out of a breach of these Terms and Conditions, warranty claims, product recall claims, product liability claims, injuries to persons, including death, or damage to property caused by Seller, its employees, agents, subcontractors, or in any way attributable to the performance of Seller, including without limitation, breach of contract, breach of warranty or product liability, infringement of any trade names, trademarks, service marks, copyrights, patents, trade secrets, or any other intellectual property rights related to the Goods and/or Buyer's sale or use thereof; and/or unfair competition by reason of sale or use of the Goods by Buyer. With respect to infringement claims above, Seller shall further take any and all actions necessary to ensure that Buyer and its customers will be able to continue to purchase, use, and sell the Goods, including acquiring the necessary consents or licenses at Seller's sole cost and expense. In addition, Buyer may require Seller to modify the Specifications of the Goods or to source the Goods from another supplier to prevent any claims of infringement, which modification or re-sourcing shall be at the sole cost and expense of Seller. Provided, however, that Seller's obligation to indemnify Buyer shall not apply to any liabilities solely arising from Buyer's negligence. Seller waives the application of the doctrine of comparative negligence and other doctrines that may otherwise allocate the liability covered by Seller's indemnity.

(b) Seller warrants that no lien shall be filed by Seller or anyone claiming under or through Seller against Buyer, the site for delivery of the Goods, or Buyer's customer for materials, labor, services, equipment, goods furnished as part of the Goods. Seller expressly waives and releases, and agrees not to file or otherwise assert or prosecute or suffer to permit any statutory, equitable or other liens, including but not limited to any molders liens, tool liens, builder liens and the like, that Seller has or might have on or in connection with any property. Seller shall insert the prior sentence in any lower tier subcontract or purchase order for labor, equipment or materials furnished. If any such lien shall be filed by subcontractor, or any of its lower tier subcontractors, Seller shall take all steps necessary and proper for the release and discharge of such lien, in the manner required by the law upon demand by Buyer. Seller shall defend, indemnify and hold the Indemnitees harmless from and against all Liabilities, which might be asserted at any time whatsoever, arising in any way out of the recording of a lien by subcontractor or any lower tier subcontractor under it, including without limitation all costs, reasonable attorney fees and expenses incurred by Buyer or its customer in the releasing, satisfying and discharging of such liens and enforcement of this clause. Further, Seller shall secure and furnish to Buyer, upon request, a waiver of lien from each lower tier subcontractor under it.

(c) Seller shall carry General Liability insurance in the amount of \$2,000,000 for general aggregate per occurrence and aggregate for products-completed operations and \$1,000,000 for bodily injury and property damage. Seller shall carry Automobile Liability insurance, including coverage for all owned, hired, and non-owned vehicles in an amount not less than \$1,000,000 combined single limit coverage for each accident for bodily injury and property damage. Seller shall also carry Excess Liability insurance through an umbrella policy in the amount of \$5,000,000 per occurrence and aggregate. Seller shall carry Worker's Compensation insurance in amounts equal to the statutory limits for all jurisdictions in which work is to be performed. Seller shall carry Employer's Liability insurance in the amount of \$1,000,000. The certificate must be in the form of an Association for Cooperative Operations Research and Development (ACORD) Certificate of Insurance and must set forth the amount of each coverage, number of policy and date of expiration. Seller shall furnish to Buyer a Certificate of Insurance completed by its insurance carrier(s) certifying that the required insurance coverages are in effect and will not be canceled or materially changed until thirty (30) days after prior written notice has been delivered to Buyer. If Seller is a self-insurer, the certificate of the department of labor of the jurisdiction in which any labor is to be performed must be furnished to Buyer by Seller. The purchase of such insurance coverage or the furnishing of said certificate shall not be a satisfaction of Seller's liability hereunder, or in any way modify Seller's obligation to indemnify Buyer.

(d) If Seller's work under a Purchase Order involves operations by Seller on the premises of Buyer or one of Buyer's customers, Seller shall take all necessary precautions to prevent the occurrence

of any injury to persons or damage to property during the progress of such work, and except to the extent that any such injury or damage is due solely and directly to Buyer's negligence, Seller shall defend and indemnify Buyer against any claim which may result in any way from any act or omission of Seller, its agents, employees or subcontractors.

22. Imported Goods

The following applies to all transactions involving imported Goods:

(a) Seller warrants that all sales made hereunder are or will be made at not less than fair value under the United States Anti-Dumping Law (19 U.S.C. Sec. 160 et. seq.) and Seller will indemnify, defend and hold Buyer harmless from and against any costs or expenses (including but not limited to any anti-dumping duties which may be imposed) arising out of or in connection with any breach of this warranty.

(b) Buyer shall not be a party to a importation of the Goods, the transactions(s) represented by a Purchase Order will be consummated subsequent to importation, and Seller will neither cause nor permit Buyer's name to be shown as "Importer of Record" on any customs declaration, unless otherwise stated on Purchase Order.

(c) Transferable credits or benefits associated with the Goods, including trade credits, export credits, or rights to the refund of duties, taxes, or fees, belong to Buyer unless otherwise prohibited by applicable law. Seller will provide Buyer with all information and records relating to the Goods necessary for Buyer to (i) receive these benefits, credits, and rights, (ii) fulfill any customs obligations, origin marking or labeling requirements, and certification or local content reporting requirements, (iii) claim preferential duty treatment under applicable trade preference regimes, and (iv) participate in any duty deferral or free trade zone programs of the country of import. Seller will obtain all export licenses and authorizations and pay all export taxes, duties, and fees unless otherwise stated in the Purchase Order, in which case Seller will provide all information and records necessary to enable Buyer to obtain those export licenses or authorizations.

(d) Without limiting Seller's obligations under Section 21(c) above, upon request and where applicable, Seller shall provide Buyer and Buyer's agents with all documents required for customs drawback purposes (properly completed and executed in accordance with government regulations applicable thereto), including the following: (i) Customs Forms 7582, Certificates of Delivery, (ii) Certificates of Manufacture and Delivery, (iii) Drawback Rights Assignment Letter, (iv) Proof of entry and duty payments made on behalf of Seller; and (v) Proof of export documentation, if applicable.

(e) Upon request, Seller shall furnish promptly certificates of local value added in accordance with applicable government regulations. Such certificates shall be furnished in accordance with the procedures set forth in Buyer's Supplier Manual. Link

(f) The Purchase Order includes, and Buyer shall maintain all related customs duty and import drawback rights, if any, including rights developed by substitution and rights that may be acquired from Seller's supplier(s) that are capable of being transferred to Buyer. Seller shall take all actions reasonably required to ensure that Buyer secures such rights.

(g) Upon request, Seller shall promptly furnish Buyer and Buyer's agents with country of origin certifications for the Goods (Manufacturer's Affidavits). When requested, Seller shall also promptly provide Buyer and Buyer's agents, at Seller's expense, with proof of Seller's compliance with all applicable trade programs, including North American Free Trade Act (NAFTA), Central America Free Trade Act (CAFTA), American Automobile Labeling Act (AALA), and Corporate Average Fuel Economy as well as Seller's compliance with the requirements of the International Phytosanitary Measure (ISPM 15).

(h) Buyer shall charge back to Seller and Seller shall accept from Buyer any and all charges and expenses incurred by Buyer when acting as the importer of record (IOR) on Seller's behalf.

23. Termination for Convenience

(a) In addition to any other rights of Buyer to cancel or terminate a Purchase Order or any Releases issued pursuant to a Purchase Order, Buyer may, at its option, immediately terminate all of any part of a Purchase Order or any Releases issued pursuant to a Purchase Order for Buyer's convenience, at any time and for any or no reason by giving written notice to Seller. In the event of such termination, Seller shall stop all work, and shall forthwith cause all of its suppliers and subcontractors to cease work.

