

Ford Motor Company

GLOBAL TERMS AND CONDITIONS

FOR NON-PRODUCTION GOODS AND SERVICES

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Ford Motor Company

Global Terms and Conditions for Non-Production Goods and Services

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GLOBAL TERMS AND CONDITIONS
FOR NON-PRODUCTION GOODS AND SERVICES

GENERAL

Ford Motor Company and its affiliated companies around the world comprise a global entity whose business activities consist of development, manufacture, marketing and sale of motor vehicles, automotive parts and financial services. Our mission is to improve continually our products and services to meet our customer's needs. The automotive vehicle market is undergoing constant development. Our customers are constantly raising their requirements with respect to function, quality and safety. Environmental leadership is becoming an increasingly important aspect of customer choice. Thus, constant change and improvement are necessary to be competitive.

Successful relationships with our suppliers are important to us. Our suppliers are an essential part of our team, playing a pivotal role in helping us to consistently deliver quality products to our customers. Ford and its suppliers agree that every single component must meet or exceed the requirements and expectations of our customers and that greater customer satisfaction is the only way for both Ford and its suppliers to achieve long-term increased volume and profitability. Our suppliers' commitment to quality and willingness to work together are key to Ford becoming the preeminent manufacturer of cars and trucks in the world which will allow each of us to grow our businesses and to provide superior returns to our respective shareholders.

To achieve our mutual goal, we must work together to exceed customer expectations by consistently delivering exciting new products, with high quality and low cost. In view of these goals and objectives, Ford and its suppliers agree that the following terms and conditions, which shall be applied in the spirit of fairness and good faith, govern the purchase delivery of goods and services from the supplier to Ford.

These terms and conditions and associated documents are issued on behalf of Ford Motor Company or the Ford Related Company identified on the face of the Purchase Order as the "Buyer" and will apply to all orders issued to you as the Seller of goods ("Goods") and services ("Services"). The term "Supplies" includes both Goods and Services. Purchase Orders and other associated purchasing documents will be valid without signature if issued by Buyer through its computer system or other electronic means. The reference to Purchase Order herein shall include a blanket Purchase Order, Release, or similar documents issued by Buyer to Seller.

1. OFFER, ACCEPTANCE

(a) A Purchase Order (or Release against a blanket Purchase Order) is an offer to Seller by Buyer to enter into the purchase and supply agreement it describes. Seller's commencement of work thereunder will constitute acceptance of the offer.

(b) Acceptance is expressly limited to the terms of Buyer's offer. Once accepted, such Purchase Order together with these terms and conditions will be the complete and exclusive statement of the purchase agreement. Any modifications proposed by Seller are expressly rejected by Buyer and shall not become part of the agreement in the absence of Buyer's written acceptance.

2. MODIFICATIONS

(a) Buyer, at any time, by way of written notice to Seller, may change the design (including drawings, materials and specifications), processing, method of packing and shipping, and the date or place of delivery of the Supplies.

(b) If any such change affects cost or timing, Buyer will adjust the purchase price and delivery schedules equitably.

(c) Seller will not make any change in the design, processing, packing, shipping or date or place of delivery of the Supplies unless done pursuant to Buyer's instructions or with Buyer's written approval.

3. SAMPLES

Seller will supply samples in accordance with Buyer's quality standard QS9000 and/or its applicable supplements if samples are specified as required by a Purchase Order.

4. BAILED PROPERTY

Seller bears all responsibility for loss of and damage to any property owned by Buyer and in Seller's possession or control for use in performing a Purchase 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, (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, and (v) not move it to another location whether owned by Seller or a third party, without the prior written consent of Buyer, except in the case of an emergency, Seller may move such property provided that it gives Buyer notice that the property has been moved and the location of the property as soon as reasonably practicable. Buyer will have the right to enter Seller's premises at reasonable times to inspect such property and Seller's records pertaining thereto. Where permitted by law, Seller waives any lien that Seller might otherwise have on any of Buyer's property for work done thereon or otherwise. Seller will assign to Buyer any claims Seller has against third parties with respect to Buyer's property. Upon request, Seller immediately will deliver such property at Buyer's option F.O.B. Carrier Seller's facility (Ex Works Loaded) or F.O.B. Buyer's premises (CIF Buyer Plant/Delivered Buyer Plant), properly packed and marked in accordance with the requirements of the carrier and Buyer. Seller will cooperate with Buyer's removal of the property from Seller's premises.

