



FAMILY OF COMPANIES

Supplier Terms & Conditions

APPENDIX

I. Section A - GENERAL TERMS AND CONDITIONS

1. AGREEMENT: This purchase order and/or release is an offer for the purchase of goods or services specified on the face of this purchase order. Any acceptance of this offer by Seller shall be an acceptance of all of the terms and conditions of this offer notwithstanding that Seller's expression of acceptance states additional or different terms from those in this offer or that Seller's acceptance is conditioned upon Buyer's assent to such additional or different terms. To the extent that Seller's acceptance states different or additional terms, Seller is notified that Buyer expressly objects to those different or additional terms. Acceptance shall include the receipt of Seller's written acknowledgment of this offer, commencement of work, performance of services or shipment of goods.

This purchase order, together with any specifications, drawings, designs, change orders, OEM purchase order (per paragraph 9 below) purchase order releases, Buyer's additional terms and conditions as maintained on its website and any amendments that are accepted and signed by the parties represent the entire agreement between the parties and can not be changed without Buyer's written consent. This purchase order supersedes any previous oral or written communications, including provisions in Buyer's request for quotes, Seller's quotations, proposals, acknowledgments or other documents. All modifications relating to this purchase order shall be in writing, signed by Buyer.

2. PRICE: The goods or services shall be furnished at a price set forth on the face of this purchase order. Unless otherwise stated, all prices shall be FOB Buyer's receiving facility. The prices stated are complete, and no additional charges of any type shall be added without Buyer's written consent, including, but not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, crating, drayage or containers. The time for payment shall not begin until correct and complete invoices and shipping confirmation documentation is received. Risk of loss or damage to goods in transit shall be upon Seller and Seller shall insure the goods in transit. Seller warrants that the prices specified herein are no less favorable than prices provided by Seller to other customers for like-kind merchandise (after consideration of all discounts, rebates and allowances).

3. DELIVERY: Time is of the essence. Deliveries shall be made within the time and in the quantities specified or in separate shipment releases, if applicable. All shipments shall be made with Buyer designated or approved carriers. If delivery is not timely, Buyer may direct Seller to make expedited routing at Seller's expense. Seller will enclose packing slips with all shipments showing purchase order numbers, descriptions, part numbers and quantities. Buyer shall not be required to make payment for delivered goods in excess of specified quantities. Shipments in excess of that authorized by Buyer may be returned to Seller at Seller's expense. The goods shall be properly packed, marked, loaded and shipped as required by this contract and by the transporting carrier. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price. If delivery dates are not specified in this purchase order, Seller shall procure materials and fabricate, assemble, and ship goods only as authorized in shipment releases issued by Buyer. Invoices in DUPLICATE showing purchase order and release number shall be rendered promptly after shipment has been made. Invoices received by Buyer five days or more after shipment may be re-dated as of date received and payment made according to terms of purchase. Seller shall adhere to Buyer's shipment and other requirement as set forth in its administrative procedures as they may change from time to time, hereby incorporated by reference.

4. CANCELLATION: Buyer may cancel this purchase order or any term or condition hereunder in the event of any breach by the Seller. In the event of cancellation, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for all damages, direct or indirect, consequential and incidental, including attorneys fees, sustained by reason of the default which gave rise to the cancellation, including, but not limited to, any costs incurred by Buyer as a result of obtaining goods or services from another source.

5. TERMINATION: Buyer may immediately terminate all or any part of this order at any time for any reason upon notice to Seller. Seller immediately shall, and cause its suppliers and subcontractors to, stop all work on the portion of the purchase order so terminated. Seller shall submit a comprehensive termination claim with sufficient supporting data to Buyer within 30 days from the effective date of termination. Seller shall submit all supporting information as Buyer shall request. If such materials are delivered to Buyer, Buyer shall pay to Seller the price for unpaid: (a) completed goods and services; and (b) actual costs of work-in-process and raw materials incurred by Seller in furnishing the goods and services under this purchase order to the extent reasonable and properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this order, less the reasonable value or cost (whichever is higher) of goods or materials used or sold by Seller with Buyer's consent. Buyer shall not pay for: (a) finished goods, works-in-process or raw materials in excess of this order or shipment releases; (b) undelivered goods which are in Seller's standard stock or that are readily marketable; (c) claims by Seller or Seller's subcontractors for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized

depreciation costs, and general and administrative burden charges arising from termination; (d) incidental, or other costs which could have been reasonably mitigated; or (e) consequential costs or damages. In no event shall Buyer's obligation to Seller for cancellation charges exceed the amount allowed by Buyer's customer for Seller's work. Buyer shall have the right to audit books, records, facilities, work, material, and inventories relating to any termination claim.