(b) Upon a termination by Buyer pursuant to Section 22(a) above, subject to Section 22(d) below, Buyer shall pay to Seller the following amounts without duplication: (i) the Purchase Order price for all Goods which have been completed in accordance with a Purchase Order not previously paid; and (ii) the actual direct costs of work in process and raw materials incurred by Seller in furnishing the Goods under a Purchase Order or any Releases issued pursuant to a Purchase Order to the extent such costs are reasonable in amount and are properly allowable or apportionable, under generally accepted accounting principles, to the terminated portion of a Purchase Order or any Releases issued pursuant to a Purchase Order; less, however, the reasonable value or cost (whichever is higher) of any Goods or materials subsequently used or sold by Seller with Buyer's written consent and of the cost of any damaged or destroyed Goods or materials. Notwithstanding the foregoing or any transfer to Buyer, Buyer shall not be liable to pay for (i) finished Goods, work in process or raw materials fabricated or processed by Seller in amounts in excess of four (4) weeks for suppliers within Buyer's region and (6) weeks for suppliers overseas of authorized production pursuant to Release schedules, (ii) any undelivered Goods which are Seller's standard stock or which are readily marketable, or (iii) any finished Goods which are not promptly delivered to Buyer after request by Buyer. Payments made under this Section shall not exceed the aggregate price payable by Buyer for all finished Goods to have been produced by Seller under the most current delivery or Release schedule issued by Buyer for the four-week period immediately following the date of termination. Except as provided in this Section, Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment, rearrangement cost or rental, unamortized depreciation costs, and general and administrative burden charges arising from termination of a Purchase Order.

(c) Within sixty (60) days from the effective date of termination for convenience, Seller shall submit a comprehensive termination claim to Buyer with sufficient supporting data to permit Buyer's audit and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agent shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of Seller. Buyer, however, shall have no obligation to Seller if Buyer terminates its purchase obligations under a Purchase Order or any Releases issued pursuant to a Purchase Order because of default by Seller. Payment under this Section shall constitute the only liability of Buyer if a Purchase Order is terminated by Buyer for its convenience. Termination of a Purchase Order or any release does not affect Seller's obligations under these Terms and Conditions as to Goods delivered or obligations not dependent upon the delivery of Goods.

(d) Notwithstanding anything in the foregoing, in the event that Buyer terminates or limits a Purchase Order pursuant to Section 22(a) due to the termination or limitation of an order issued to Buyer by Buyer's customer, Buyer's liability to Seller shall be limited to the lesser of the amount that would be otherwise owed under Section 22(b) above and that amount which Buyer's customer actually pays to Buyer for the termination costs specifically attributable to Seller relative to such Purchase Order.

24. Default and Remedies

(a) Time is of the essence and, subject to Section 29 below, Seller will be in default, allowing Buyer to terminate, without liability to Seller, a Purchase Order if it: (1) fails to perform any obligation under a Purchase Order and fails to cure the non-performance within five (5) business days after notice from Buyer specifying the non-performance, (2) admits in writing its inability to pay its debts as they become

due, commences a bankruptcy, insolvency, receivership, or similar proceeding, or makes a general assignment for the benefit of creditors, (3) becomes a debtor in a bankruptcy, insolvency, receivership, or similar proceeding commenced by a third party that is not dismissed within 30 days after commencement, (4) fails to provide adequate assurance of performance under a Purchase Order within three business days after written demand by Buyer, or (5) Seller, without obtaining Buyer's prior written consent, (a) sells, or offers to sell, a substantial portion of its assets used for the production of Goods for Buyer, or (b) sells or exchanges, or offers to sell or exchange an amount of its stock or voting equity interests that would result in a change in the control of Seller.

(b) Upon default of Seller, Buyer may by written notice of default to Seller (i) terminate the whole or any part of a Purchase Order; and (ii) procure alternative goods upon such terms as it shall deem appropriate. Seller shall continue performance of a Purchase Order to the extent not terminated and shall be liable to Buyer for any excess costs for such similar goods and other direct, incidental, and consequential damages. As an alternative remedy, and in lieu of termination for default, Buyer, at its sole discretion, may elect (1) to extend the delivery schedule and/or (2) to waive other deficiencies in Seller's performance in which case an equitable reduction in the Purchase Order price shall be established by Buyer to compensate Buyer for its damages.

(c) If Seller for any reason anticipates difficulty in complying with the required delivery date, or in meeting any of the other requirements of a Purchase Order due to capacity constraints or otherwise, Seller shall promptly notify Buyer in writing of the potential default, the cause thereof, and the estimated length of the anticipated default. Buyer is under no obligation to waive any default. Notwithstanding the above, Seller shall maintain an effective and efficient contingency / risk management plan in order to ensure a continuity of supply of Goods to Buyer. Seller shall provide a copy of such contingency / risk management plan upon Buyer's request and such plan shall (i) be mutually agreed upon, (ii) include a detailed timeline to meet deliveries and requirements, (iii) identify the sub-suppliers of all Goods that make up the purchased component to Buyer, and (iv) identify any and all means of alternative supply.

(d) If any of the Goods are found at any time to be defective in design, material or workmanship, or otherwise not in conformity with the requirements of a Purchase Order, Buyer, in addition to such other rights, remedies and choices as it may have under a Purchase Order or by law, at its option and sole discretion may: (i) reject and return such Goods at Seller's expense; or (ii) require Seller to inspect the Goods and remove and replace nonconforming Goods with Goods that conform to a Purchase Order. If Buyer elects option (ii) and Seller fails to promptly make the necessary inspection, removal and replacement, Buyer may at its option and Seller's cost, inspect and repair or replace the Goods.

(e) Seller hereby grants to Buyer a security interest in the Goods to secure Seller's return of any deposits and the performance of its obligations to Buyer. Furthermore, Seller hereby grants to Buyer an irrevocable power of attorney to execute and file appropriate financing statements evidencing such interest and the interests of Buyer and its customers in property furnished by them. Seller's continued holding of the Goods, property and corresponding documentation delivered to Seller after demand has been made for delivery will substantially impair the value of the Goods and property, and Buyer shall be entitled to a court order for possession without bond.

(f) Buyer's rights and remedies shall be cumulative and in addition to any other rights or remedies provided by law or equity. A waiver by Buyer of any right or remedy shall not affect any rights or remedies subsequently arising under the same or similar case. Any attempt by Seller to limit Buyer's warranties, remedies or the amount and types of damages that Buyer may seek shall be null and void. Seller agrees that in no event shall Buyer be liable to Seller for any incidental, consequential, or special damages, including but not limited to Seller's loss of profits.

25. Property Furnished by Buyer and Its Customer

(a) Buyer will own all supplies, materials, tooling, jigs, dies, gauges, fixtures, molds, patterns, designs, drawings, specifications, spare parts, trial parts, returnable containers (including racks and modular containers), and other equipment and property used by Seller to manufacture, store, and transport the Goods ("Property") and all intellectual property related thereto and/or embodied thereto and/or embodied therein if (1) the Property is so designated in a Purchase Order or a separate agreement between the Buyer and Seller, or (2) Buyer or its customer has provided or paid for the Property ("Buyer's Property"). Seller will assign to Buyer contract rights or claims in which Seller has interest with respect to Buyer's Property and execute bills of sale, financing statements, or other documents reasonably requested by Buyer to evidence its or its customer's ownership of Buyer's Property. Seller will indemnify and defend Buyer against claims or liens adverse to Buyer's or its customer's ownership of Buyer's Property. Seller will hold Buyer's Property on a bailment basis and will be responsible for loss or damage to Buyer's Property while in its possession or control. To the extent permitted by law, Seller waives any lien or similar right it may have with respect to Buyer's Property. Buyer will be responsible for personal property taxes assessed against Buyer's Property.

(b) Seller will (i) at its expense maintain Buyer's Property in good condition and repair, normal wear and tear excepted, throughout the useful life of Buyer's Property, (ii) use Buyer's Property only for the manufacture, storage, and transport of the Goods for Buyer unless Buyer otherwise approves in writing, (iii) prominently mark Buyer's Property as belonging to Buyer or its customer, (iv) not remove Buyer's Property (other than shipping containers and the like) from Seller's premises without Buyer's written approval, and (v) adequately insure Buyer's Property against loss or damage, including but not limited to maintaining full fire and extended coverage insurance for replacement value and naming Buyer as an additional insured. All replacement parts, additions, improvements, and accessories to Buyer's Property will become part of Buyer's Property unless they can be removed without damaging Buyer's Property.