5. DELIVERY DATES, RELEASES

If delivery dates are not specified in a Purchase Order, Seller will procure materials and fabricate, assemble, and ship Supplies or provide services only as authorized in shipment releases issued to Seller by Buyer. Buyer may return overshipments to Seller at Seller's risk and expense for all packing, handling, sorting, and transportation. Buyer, at any time may change or temporarily suspend shipping schedules specified in a Purchase Order or shipment release or other written instructions issued by Buyer pursuant to this Section. For Supplies shipped to North American destinations, the North American Shipping & Routing Guide (Web-Guide) will apply. Time and quantity are of the essence in any Purchase Order. Unless otherwise agreed, delivery times specified are the times of delivery of the Supplies at Buyer's designated place of delivery or destination.

6. PACKING, MARKING, AND SHIPPING

(a) Seller will pack, mark and ship Supplies in accordance with all applicable packaging standards of Buyer and, as appropriate, the carrier transporting such Supplies. Buyer's standards for Supplies shipped to all other destinations may be requested from Buyer's representative. Seller will ensure that any third parties who supply packaging for Buyer's Supplies agree to comply with such standards. Seller will reimburse Buyer for all expenses incurred by Buyer as a result of improper packing, marking, routing, or shipping.

(b) Upon request, Seller will assist Buyer with regard to packing, marking, routing, and shipping that will enable Buyer to secure the most economical transportation rates.

(c) Seller will not charge separately for packing, marking, or shipping, or for materials used therein unless Buyer specifies in writing that it will reimburse Seller for such charges.

(d) Buyer may require shipment of any of the Supplies by a more expeditious method of transportation if Seller fails to meet the shipping requirements of a Purchase Order and Seller will bear the cost difference of such transportation unless such failure is due to an excusable delay as specified in Section 22.

(e) For Supplies that may contain potentially hazardous materials, if requested by Buyer, Seller shall promptly furnish to Buyer in whatever form and detail Buyer requests (i) a list of all potentially hazardous ingredients in the Supplies (ii) the quantity of one or more such ingredients and (iii) information concerning any changes in or additions to such ingredients. Before shipping the Supplies, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the Supplies, containers and packing) of any hazardous material that is an ingredient or a part of any of the Supplies, together with such special handling instructions necessary to advise carriers, Buyer, and their respective employees how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Supplies, containers and packing shipped to Buyer. Seller shall comply with all applicable federal, state, provincial and local laws and regulations pertaining to product and warning labels.

(f) Seller shall comply with Buyer's applicable Web-Guides for "Supplier Customs & Import Guide for Shipping to North America" and "Environmental Requirements" which are an integral part of the Purchase Order.

7. SHIPPING DOCUMENTS

(a) For Supplies shipped to European destinations:

(i) Bills of Lading and Advice Notes must accompany each material shipment. In all other respects Seller shall conform to Buyer's applicable Material Shipping Guide.

(ii) Generally applicable delivery terms and title transfer are as shown in Buyer's Material Shipping Guide unless agreed otherwise in writing between the parties. Specific delivery terms applying to each Purchase Order will be stated thereon and on any other such documents as are referenced on the relevant order.

(b) For Supplies shipped to North American destinations:

(i) Seller will obtain a straight bill of lading from the carrier of the Supplies and will include on each packing slip and bill of lading the relevant Purchase Order number and the destination address.

(ii) Seller will include a numbered master packing slip with each shipment. For shipments of less than a full carload or truckload, the slip will be included in one of the packages that will be marked "Packing Slip Inside." For full carload and truckload shipments the master packing slip will be enclosed in an unsealed envelope that is affixed near the door on the inside of the freight vehicles.

(iii) Seller will retain the original bill of lading for three years from the date of shipment unless otherwise directed by the Traffic Manager at the destination facility.

(iv) For each international shipment, Seller will comply with the customs invoicing and documentation requirements of the destination country. Seller will include a priced invoice (if required) with the master packing slip and upon request will furnish all other documentation required for export from Seller's country or import into Buyer's country. Any and all benefits or credits resulting from a Purchase Order with Buyer including but not limited to trade credits, export credits, customs drawbacks, rebate of taxes, fees, etc. will belong to Buyer (unless otherwise stated on a Purchase Order or a country's practice is to let credits remain with Seller). Seller upon request will furnish all documents required to obtain the foregoing benefits and credits and will identify the country of origin of the materials used in the Supplies and the value added thereto in each country. Additional customs information is available upon request from Buyer's customs department in the destination country.