6. CHANGES: Buyer shall have the right to make changes in drawings, specifications or instructions for goods or services, in methods of shipments and packaging and schedules and place of delivery or inspection and Seller agrees to comply with such change notices. Such change notices shall be in writing and signed by a duly authorized representative of Buyer. If such changes result in a decrease or increase in the Seller's cost or in the time of performance, an adjustment in the price and time for performance will be made as mutually agreed. Unless Seller presents Buyer an itemized statement of claim within 20 days after the receipt of a change notice, the Seller shall be conclusively deemed to have waived all claims against Buyer with respect thereto. **Seller shall not make any change in design, material specifications, manufacturing or assembly processes or source of supply without the express written approval of Buyer.**

7. QUALITY AND INSPECTION: Payment for goods shall not constitute acceptance thereof. Buyer reserves the right to inspect goods during manufacturing and within a reasonable time after delivery, but such inspection does not relieve the Seller of its obligations to deliver conforming goods. Buyer shall have the right, in its sole discretion, to reject goods that are defective or non-conforming. Goods so rejected as well as goods supplied early, late, in incorrect quantities or that are incorrectly labeled may be returned to Seller at its expense and, in addition to Buyer's other rights, Buyer may charge Seller all expenses of unpacking, examining, repackaging, and re-shipping such goods. If Buyer receives goods whose defects or nonconformity is not apparent on examination and this results in damage to other goods, materials, equipment, or otherwise, Buyer reserves the right to require replacement of such goods, materials, etc. as well as reimbursement for all damages incurred by Buyer. Seller shall be responsible for any additional cost incurred by Buyer or any customer of Buyer as a result of Seller's delivery, quality, incorrect packaging or shipment quantities.

(a) Sellers of special machines and/or equipment must supply Buyer with two (2) instruction manuals and at least one (1) maintenance manual containing complete schematics, drawings, parts lists, specifications, sources of supply and complete service/test instructions. All design and construction of tooling, equipment or special machines sold to, or furnished or paid for by Buyer must be in accordance with Buyer's Engineering specifications. Any engineering design changes by Seller with regards to products, tooling, equipment or special machines sold to, or furnished or paid for by Buyer require the prior written approval of Buyer. Seller will furnish Buyer with a Certificate of Insurance for personal and property liability prior to proceeding with work on Buyer's premises.

(b) Seller acknowledges that it assumes all responsibility for ensuring, at its sole cost, that all testing and analysis as is needed to meet Medallion Quality requirements or any other quality certification standards that Buyer's customers or Buyer requires on parts, components, materials, systems and processes incorporating or involving any product sold by Seller to Buyer hereunder will be properly completed, and satisfied, whether or not Seller is or has been certified as meeting such certification requirements apart from this Purchase Order.

8. WARRANTY: In addition to the warranties provided for in the purchase order, Seller represents and warrants to Buyer as follows: (a) the Goods strictly conform with the specifications, drawings, instructions, advertisements, statements on containers and labels, descriptions and samples furnished or specified by Buyer, its customer or Seller; (b) the Goods are free from defects in workmanship and material and shall be new and of the highest quality and the Goods are merchantable; (c) the Goods and materials comprising the Goods are genuine in all respects; (d) Seller acknowledges that it knows of Buyer's intended use of the Goods and that Buyer is relying on the Seller's skill and judgment to provide Goods that will be safe, fit and provide proper functionality for Buyer's intended use; (e) the Goods do not, and are not claimed to violate any patent, trademark, copyright or other intellectual property right and may be properly imported into the United States or any other country; (f) to the extent that the products being ordered and shipped bearing trademarks, the use of such trademarks has been properly authorized by the trademark owner, and such trademarks are valid and genuine; (g) Seller has good and marketable title to the Goods and all components therein, free of all security interests, liens and encumbrances; and Buyer shall receive title to the Goods which is free and clear of any liens, security interests or encumbrances; (h) that Seller will cure, by repair, replacement or otherwise as necessary (but will only replace Goods upon receipt of Buyer's advance order to do so), any breach of warranty occurring during the warranty period (whether due to defects in the Goods or due to or arising out of any statement in this Warranty Section being untrue or misleading at any time during such warranty period); and (i) the warranty period shall be that provided by applicable law, except that if Buyer offers a longer warranty to its customers (or end users of vehicles), such longer period shall apply. Such warranties shall survive inspection, test, delivery, acceptance, use and payment by Buyer and shall inure to the benefit of Buyer's successors, assigns, customers and other users of Buyer's products.