(c) Buyer, its customers, and designees will have the right to enter Seller's premises at reasonable times to inspect Buyer's Property and Seller's records pertaining thereto.

(d) Seller will immediately release to Buyer upon request and at Buyer's sole discretion, and Buyer may retake immediate possession of, Buyer's Property and other property of Buyer or its customers at any time, with or without cause and without payment of any kind unless otherwise provided in a Purchase Order. Seller will release the requested Property and other property at Buyer's option, unless otherwise stated on Purchase Order. Property will be properly packed and marked in accordance with the requirements of the carrier and Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted. Seller will cooperate with Buyer's removal of the Buyer's Property from Seller's premises.

(e) In the event that the Seller does not immediately return Buyer's Property and all corresponding documentation pursuant to Section 24(d) above, the Buyer, its customers and designees shall, in addition to any other rights and remedies provided by law or these Terms and Conditions, have the right to enter the Seller's premises to reclaim possession of Buyer's Property and corresponding documentation, with or without prior demand and with or without process of law.

(f) Seller agrees that it will comply with its obligation to release Buyer's Property and corresponding documentation notwithstanding any claim(s) (financial or otherwise) that it may have against Buyer.

(g) Seller shall assume all risk of death or injury to persons or damage or loss to property arising from Seller's use, possession or control of Buyer's Property. While in Seller's possession and control, Buyer's Property is at Seller's risk of loss, excepting only reasonable wear and tear. At Buyer's request, Seller shall provide a certificate or other evidence of insurance that insures Buyer's property at all times during which it is in Seller's possession or control.

(h) Buyer does not guarantee the accuracy of any Buyer's Property or the availability or suitability of any supplies or material furnished by it. Seller assumes sole responsibility for

inspecting, testing and approving all Buyer's Property or other materials supplied by Buyer prior to any use by Seller.

26. Seller's Property

Seller will own all Property that is not Buyer's Property ("Seller's Property"). Seller will at its expense furnish, maintain in good condition, and replace when necessary Seller's Property needed to perform under a Purchase Order. Buyer may inspect Seller's Property and production facilities during normal working hours upon reasonable notice to Seller. Seller shall insure Seller's Property with full fire and extended coverage insurance for the replacement thereof. Seller grants Buyer an irrevocable option to take possession of and title to Seller's Property that is special for the production of the Goods upon payment to Seller of the book value thereof less any amounts Buyer has previously paid to Seller in any manner (including but not limited to amortization of such cost through the price of the Goods) for the cost of Seller's Property; provided, however, that this option shall not apply if Seller's Tooling is used to produce products that are standard stock of Seller. Seller grants Buyer a security interest in Seller's Tooling to secure Buyer's rights in Seller's Property and waives any rights that may conflict with this Section.

27. Tooling

(a) Tooling includes all prototype and production tools, equipment, dies, fixtures, jigs, gauges, castings, molds, patterns, returnable containers, specifications and all intellectual property embodied therein, paid for or to be paid for by Buyer (with all accessions, appurtenances, modifications, repairs, refurbishments, and replacements to the Tooling) and is included in Buyer's Property. Tooling also includes, as applicable, Seller's Property of any of the foregoing types for which Buyer has an option to purchase under Section 25 above, unless the context of this Section 26 requires otherwise. SQM Link

(b) Unless a Purchase Order is issued on a fixed-price basis, the price of the Tooling will not exceed the lowest of: (a) the maximum amount reimbursable specified on the Purchase Order; (b) the Seller's actual verified costs of acquiring the Tooling from a toolmaker without markup; or (c) the Seller's actual verified costs of fabrication of the Tooling (subject to applicable Buyer's guidelines). Buyer shall have access to Seller's premises, prior or subsequent to any payment, to inspect work performed and to verify charges submitted by Seller against a Purchase Order or amendment. Seller further agrees to retain all cost records for a period of two (2) years after receiving final payment of the charges.

(c) Notwithstanding any other provision of these Terms, and except as otherwise expressly agreed in writing, where Buyer is entitled to receive reimbursement or other payment from a Customer for Goods to be provided by Seller to Buyer under a Purchase Order that constitute tooling or capital equipment, Seller shall be entitled to receive payment under the Purchase Order for such tooling or capital equipment only after and to the extent of, and in proportion to, Buyer's actual receipt of such reimbursement or other payment from the Customer.

(d) The Buyer becomes the sole owner of all Tooling as soon as it is fabricated or acquired by the Seller. Seller acknowledges and agrees that the Buyer takes title to the Tooling even if the Seller has not yet been paid for the Tooling. The Seller has no property or other rights in the Tooling. The Seller has no power to transfer any rights or grant a security interest in the Tooling to a third party. The Seller waives any objection to the Buyer's repossession and removal of the Tooling for any or no reason, including bankruptcy or insolvency proceedings. Seller waives, to the extent permitted by law, any lien or other rights that Seller might otherwise have on any Tooling, including, without limitation, molder's and builder's liens.

(e) To the extent permitted by applicable law, any payments made by Buyer for Tooling are expressly intended by Buyer to be held in trust for the benefit of any subcontractor(s) used by Seller to produce the Tooling that are covered by such payments and Seller agrees to hold such payments as trustee in express trust for such subcontractor(s) until Seller has paid the subcontractor(s) in full for the Tooling. Seller acknowledges and agrees that such subcontractor is an intended third party beneficiary of the terms of this Section 26(e) relating to the express trust and as such, such tooling subcontractor shall have the

right to enforce these terms of this Section 26(e) directly against Seller in subcontractor's own name. Seller agrees that Buyer has no obligation to Seller or Seller's tooling subcontractor under this Section other than making the payment to Seller in accordance with a Tooling order. In the event Seller's subcontractor brings an action against Seller under this Section, Seller agrees that it will not join Buyer in any such action.

(f) Tooling will be held by Seller or by a third party, to the extent that Seller has transferred possession of Tooling to a third party, on a bailment basis, as a bailee-at-will. Seller bears the risk of loss of and damage to Tooling. Tooling shall be housed, maintained, repaired and replaced by Seller at Seller's expense in good working condition capable of producing Goods or other goods meeting all applicable specifications. Tooling shall not be used by Seller for any purpose other than the performance of a Purchase Order and shall be conspicuously marked by Seller as the property of Buyer. In addition, Tooling shall not be commingled with the property of Seller or with that of a third person nor shall not be moved from Seller's premises without Buyer's approval. Seller shall insure Tooling with full fire and extended coverage insurance for its replacement value. Buyer shall have the right at any time to enter Seller's premises to inspect Tooling and Seller's records regarding Tooling. Only Buyer has any right, title or interest in Tooling, except for Seller's limited right, subject to Buyer's unfettered discretion, to use Tooling in the manufacture of Goods. Buyer and its affiliates shall have the right to take immediate possession of Tooling at any time without payment of any kind. Seller agrees to cooperate with Buyer if Buyer elects to take possession of Tooling. Likewise, effective immediately upon written notice to Seller, without further notice or court hearings, Buyer has the right to enter the premises of Seller and take possession of all of Tooling. Seller expressly waives any right to additional notice or process and agrees to provide Buyer or its nominee(s) with immediate access to Tooling. Seller grants to Buyer a limited and irrevocable power of attorney, coupled with an interest, to execute and record on Seller's behalf any notice or financing statements with respect to Tooling that Buyer determines are reasonably necessary to reflect Buyer's interest in Tooling. At Buyer's request, Tooling shall be immediately released to Buyer or delivered by Seller to Buyer per Buyer's request. Seller waives, to the extent permitted by law, any lien or other rights that Seller might otherwise have on any of Tooling, including but not limited to molder's and builder's liens. Seller agrees that in the event of such failure or threatened failure for any reason, and in addition to any other remedy to which Buyer may be entitled, Buyer shall be entitled to institute and prosecute proceedings in a court to obtain temporary and/or permanent injunctive or other equitable relief to enforce any provision hereof without necessity of posting bond or proof of actual injury or damage.

(g) If the Buyer issues a Purchase Order for Tooling, the Seller will design and fabricate, rework, or acquire Tooling that fully conforms to the specifications and other requirements of the Buyer. The Tooling must be capable of producing the appropriate volume projections for the Goods during the life of the part as well as satisfying the requirements for Service and Replacement Parts under Section 16. The Tooling may not contain or be marked in any manner with the name of any person or entity other than the Buyer.

(h) The Buyer, at any time, including prior to payment, may ask the Seller to provide status reports on the construction or acquisition of the Tooling. Each status report will identify the Tooling, identify any subcontractors working on the Tooling, state the percentage of completion of the Tooling, and state the percentage of sunk costs already expended. Tooling and corresponding documents and records are subject to inspection by Buyer at any time during normal business hours.

(i) If, at any time, the Seller believes that the Tooling might not be completed by the completion date specified in the Purchase Order (or at the time required consistent with any other order, for example relating to Goods to be produced using the Tooling), the Seller will notify the Buyer as soon as practicable. Sending this notice will not relieve the Seller of either its obligation to complete the Tooling on the completion date or its liability for any additional costs incurred by the Seller or the Buyer as a result of any delay.

(j) The Seller, at its own expense, will manufacture the requisite number of sample Goods or other goods using the Tooling in order to successfully complete the Buyer's approval process, and this shall be done in sufficient time to permit subsequent correction by Seller of any faults or defects in the Tooling revealed thereby before the completion date specified in the Purchase Order. Prior to shipment, Seller, at Seller's expense, shall inspect samples manufactured from the Tooling to be supplied hereunder and shall

certify results in the manner requested by Buyer. Unless otherwise stated in the Purchase Order, the Seller has no claim for payment for Tooling until the Buyer has approved the Tooling.

(k) The Seller's warranties for Tooling are the warranties for Goods under this Agreement, including Section 16. Buyer expressly disclaims liability for damage to persons or property, resulting from the use of the Tooling, and Buyer's warranty disclaimers and the limitation of liability under Section 24 for Buyer's Property are applicable to Tooling.

(l) If all or part of the fabrication, modification, repair or refurbishment of the Tooling will be subcontracted to a third-party toolmaker, the Seller will: (a) inform and obtain the approval of the Buyer in advance; (b) inform the toolmaker in writing that it is a bailee-at-will, through the Seller, of Tooling owned by the Buyer; (c) obtain a written agreement from the subcontractor to be bound by these Terms and make Buyer a third party beneficiary to such agreement and (d) be solely responsible for payments to the toolmaker. The Seller will defend and indemnify the Buyer for all costs incurred (including actual fees for attorneys, consultants and experts) in connection with any claim that challenges the Buyer's sole right, title and interest in the Tooling, or right to possession of the Tooling, brought by any third party, including toolmakers, subcontractors, and lending institutions.

(m) The Seller will at its expense: (i) use the Tooling in compliance with all applicable laws, regulations, orders, and standards; and (ii) maintain the Tooling, including its repair or replacement, in the condition necessary to produce the Goods in accordance with any and all standards, specifications or instructions furnished by Buyer and be responsible for all wear and tear.

(n) In the event the Seller fails to comply with any of the requirements of a Purchase Order, and the Buyer determines that it is necessary to either take possession of the Tooling or have it relocated, the Seller will provide the Buyer or its designees with any technical information for the Tooling requested by the Buyer or its designees that is required for the relocation, installation, assembly, maintenance, certification, or use of the Tooling.

(o) Nothing herein contained or capable of being inferred from any possession of Tooling by Seller shall obligate Buyer in any way to purchase Goods from Seller or to create any defense in favor of Seller, whether by setoff, contract, or otherwise, to any demand by Buyer for possession of the Tooling.

(p) The term "Goods" as defined in Section 1 of these Terms includes, without limitation, any Tooling ordered by Buyer under a Purchase Order. These Terms in their entirety apply to the purchase of Tooling subject to a Purchase Order – provided that in the event of a conflict between this Section 26 (which relates solely to Tooling) and any other portion of these Terms, the conflict in relation to Tooling shall be resolved by giving effect to this Section 26, and by giving effect to the other provisions of these terms to the fullest extent possible consistent with giving effect to this Section 26.

(q) Seller must notify the Buyer and obtain written approval from the Buyer before scrapping any tooling owned by the Buyer.

28. Transition of Supply

In connection with the expiration of a Purchase Order, or the termination of a Purchase Order, in whole or in part, by either party or Buyer's other decision to change to an alternate source of Goods, Seller will cooperate in the transition of supply, including the following (collectively, "Transition Support"): (a) Seller will continue production and delivery of all Supplies as ordered by Buyer, at the prices and other terms stated in the Purchase Order, without premium or other condition, during the entire period reasonably needed by Buyer to complete the transition to the alternate supplier(s), such that Seller's action or inaction causes no interruption in Buyer's ability to obtain Goods as needed; (b) at no cost to Buyer, Seller will promptly provide all requested information, documentation and access to Seller's manufacturing process, including on-site inspections, bill-of-material data, tooling and process detail and samples of Goods and components; and (c) subject to Seller's reasonable capacity constraints, Seller will provide special overtime production, storage and/or management

of extra inventory of Goods, extraordinary packaging and transportation and other special services as expressly requested by Buyer in writing. If the transition occurs for reasons other than Seller's termination or breach, Buyer will, at the end of the transition period, pay the reasonable, actual cost of Transition Support as requested and incurred, provided that Seller has advised Buyer prior to incurring such amounts of its estimate of such costs. If the parties disagree on the cost of Transition Support, Buyer will negotiate in good faith with Seller and the claimed amount may be resolved in accordance with the dispute resolution provisions of Section 31.

29. Buyer's Access to Records and Facilities

Seller shall provide to Buyer Seller's financial statements and projections upon Buyer's request. Seller shall permit Buyer and its representatives to review Seller's books and records concerning compliance with each Purchase Order and Seller's overall financial condition and shall provide Buyer full and complete access to all such book and records for such purpose upon Buyer's request. Buyer will have the right at any reasonable time to send its authorized representatives to examine all such information. Seller shall maintain all pertinent information relating to a Purchase Order for a period of ten (10) years after completion of services or delivery of Goods pursuant to a Purchase Order. If Buyer experiences any delivery or operational problems, Buyer may, but is not required to, designate a representative to be present in Seller's applicable facility to observe Seller's operations. Any audit will be conducted at Buyer's expense but will be reimbursed by Seller if the audit uncovers material errors in the amounts charged or other material inaccuracies in information provided to Buyer. All audits shall be conducted at reasonable times and, to the extent practicable, at Seller's usual place of business.

30. Assignment

Neither party may assign or subcontract its duties or responsibilities under a Purchase Order without the prior written consent of the other party, which will not be unreasonably withheld or delayed. Unless otherwise stated in the consent, any assignment or subcontracting by either party, with or without the required consent, will not relieve that party of its duties or obligations under a Purchase Order or its responsibility for non-performance or default by its assignee or subcontractor. If Buyer requires Seller to subcontract all or a portion of its duties obligations under a Purchase Order to a designated subcontractor, Seller's liability for a breach of a Purchase Order by that subcontractor's failure to meet its warranty, delivery, or other contractual obligation shall be limited to the liability of Buyer to its customer(s) in connection with such breach.

31. Excusable Delays; Force Majeure

(a) A delay or failure by either party to perform its obligations under a Purchase Order will be excused, and will not constitute a default, only if (1) not resulting from the fault or negligence of the party unable to perform and resulting from acts of God, acts of war, embargoes, fires, floods, earthquakes, epidemics, and delays of similar natural or governmental causes beyond the reasonable control of the delayed party and (2) the party unable to perform gives notice of the non-performance (including its anticipated duration) to the other party within twenty-four (24) hours of becoming aware that it has occurred or promptly after becoming aware that it will occur (an "Excusable Delay" or "Force Majeure Event").