9. OEM REQUIREMENTS: Seller shall comply with the terms and conditions of any purchase order or other agreement received by Buyer from a third party (which is referred to herein as "OEM Customer") and which purchase order or other agreement referred to herein as "OEM Purchase Order" whereby Buyer agrees to supply to the OEM Customer, or incorporated into goods supplied to OEM Customer, goods or services. Buyer may, from time to time, supply Seller with information regarding OEM Purchase Orders, but, in any event, Seller shall be responsible for ascertaining any terms or conditions contained in OEM Purchase Orders that may affect Seller's obligations hereunder. Without restricting the foregoing, Seller shall take such steps, provide such disclosure and do all things as may be necessary or desirable and within its control to enable Buyer to meet Buyer's obligations to OEM Customers under OEM Purchase

Orders. In the event Buyer reduces its price for goods or services during the term of this purchase order, Seller simultaneously shall reduce its prices for its component goods or services correspondingly. If there is any conflict between this paragraph and any other paragraph of this order, Buyer shall have the right to have the provisions of this paragraph prevail. Seller agrees to cooperate with Buyer and Buyer's OEM Customer in the event of any dispute.

10. INDEMNITY: Seller shall indemnify, defend, and hold harmless Buyer, its affiliates, directors, officers, employees, agents and customers from and against any loss, liability, costs, expenses (including reasonable attorney fees), suits, actions or claims, directly or indirectly arising out of or relating to: (a) an failure, violation, default or breach of any warranty, representation, covenant or agreement made in this purchase order by Seller; (b) injuries, death, disabilities or damage to property caused by Seller, its employees, agents and subcontractors or that are in any way attributable to the performance of Seller; and (c) other suits, claims or actions all as more fully set forth in Buyer's administrative procedures, hereby incorporated by reference.

11. ASSIGNMENT: Neither this order nor any interest therein may be assigned by the Seller without the prior written consent of the Buyer.

12. BUYER'S PROPERTY: Any special dies, tools, jigs, fixtures, equipment, patterns, drawings or other manufacturing data (including all copies of reprints thereof), related to the Products, or specifically paid for, in whole or in part, by Buyer, shall be the property of Buyer and subject to removal at Buyer's request. The Seller will not substitute any property for any Buyer's property, will not deliver or make available to any third party, any of the Buyer's property or any property or Products manufactured, developed or created with the aid of any of the Buyer's property and will not use any of the Buyer's property or any property or Products manufactured, developed or created with the aid of the Buyer's property, except in filling the orders of the Buyer. Buyer shall have the right at all reasonable times, upon prior request, to enter the Seller's premises to inspect any and all of Buyer's property and any property or goods manufactured, developed or created with the aid of Buyer's property. Seller agrees to insure Buyer's property for its agreed upon value. Buyer shall be named as the loss payee in such policy, and Seller shall not terminate said policy without thirty days prior written notice to Buyer. Seller agrees to hold Buyer harmless for any third party claims resulting from Seller's use of Buyer's property. In the event that this Agreement is cancelled or terminated, Seller shall return all of Buyer's property held by Seller within seven days of termination date.