(b) A Force Majeure Event does not include (i) labor strikes, lock-outs, shortages of labor, lack of or inability to obtain raw materials, fuel, power, transportation, or supplies unless such shortages is directly caused or imposed by state or federal governmental authority, (ii) any event which is caused by the fault or negligence of the delayed party, or (iii) the failure to comply with an applicable law or to take actions reasonably necessary to schedule performance in anticipation of any customs, or other governmental requirement for which public notice was given. In the event and to the extent the delivery of Goods was expected to be delayed prior to the occurrence of an approved Force Majeure Event, then to such extent such delay shall not constitute an Excusable Delay, and Seller's shall remain liable to Buyer for such delay.

(c) Within three (3) days from the initial notice, the affected party shall provide the non- affected

party with notice via letter which shall include (i) the cause of delay (ii) the anticipated duration of delay or non-performance, (iii) and its recovery plan with a detailed timeline to cure and resume deliveries of conforming goods. The other party shall have the right to review the affected party's recovery plan; the non-affected party may reject the affected party recovery plan and, by written notice, request further adequate assurances of the affected party's ability to perform within thirty (30) days of the Force Majeure Event.

(d) Nothing contained in this Section 30 shall limit Buyer's rights under Section 22. Time is of the essence; if Seller is unable to perform within 30 days of the Force Majeure Event, Buyer may purchase the Goods from other sources and reduce its purchases from Seller accordingly, without liability to Seller. Further, Buyer may terminate the Purchase Order by notice given to Seller before performance resumes or, in the event that an alternative supply is not available, Seller shall be responsible for all costs incurred by Buyer, including direct, indirect, consequential and incidental damages (including, but not limited to, charges relating to production changes, additional labor, additional transportation charges, customer downtime related to Seller's failure to meet Buyer's specified production requirements.

32. Labor Contracts

(a) Seller will notify Buyer of the contract expiration date at least six months before the expiration of a current labor contract that has not been extended or replaced. Buyer may thereafter direct Seller in writing to manufacture up to 30 days of additional inventory of the Goods, specifying the quantities of the Goods required and any packaging and storage requirements. Seller will use commercially reasonable efforts to comply with Buyer's written directions prior to expiration of the current labor contract and until the current labor contract has been extended or a new contract completed. By authorizing the additional inventory, Buyer commits to buy the entire quantity of conforming Goods requested and produced. Seller is responsible for carrying costs and any additional costs of manufacture.

33. Negotiation; Choice of Forum; Applicable Law

(a) Buyer and Seller will first endeavor to resolve through good faith negotiations any dispute arising under a Purchase Order.

(b) All disputes between the parties that the parties cannot resolve through good faith negotiations, including those arising, directly or indirectly, under a Purchase Order or the performance or breach of a Purchase Order, shall be adjudicated exclusively in the Circuit Court for the County of Oakland, State of Michigan or, if subject matter jurisdiction exists, the U.S. District Court for the Eastern District of Michigan. The parties stipulate that the referenced venues are convenient.

(c) The Purchase Order will be construed, governed and controlled in all respects under the laws of the principal place of business of the Buyer, without giving effect to any conflict of law's provisions that may otherwise apply. If the Buyer is located in the United States, its principal place of business will be deemed to be the State of Michigan. The UN Convention for the International Sale of Goods is expressly excluded.

(d) In the event that Buyer or Seller is located outside of the United States, then Buyer shall have the option of submitting any dispute, controversy or claim arising under a Purchase Order or otherwise to binding arbitration. Such arbitration will take place before one arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association and shall take place in the City of Southfield, State of Michigan. The arbitration award may be entered as a final judgment in any court of competent jurisdiction. The Federal Arbitration Act, 9 USC § 1, et seq. will apply to the application and interpretation of this arbitration provision.

34. Taxes

Unless separately agreed by the parties in writing, the price for the Goods includes all applicable federal

state, provincial, and local taxes other than sales, value added, or similar turnover taxes or charges. Seller will separately invoice Buyer for any sales, value added, or similar turnover taxes or charges that Seller is required by law to pay or collect from Buyer.

35. Miscellaneous

(a) Seller shall not at any time advertise or otherwise disclose its relationship with Buyer or Buyer's customers or use any trademarks or trade names of Buyer without Buyer's prior written consent, except as may be required to perform under a Purchase Order or as required by law.

(b) With respect to its role as supplier to Buyer, including any interaction with any employee of Buyer, Seller shall not: (i) give or offer to give any gift or benefit to Buyer's employees; (ii) solicit or accept any information, data, services, equipment, or commitment from Buyer's employees unless it is (1) required under a contract between Buyer and Seller, or (2) made pursuant to a written disclosure agreement between Buyer and Seller, or (3) specifically authorized in writing by Buyer's management; (iii) solicit or accept favoritism from Buyer's employees; or (iv) enter into any outside business relationship with Buyer's employees without full disclosure to, and prior approval of Buyer's management. "Employee" includes members of the employee's immediate family and household, plus any other person who is attempting to benefit from his or her relationship to the employee; "Seller" includes all employees and agents of Seller; "gift or benefit" includes money, goods, services, discounts, favors and the like in any form but excluding low value advertising items such as pens, pencils and calendars; "supplier" includes prospective, current and past suppliers; and "favoritism" means partiality in promoting the interest of Seller over that of other suppliers. Such activity by Seller shall constitute default by Seller of every contract and Purchase Order with Buyer and may further result in Seller's debarment from doing business with Buyer.

(c) The failure of either party at any time to enforce any right or remedy provided in a Purchase Order or by law on a particular occasion will not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy.

(d) Seller and Buyer are independent contractors, and nothing in a Purchase Order shall make either party the agent or legal representative of the other for any purpose. Neither party has authority to assume or to create any obligation on behalf of the other party.

(e) A finding that any provision of a Purchase Order is invalid or unenforceable in any jurisdiction will not affect the validity or enforceability of any other provision of the Purchase Order or the validity or enforceability of that provision in any other jurisdiction.

(f) Any notice or other communication required under these Terms and Conditions must be in writing and will become effective on the date of actual receipt if the date of actual receipt is a business day or on the next business day if the date of actual receipt is not a business day. COMMUNICATIONS FROM SELLER CONCERNING ANY DISPUTED CLAIMS OF SELLER, INCLUDING AN INSTRUMENT TENDERED AS FULL SATISFACTION OF A DEBT OR CLAIMS, MUST BE SENT TO THE PRESIDENT OF BUYER WITH A COPY TO BUYER'S GENERAL COUNSEL.

(g) The English version of these Terms and Conditions shall apply in the event of any disagreement regarding any translation. Notwithstanding the above, in the event a translation of these Terms and Conditions is required to be filed in a jurisdiction other than the United States in order to address any dispute hereunder, Buyer and Seller agrees that the translation provided by Buyer and posted in the Supplier Information Center shall be used.

Appendix A

YAZAKI NORTH AMERICA, INC. AND AFFILIATES GENERAL TERMS AND CONDITIONS OF PURCHASE MEXICO COUNTRY SUPPLEMENT

Notwithstanding anything to the contrary in the Terms and Conditions, the provisions of this Mexico Country Supplement shall apply when referenced by Buyer's Purchase Order or other documentation from Buyer.

Section in Terms and Conditions	Superseding terms of Mexican Country Supplement
1(c)	<u>Buyer</u> "Buyer" is the Mexican entity ("Yazaki Affiliate") identified in the Purchase Order; if no Mexican entity is identified in the Purchase Order, then the Buyer shall mean Yazaki North America, Inc.
2(b)	<u>Prices and Payment</u> In the case of imported Goods for first-hand sales, Seller must include the respective importation and information in its invoices. The price for the Goods also includes all duties and taxes, except for Value Added Tax (VAT). All payments made by Buyer to Seller will be made along with the applicable VAT. Buyer is not responsible for any business activity taxes, payroll taxes or any federal, state, municipal or other taxes on Seller's income or assets. Where applicable, all expenses, taxes, fees and any other expenditures related directly or indirectly to the importation of Goods (including but not limited to importation duties, countervailing duties, customs broker fees, VAT on importation, Customs Transmittal Fees and any other similar charges or fees, will be paid by Seller. Payment will be made in Mexican Pesos unless otherwise expressly noted in the Purchase Order. If the Purchase Order identifies a price in U.S. Dollars or specifies that payment will be made in U.S. Dollars, Buyer may pay in Mexican Pesos based on the exchange rate published in the Mexican Federal Official Gazette on the business day immediately preceding the payment date.
9	<u>Compliance with Laws; Employment/Business Practices</u> Seller's employees, contractors and agents must be properly registered with the Mexican Social Security Institute and/or proper work visas. Seller will prepare, file all returns and pay all required Mexican payroll taxes applicable to the services rendered to provide Supplies, including but not limited to payments to the Mexican Social Security Institute (IMSS), Retirement Fund Plan (SAR) and fees for the National Institute for Promotion of Worker Housing (INFONAVIT), as well as any other applicable benefits, taxes or fees, whether federal, state or municipal, required under Mexican laws and regulations related to its personnel. Seller will immediately notify Buyer of any disputes between Seller and its personnel, the Mexican taxing authorities, any labor union, federation or labor coalition, which represents Seller's employees, if such disputes or disagreements may result in Seller receiving a strike notice or in having its assets being subjected to liens, mortgages, attachments or encumbrances of any nature. Seller's responsibilities for labor matters, labor claims or lawsuits include any obligations derived from the Federal Labor Law, Social Security Law, INFONAVIT Law, Income Tax Law, State and Federal Payroll Tax Laws, Sanitation Laws, Environmental Laws, as well as any other applicable law or regulation in force in Mexico. Seller's obligations will extend to any subcontractor contracted by Seller to perform any or all of the services related to the Supplies and will survive the termination of the Purchase Order. Seller will indemnify and save Buyer harmless from any claims or lawsuits brought against Buyer, including substitute employer and similar claims or lawsuits filed by Seller's personnel, a union or by any government or other entity. Seller is obligated to use, in the rendering of the services relating to the Purchase Order, solely and exclusively those workers and employees that have previously been incorporated into the mandatory Social Security regime paid by Seller. Breach of this provision will subject Seller to the payment of all damages caused to Buyer with Buyer also having the right to immediately

	terminate the Purchase Order without the need for judicial involvement or declaration.
14	<u>Confidentiality</u> If Seller breaches Section 14 of the Terms and Conditions, Buyer may proceed with the corresponding criminal processes, in accordance with the applicable criminal codes and that set forth in the Industrial Property Law.
15	<u>Intellectual Property Rights</u> Seller's obligations under Section 15 of the Terms and Conditions will extend to Buyer and its officers directors, subcontractors, agents, employees, representatives, subsidiaries, parent companies and affiliates.
19	<u>Security Requirements</u> Seller shall comply with Mexico's customs regulations, including the exports controls to arms, parts, software, technologies and goods of dual-use that could be diverted to manufacturing and proliferation of conventional weapons and arms of mass destruction.
20	<u>Liability, Indemnity and Insurance</u> Except as otherwise provided in the Purchase Order, any and all insurance policies that are to be issued to Buyer shall be obtained and evidenced under valid and enforceable policies issued by insurers authorized to do business in Mexico.
21	<u>Imported Goods</u> Seller will provide proper documentation with each shipment certifying as to the country of origin and Mexican tariff classification (HTS) number for the Goods, and will comply with all labeling requirements required under Mexican law and/or specified in the Purchase Order and the Terms and Conditions.
22	<u>Termination</u> Buyer's rights to terminate the Purchase Order under Sections 22, 23 or any other applicable provision of the Terms and Conditions may be exercised by Buyer without the need for judicial involvement or declaration.
24	<u>Property Furnished by Buyer and Its Customer</u> In the event Seller is involved in voluntary or involuntary bankruptcy proceedings, Seller hereby waives, to the extent allowed by law, any right to object to Buyer's right to take immediate repossession of Buyer's Property as provided in the Terms and Conditions. In addition, Seller agrees that: (a) Seller will fully cooperate with Buyer, promptly upon Buyer's request, to prepare inventory lists describing with detail and accuracy all of the assets, equipment, tooling, fixtures, dies, molds and all other items that are controlled by or in the possession of Seller but are owned by Buyer (or by Buyer's affiliates or subsidiaries) or leased, consigned or otherwise granted to Buyer, and all such items shall be considered Buyer's Property; (b) unless a separate lease agreement is in place, if it has under its possession Buyer's Property, it holds such under a fully revocable free bailment agreement, and Seller will fully cooperate with Buyer in executing a written and formal free bailment agreement and related recognitions of title when so requested by Seller; (c) Seller grants Buyer the right to immediate access Seller's facilities, without the need for a prior notice, cause or need for judicial involvement or declaration, to inspect, repair, replace and/or remove any and/or all of Buyer's Property, and Seller shall, in accordance with Article 335 of the Mexican Commerce Code, at Buyer's request and without need of any cause or judicial resolution, immediately return or transfer possession of any Buyer's Property to Buyer or its designee; (d) Seller shall not include Buyer's Property in its financial statements and will not grant, nor purport to grant, a security interest in Buyer's Property to any person or entity; (e) in case a lien is secured against Buyer's Property by Seller's creditors, Seller shall immediately inform Buyer and take all actions to replace such security by providing its creditors with alternate guaranties and release Buyer's Property; and (f) nothing provided in the Terms and Conditions shall be construed to create or constitute a lease of Buyer's Property to Seller.
28	<u>Buyer's Access to Records and Facilities</u> Buyer's right to audit Seller includes the right to request from Seller, following reasonable notice to Seller, evidence of Buyer's formation, registration with the Public Registry of

	Commerce, registration with the Mexican Federal Tax Registry (<i>Registro Federal de Contribuyentes</i>), registration with the Mexican Social Security Institute (<i>IMSS</i>), evidence of tax domicile, copies of official identifications for Seller's legal representatives signing any documents, current and audited financial statements, as well as evidence of compliance by Seller with its legal, tax, labor and other obligations at the federal, state and municipal level.
32(d)	<u>Negotiation; Choice of Forum; Applicable Law</u> Notwithstanding the agreement to arbitrate any commercial dispute, the parties agree that in the event that Seller does not return possession to Buyer of Buyer's Property in accordance with Section 24 of the Terms and Conditions at any time, or if Buyer is in a position where Seller's actions or inactions may cause immediate, irreparable harm to Buyer, then Buyer may opt to exercise its rights, including its right to retake immediate possession of Buyer's Property, before any competent civil, commercial or criminal judicial court in the Republic of Mexico, the United States of America or elsewhere.
33	<u>Taxes</u> Seller will deliver to Buyer invoices complying with all Mexican legal and tax requirements, including a breakdown of the VAT, if applicable. The price for the Goods includes all duties and taxes, except for VAT. If Seller is an individual and tax withholding is required, Seller will make the corresponding income tax, VAT or other required withholdings. Buyer is not responsible for any business activity taxes, payroll taxes or any federal, state, municipal or other taxes on Seller's income or assets. Where applicable, all expenses, taxes, fees and any other expenditures related directly or indirectly to the importation of Goods (including but not limited to importation duties, countervailing duties, customs broker fees, VAT on importation, Customs Transmittal Fees, and any other similar charges or fees, will be paid by Seller.
34(g)	<u>Miscellaneous</u> The parties acknowledge that this Mexico Country Supplement and all documents related to them that are prepared in the English language will be interpreted and enforced in the English language. For purposes of reference, a Spanish translation may be prepared.

Appendix B

YAZAKI NORTH AMERICA, INC. AND AFFILIATES GENERAL TERMS AND CONDITIONS OF PURCHASE NICARAGUA COUNTRY SUPPLEMENT

Notwithstanding anything to the contrary in the Terms and Conditions, the provisions of this Nicaragua Country Supplement shall apply when referenced by Buyer's Purchase Order or other documentation from Buyer.