13. BAILED PROPERTY: Seller bears all responsibility for loss of and damage to any property owned by Buyer or Buyer's customer and possessed by Seller for use in performing an order, including responsibility for loss and damage which occur despite Seller's exercise of reasonable care, but excluding normal wear and tear. Seller will (i) properly house and maintain such property on Seller's premises, (ii) prominently mark it property of Buyer or Buyer's customer, as applicable, (iii) refrain from commingling it with the property of Seller or with that of a third party, (iv) adequately insure such property against loss or damage (v) not place any marking on the property of Buyer

relating to Seller or file any financing statement with respect to such property. Where permitted by law, Seller waives any lien, including any lien permitted by MCL 455.611 (Molder's Lien), that Seller might otherwise have on any of Buyer's or Buyer's customer's property for work done thereon or otherwise. Seller will assign to Buyer any claim Seller has against third parties with respect to Buyer's or Buyer's customer's property. Upon request, Seller immediately will deliver such property at Buyer's option F.O.B. Seller's facility or F.O.B. Buyer's premises, properly packed and marked in accordance with the requirements of the carrier and Buyer. If Seller fails to deliver Buyer's property or the property of Buyer's customer in accordance with the provisions hereof, Seller shall indemnify and hold Buyer and Buyer's customer harmless from and against all damages, costs and expenses incurred by Buyer or its customer resulting therefrom including, without limitation, attorneys' fees and expenses.

14. COMPLIANCE WITH LAWS: Seller agrees to comply with all applicable U. S. and foreign federal, state and local laws, rules, regulations, conventions, ordinances or standards including those that relate to the manufacture, labeling, transportation, importations, licensing, approval or certification of the goods or services. Seller represents it will comply with all applicable labor, equal opportunity, handicapper and Fair Labor Standards laws and provide certifications to that effect as may be required from Buyer from time to time.

15. TECHNICAL DOCUMENTS: The supplier shall have available all design records (drawings, specifications, etc.) for the products manufactured, including components or details of assemblies and technical standards noted on the drawings. For parts identified as catalog parts, this may consist of functional specification or a reference to a recognized industry standard. Documents are to indicate the date of the design record and the change level and shall include any authorized engineering change documents used in conjunction with the part drawings.

16. ITAR – CONTROLLED DRAWINGS: Supplier acknowledges that Peterson Farms Inc may provide technical data subject to Export Control laws and any drawings will be indicated as "ITAR-controlled." This technical data (drawings, as well as components) will not be disclosed to any foreign persons (or dual-citizens) or foreign commercial entities, including employees, consultants, subcontractors, vendors or suppliers. The technical data will only be utilized for the manufacture of articles required by the purchase order. The supplier will convey the same requirements to their sub-tier suppliers. The supplier also agrees to destroy or return all such technical data upon completion of the purchase order.

17. REMEDIES: Buyer's remedies shall be cumulative and remedies specified herein do not exclude any remedies allowed in law or equity. Waiver of any breach shall be specified in writing by Buyer's authorized representative and shall not constitute waiver of any other breach of the same or other provision. Acceptance of any items or payment therefore shall not waive any breach. Non-assertion of a known breach does not constitute a waiver of same. In addition to any right of set off provided by law, Buyer

may assert against this purchase order all amounts due to Seller or its affiliates from Buyer or its affiliates.

18. INSURANCE: If this order covers the performance of labor for Buyer, Seller agrees to indemnify and protect Buyer against all liabilities, claims or demands for injuries or damage to any person or property arising out of the performance of this contract by Seller, its servants, employees, agents or representatives. Seller further agrees to furnish upon Buyer's request an insurance carrier's certificate showing that Seller has adequate Workman's Compensation, Public Liability and Property Damage Insurance coverage. Such certificate shall set forth the amount of coverage, number of policy and date of expiration. If Seller is a self-insurer, the certificate of the appropriate state agency must be sent directly to Buyer. The purchase of such insurance coverage on the furnishing of the certificate shall not be in satisfaction of Seller's liability hereunder or in any way modify Seller's indemnification of Buyer.

19. INSOLVENCY: Buyer may forthwith cancel the contract resulting from the acceptance of this purchase order in the event of the happening of any of the following, or of any other comparable event: (i) insolvency of the Seller, (ii) the filing of a voluntary petition in bankruptcy; (iii) the filing of an involuntary petition to have Seller declared Bankrupt, provided it is not vacated within thirty (30) days from the date of filing; (iv) the appointment of a Receiver or Trustee for Seller (provided such appointment is not vacated within thirty (30) days from the date of such appointment); or (v) the execution by Seller of an assignment for the benefit of creditors.