Section in Terms and Conditions	Superseding terms of Nicaraguan Country Supplement
1(c)	<u>Buyer</u> "Buyer" is the Nicaraguan entity identified in the Purchase Order; if no Nicaraguan entity is identified in the Purchase Order, then the Buyer shall mean Yazaki North America, Inc.
2(b)	<u>Prices and Payment</u> In the case of imported Goods for first-hand sales, Seller must include the respective importation information in its invoices. The price for the Goods also includes all duties and taxes, except for Value Added Tax (VAT). All payments made by Buyer to Seller will be made along with the applicable VAT. Buyer is not responsible for any business activity taxes, payroll taxes or any national, municipal or other taxes on Seller's income or assets. Where applicable, all expenses, taxes, fees and any other expenditures related directly or

	indirectly to the importation of Goods (including but not limited to importation duties, countervailing duties, customs broker fees, VAT on importation, Customs Transmittal Fees, and any other similar charges or fees, will be paid by Seller. Payment will be made Nicaraguan Córdobas unless otherwise expressly noted in the Purchase Order. If the Purchase Order identifies a price in U.S. Dollars or specifies that payment will be made in U.S. Dollars, Buyer may pay in Nicaraguan Córdobas based on the exchange rate published in the Official Table of the Nicaraguan Central Bank on the business day immediately preceding the payment date.
9	<u>Compliance with Laws; Employment/Business Practices</u> Seller's employees, contractors and agents must be properly registered with the Nicaraguan Social Security Institute (INSS) and hold proper work visas. Seller will prepare, file all returns and pay all required Nicaraguan payroll taxes applicable to the services rendered to provide Supplies, including but not limited to payments to the Nicaraguan Social Security Institute (INSS) and the Nicaraguan Technological Institute (INATEC), as well as any other applicable benefits, taxes or fees, whether national or municipal, required under Nicaraguan laws and regulations related to its personnel. Seller will immediately notify Buyer of any disputes between Seller and its personnel, the Nicaraguan taxing authorities, any labor union, federation or labor union, which represents Seller's employees, if such disputes or disagreements may result in Seller receiving a strike notice or in having its assets being subjected to liens, mortgages, attachments or encumbrances of any nature. Seller's responsibilities for labor matters, labor claims or lawsuits include any obligations derived from the National Labor Law, Social Security Law, INATEC Regulations, Income Tax Law, National Tax Law, Sanitation Law, Environmental Law, as well as any other applicable law or regulation in force in Nicaragua. Seller's obligations will extend to any subcontractor contracted by Seller to perform any or all of the services related to the Supplies and will survive the termination of the Purchase Order. Seller will indemnify and save Buyer harmless from any claims or lawsuits brought against Buyer, including substitute employer and similar claims or lawsuits filed by Seller's personnel, a union or by any government or other entity. Seller is obligated to use, in the rendering of the services relating to the Purchase Order, solely and exclusively those workers and employees that have previously been incorporated into the mandatory Social Security regime paid by Seller. Breach of this provision will subject Seller to the payment of all damages caused to Buyer with Buyer also having the right to immediately terminate the Purchase Order without the need for judicial involvement or declaration.
14	<u>Confidentiality</u> If Seller breaches Section 14 of the Terms and Conditions, Buyer may proceed with the corresponding civil or criminal processes, in accordance with the applicable laws and that set forth in the Intellectual Property Law.
15	<u>Intellectual Property Rights</u> Seller's obligations under Section 15 of the Terms and Conditions will extend to Buyer and its officers directors, subcontractors, agents, employees, representatives, subsidiaries, parent companies and affiliates.
19	<u>Security Requirements</u> Seller shall comply with Nicaragua's customs regulations, including the exports controls to arms, parts, software, technologies and goods of dual-use that could be diverted to manufacturing and proliferation of conventional weapons and arms of mass destruction.
20	<u>Liability, Indemnity and Insurance</u> Except as otherwise provided in the Purchase Order, any and all insurance policies that are to be issued to Buyer shall be obtained and evidenced under valid and enforceable policies issued by insurers authorized to do business in Nicaragua by the Superintendent of Banks and Other Financial Institutions (SIBOIF).
21	<u>Imported Goods</u> Seller will provide proper documentation with each shipment certifying as to the country of origin and Nicaraguan tariff classification (SAC) number for the Goods and will comply with all labeling requirements required under Nicaraguan law and/or specified in the Purchase

	Order and the Terms and Conditions.
22	<u>Termination</u> Buyer's rights to terminate the Purchase Order under Sections 22, 23 or any other applicable provision of the Terms and Conditions may be exercised by Buyer without the need for judicial involvement or declaration.
24	<u>Property Furnished by Buyer and Its Customer</u> In the event Seller is involved in voluntary or involuntary bankruptcy proceedings, Seller hereby waives, to the extent allowed by law, any right to object to Buyer's right to take immediate repossession of Buyer's Property as provided in the Terms and Conditions. In addition, Seller agrees that: (a) Seller will fully cooperate with Buyer, promptly upon Buyer's request, to prepare inventory lists describing with detail and accuracy all of the assets, equipment, tooling, fixtures, dies, molds and all other items that are controlled by or in the possession of Seller but are owned by Buyer (or by Buyer's affiliates or subsidiaries) or leased, consigned or otherwise granted to Buyer, and all such items shall be considered Buyer's Property; (b) unless a separate lease agreement is in place, if it has under its possession Buyer's Property, it holds such under a fully revocable free bailment agreement, and Seller will fully cooperate with Buyer in executing a written and formal free bailment agreement and related recognitions of title, when so requested by Seller; (c) Seller grants Buyer the right to immediate access Seller's facilities, without the need for a prior notice, cause or need for judicial involvement or declaration, to inspect, repair, replace and/or remove any and/or all of Buyer's Property, and Seller shall, in accordance with Article 461 of the Nicaraguan Commerce Code, at Buyer's request and without need of any cause or judicial resolution, immediately return or transfer possession of any Buyer's Property to Buyer or its designee; (d) Seller shall not include Buyer's Property in its financial statements and will not grant, nor purport to grant, a security interest in Buyer's Property to any person or entity; (e) in case a lien is secured against Buyer's Property by Seller's creditors, Seller shall immediately inform Buyer and take all actions to replace such security by providing its creditors with alternate guaranties and release Buyer's Property; and (f) nothing provided in the Terms and Conditions shall be construed to create or constitute a lease of Buyer's Property to Seller.
28	<u>Buyer's Access to Records and Facilities</u> Buyer's right to audit Seller includes the right to request from Seller, following reasonable notice to Seller, evidence of Buyer's formation, registration with the Public Registry of Commerce, registration with the Nicaragua National Tax Registry (Dirección General de Ingresos-DGI), registration with the Nicaraguan Social Security Institute (INSS), evidence of tax domicile, copies of official identifications for Seller's legal representatives signing any documents, current and audited financial statements, as well as evidence of compliance by Seller with its legal, tax, labor and other obligations at the national and municipal level.
32(d)	<u>Negotiation; Choice of Forum; Applicable Law</u> Notwithstanding the agreement to arbitrate any commercial dispute, the parties agree that in the event that Seller does not return possession to Buyer of Buyer's Property in accordance with Section 24 of the Terms and Conditions at any time, or if Buyer is in a position where Seller's actions or inactions may cause immediate, irreparable harm to Buyer, then Buyer may opt to exercise its rights, including its right to retake immediate possession of Buyer's Property, before any competent civil or criminal judicial court in the Republic of Nicaragua, the United States of America or elsewhere.
33	<u>Taxes</u> Seller will deliver to Buyer invoices complying with all Nicaraguan legal and tax requirements, including a breakdown of the VAT, if applicable. The price for the Goods includes all duties and taxes, except for VAT. If Seller is an individual and tax withholding is required, Seller will make the corresponding income tax, VAT or other required withholdings. Buyer is not responsible for any business activity taxes, payroll taxes or any national, municipal or other taxes on Seller's income or assets. Where applicable, all expenses, taxes, fees and any other expenditures related directly or indirectly to the

	importation of Goods (including but not limited to importation duties, countervailing duties, customs broker fees, VAT on importation, Customs Transmittal Fees, and any other similar charges or fees, will be paid by Seller.
34(g)	<u>Miscellaneous</u> The parties acknowledge that this Nicaragua Country Supplement and all documents related to them that are prepared in the English language will be interpreted and enforced in the English language. For purposes of reference, a Spanish translation may be prepared.