20. PROPRIETARY INFORMATION: Seller shall keep confidential and not use for any purpose other than fulfilling Seller's obligations hereunder all information, drawings, specifications, inventions, engineering notices, financial information, technical data or other data furnished by Buyer all of which shall be returned to Buyer upon demand or upon completion by Seller of its obligations hereunder. Seller shall not advertise or publish the fact that the Seller has contracted to furnish Buyer goods or services or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials without the written consent of the Buyer. Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this purchase order.

21. SEVERABILITY: Should any provisions of this contract be declared or be determined by a court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this contract.

22. INCONSISTENT TERMS: Terms that are typed or applied by rubber stamp on an order supersede any conflicting printed provisions and handwritten terms on an order govern over typed, rubber stamped or printed terms.

23. GOVERNING LAW AND CHOICE OF FORUM: This agreement shall be construed and governed in accordance with the internal laws of the State of Michigan, including the Uniform Commercial Code, without regard to conflict of laws provisions. The U.N. Convention on Contracts for the International Sale of Goods shall not apply. Any litigation between Seller and Buyer relating to the goods or services or the terms of purchase order shall be brought only in the United States District Court for the Eastern District of Michigan or in a state court located within the State of Michigan.

24. RIGHT TO AUDIT: Buyer shall have the right, in any reasonable time, to send its authorized representatives to examine all of the Seller's documents and materials relating to Seller's obligations hereunder, or relating to Seller's charges to Buyer. Seller shall maintain all pertinent books and records relating to this purchase order for a period of four (4) years after completion of delivery of products pursuant to this purchase order.

25. ETHICAL CONDUCT: Seller represents and warrants that its employees, agents and assigns shall deal with Buyer and its employees, agents and assigns in strict observance of the highest level of legal and ethical standards. Buyer's policies prohibit the acceptance of gifts, services or anything of such value that the good judgment of the recipient might be influenced, or that a third party might reasonably perceive as influencing that judgment.

26. INGREDIENTS, DISCLOSURES, SPECIAL WARNINGS AND INSTRUCTIONS: If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct (a) list of all ingredients in the Goods purchased hereunder, (b) the amount of one or more ingredients, and (c) information concerning any changes in or additions to such ingredients. Prior to and with the shipments of the Goods purchased hereunder, Seller shall furnish to Buyer sufficient warning and notice in writing (including appropriate labels on Goods, containers and packing) of any hazardous material which is an ingredient or a part of any of the Goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, its customers, and their respective employees of how to exercise that measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Goods, containers and packing shipped to Buyer. The Goods, and any such warnings, notices and markings shall comply with the minimum requirements under all applicable laws, regulations or guidelines, including, but not limited to, the Federal Insecticide, Fungicide and Rodenticide Act, the Toxic Substances Control Act, and guidelines and regulations issued by the Environmental Protection Agency, U.S. Department of Transportation, Occupational Safety and Health Administration, Consumer Products Safety Commission, and the U.S. Food and Drug Administration. Seller shall make available and provide Material Data Safety Sheets ("MSDS" sheets) to Buyer with the first shipment of each type or item of (a) Goods it supplies; (b) reformulated Goods supplied; and at any other time as requested by Buyer. Seller shall mark and describe all Goods for recycling in compliance with all applicable laws, and Federal Trade Commission rules and guidelines.

27. GOODS THAT INVOLVE MECHANICAL, ELECTRICAL, CHEMICAL COMPONENTS OR CIRCUITRY: In each instance that Seller ships Goods to Buyer that involve or include any mechanical, electrical, chemical or electronic components or circuitry, or any form of embedded or integrated software, Seller will also deliver to Buyer, on or before Buyer's receipt of the first such shipment of Goods, and thereafter as Buyer determines is necessary, and at no extra cost to Buyer, testing devices (in reasonable numbers as appropriate to the quantity and type of Goods) which will permit Buyer to verify proper functioning of all switches, signal devices and other operational aspects of the various types of components, circuitry and software involved with or included in the Goods. Shipments in excess of that authorized by Buyer or not meeting the requested quantities or the specified delivery dates may be returned to Seller at Seller's risk and expense.