Appendix C

YAZAKI NORTH AMERICA, INC. AND AFFILIATES GENERAL TERMS AND CONDITIONS OF PURCHASE EL SALVADOR COUNTRY SUPPLEMENT

Notwithstanding anything to the contrary in the Terms and Conditions, the provisions of this El Salvador Country Supplement shall apply when referenced by Buyer's Order or other documentation from Buyer.

Section in Terms and Conditions	Superseding terms of El Salvador Country Supplement
2(b)	<u>Prices and Payment</u> In the case of imported Goods for first-hand sales, Seller must include the respective importation and any applicable kind of information in its invoices. The price for the Goods also includes all duties and taxes, except for Value Added Tax (VAT). All payments made by Buyer to Seller will be made along with the applicable VAT. Buyer is not responsible for any business activity taxes, payroll taxes or any federal, state, municipal or other taxes on Seller's income or assets. Where applicable, all expenses, taxes, fees and any other expenditures related directly or indirectly to the importation of Goods (including but not limited to importation duties, countervailing duties, customs broker fees, VAT on importation, Customs Transmittal Fees and any other similar charges or fees), will be paid by Seller. Payment will be made in U.S. Dollars unless otherwise expressly noted in the Purchase Order.
9	<u>Compliance with Laws, Employment/Business Practices</u> Seller's employees, contractors and agents shall comply with all Salvadoran applicable laws, rules, regulations, orders, conventions etc, and must be properly registered when applicable, with all the legal and mandatory registrations and authorizations such as with the National Register Center (CNR); Salvadoran Social Security Institute (ISSS) and Pension Funds Administrators, Ministry of Labor, Ministry of Treasury and/or shall comply with any kind of working authorizations if required. They shall also comply specifically with customs regulations, registrations or any other procedures necessary to carry out operations. Seller will prepare, file all returns and pay all required Salvadoran payroll taxes applicable to the services rendered to provide Supplies, including but not limited to payments to Ministry of Treasury, Customs administrations, applicable taxes, fees or contributions and to any other entity, public or private if, as well as any other applicable benefits, taxes or fees, whether state or municipal, required under Salvadoran laws and regulations related to its personnel. Seller will immediately notify Buyer of any disputes between Seller and its personnel, the Salvadoran taxing and customs authorities, any labor union, federation or labor coalition, which represents Seller's employees, if such disputes or disagreements may result in Seller receiving a strike notice or in having its assets being subjected to liens, mortgages, attachments or encumbrances of any nature.

	There is no minimum employment relationship between the Seller and Buyer, so in case of labor matters that diverts on any kind of responsibilities or disputes, the Buyer will not have any responsibility with it and the Seller will indemnify if necessary and save Buyer harmless from any dispute or lawsuit or claims in general against Buyer.
14	<u>Confidentiality</u> Seller will in some cases gain access to information classified by the Buyer as "confidential". If Seller breaches section 14 of the Terms and Conditions, the Buyer may proceed with the immediate termination of the contractual or commercial relationship with Seller as well as proceed with the pertinent criminal processes, in accordance with the respective criminal codes and regulations, and so with the violated rights set forth in the Intellectual Property Law.
15	<u>Intellectual Property Rights</u> The obligations under section 15 of the Terms and Conditions are extensive to the Buyer, as well for its officer's director, subcontractors, agents, employees, representatives, attorneys, subsidiaries, affiliates or any other parent companies or related subjects. If Seller has access to confidential information with commercial value, industrial or commercial application, transformation and construction, Seller will be obliged not to disclose any secret by any media, unless is otherwise and expressly agreed by Buyer. If Seller obtains industrial or commercial secrets, by reason of hiring a worker who is working or has worked, or a professional, adviser or consultant who provides or has rendered his services to the Buyer, then Seller shall be jointly and severally liable with the person providing the information, and will incur in the payment of the caused damages without prejudice to any criminal liability that may arise from it.
19	<u>Security Requirements</u> The Seller must comply with all Salvadoran customs regulations and procedures, including also the controls on arms, parts, software, technologies and any other goods of dual use that could be used or applied to the manufacture process of conventional or weapons and arms of mass destruction, and in general to any other kind of activity or use that can contribute in the proliferation of the above.
20	<u>Liability, Indemnity and Insurance</u> All insurance policies that are to be issued to Buyer and related must be issued and obtained under valid and enforceable policies issued by institutions such as insurers or banks that are duly authorized by the Financial System Superintendence (SSF) of El Salvador, and will need to be in full order and compliance to operate and do this kind of business in El Salvador.
21(a)	<u>Imported Goods</u> Seller guarantees that all sales made hereunder will be made at not less than fair value and complying with Competition laws and regulations in El Salvador. Seller will be obligated to respect and operate under good faith conditions and terms and in case of breaching this warranty, Seller will indemnify and hold Buyer harmless if this breaching gives rise to any kind of sanction or penalization to Buyer. Seller will provide the pertinent documentation with each shipment certifying as to the country of origin and Salvadoran tariff classification according to the Tariff Classification of Goods issued by local customs administration.
22	<u>Termination</u> Buyer will have the right to terminate immediately the Purchase Order if Seller does not comply with any of its obligations set forth in the related document and will also exercise its right to terminate the Purchase Order under sections 22 and 23 without any need of judicial intervention. Mutual agreement will also be a valid cause to proceed to termination.
30	<u>Excusable Delays; Force Majeure</u> When it is faced with an event of force majeure or an incidental event that directly

	causes delays, any of the parties affected by it, must substantiate and verify that the force majeure has generated arrears, and it is duly verifiable that it occurred by force majeure event. Otherwise it will be understood as a fault.
32(d)	<u>Negotiation; Choice of Forum; Applicable Law</u> The parties agree to solve any commercial dispute by arbitration. The parties also agree that in the event that Seller does not return possession to Buyer of Buyer's Property in accordance with Section 24 of the Terms and Conditions at any time, or if Buyer is in a position where Seller's actions or inactions may cause immediate, irreparable harm to Buyer, then Buyer may opt to exercise its rights, including its right to retake immediate possession of Buyer's Property, before any competent civil, commercial or criminal judicial court in the Republic of El Salvador, the United States of America or elsewhere.
33	<u>Taxes</u> Seller will deliver to Buyer invoices complying with all Salvadoran legal and tax requirements, which it shall be duly registered before de Ministry of Treasury, and the invoices shall be duly authorized by the referred authority. The invoice will include a breakdown of the VAT, if applicable. The price for the Goods includes all duties and taxes, except for VAT. If Seller is an individual and tax withholding is required, Seller will make the corresponding income tax, VAT or other required withholdings. It is understood that Buyer is not responsible by any media for any business activity taxes, payroll taxes or any federal, state, municipal or other taxes applicable and generated upon Seller's income or assets. Seller must comply with local tax codes, the procedures and regulations as well as its payment. Seller specifically must comply when applicable, to what is stated in VAT Law (<i>Ley de Impuesto a la Transferencia de Bienes Muebles y a la Prestación de Servicios</i>); and Income Tax codes (<i>Ley del Impuesto sobre la Renta</i>). Where applicable, all expenses, taxes, fees and any other expenditures related directly or indirectly to the importation of Goods including but not limited to importation duties, countervailing duties, customs broker fees, VAT on importation, Customs Transmittal Fees, and any other similar charges or fees, will be paid by Seller.

END

Terms & Conditions Revision History

[illegible]