8. INSPECTION

Buyer at its option may reject and return at Seller's risk and expense, or retain and correct, Supplies 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 Supplies, it will consult with Seller on the method of correction. Seller will reimburse Buyer for all reasonable expenses resulting from rejection or correction.

9. INVOICES, PAYMENT, CURRENCY

(a) Payment terms will be as specified in the relevant Purchase Order. See Payment Web-Guide for more detailed descriptions.

(b) Seller agrees that all its accounts with Buyer will be administered on a net settlement basis and that Buyer may set off and recoup debits and credits, including Buyer's attorney fees and costs of enforcement, against any of Seller's accounts regardless of basis for such debits or credits and without additional notice. In this subsection 9(b) "Buyer" includes Buyer's parent, subsidiaries and affiliates, and "Seller" includes Seller's parent and subsidiaries.

(c) Unless a Purchase Order specifically states otherwise, all payments for Goods shall be made in the local currency of the Seller's manufacturing location for the Goods or in the case of Services, in the local currency of the Seller's location from which the Services are provided.

10. APPLICABLE TAXES

The total price specified for Supplies on a Purchase Order will include all elements of freight, duty and tax as specified in the relevant delivery term with the exception of value added tax (VAT), if applicable, which will be shown separately on Seller's invoice. Seller shall comply with all applicable provisions of Buyer's Tax Web-Guide that is an integral part of each Purchase Order. All applicable U.S. state sales tax direct pay permit numbers, and Canadian federal and provincial license/permit numbers are listed in Buyer's Tax Web-Guide.

11. WARRANTY

(a) Seller Warranty for Goods: The Seller warrants that during the applicable **Warranty Period** (as defined in this Section 11(b)) the Goods will:

- (i) Conform in all respects to the drawings, specifications, Statements of Work, samples and other descriptions and requirements relating to the Goods that have been furnished, specified or approved by the Buyer;
- (ii) Comply with all regulations in force in the countries in which the Goods are to be provided;
- (iii) Be merchantable;
- (iv) Be free from defects in design to the extent furnished by the Seller, its related companies or their subcontractors, even if the design or specification has been approved by the Buyer;
- (v) Be free from defects in materials and workmanship; and
- (vi) Be suitable for their intended use by the Buyer, including the specified performance in the facility or equipment specified by the Buyer and the environment in which the Goods are or reasonably may be expected to perform.

(b) The warranty period for Supplies shall be the greater of one year after final acceptance by Buyer, or the period specified on Buyer's Purchase Order.

(c) Seller Warranty for Services. The Seller warrants that the Services will:

- (i) Conform in all respects to the specifications, Statements of Work, and other descriptions and requirements relating to the Services that have been furnished, specified or approved by the Buyer;
- (ii) Comply with all regulations in force in the countries in which the Services are to be provided;

- (iii) Be suitable for their intended use by the Buyer, including the specified performance in the facility or equipment specified by the Buyer and the environment in which the Services are or reasonably may be expected to perform; and
- (iv) Be provided by appropriately qualified and trained personnel, with due care and diligence and to such high standard of quality as it is reasonable for the Buyer to expect in the circumstances

(d) Claim for Breach of Warranty. The Seller's Warranty and any rights of the Buyer to make a claim under it will be effective even if the Buyer has accepted all or a portion of the Goods and/or Services.

12. DEFENSE AND INDEMNITY

(a) To the full extent permitted by applicable law, Seller will indemnify Buyer, its directors, officers and employees and authorized dealers for all expenses (including attorney fees, settlements, and judgments) incurred by Buyer in connection with all claims (including lawsuits, administrative claims, regulatory actions, and other proceedings to recover for personal injury or death, property damage, or economic losses) that are related in any way to Seller's representations, performance or obligations under a Purchase Order, including claims based on Seller's breach of warranty and claims for any related violations of any applicable law, ordinance or regulation or government authorization or order. Seller's obligation to indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise except to the extent of the negligence of Buyer.

(b) If Seller provides services to Buyer on Buyer's premises, Seller will examine the premises to determine whether they are safe for such services and will advise Buyer promptly of any situation it deems to be unsafe. Seller's employees, contractors and agents will not possess, use, sell or transfer illegal drugs, medically unauthorized drugs or controlled substances, or unauthorized alcohol, and will not be under the influence of alcohol or drugs on Buyer's premises. Seller shall be exclusively responsible for, shall bear, and shall relieve Buyer from liability for all loss, expense, damage or claims resulting from bodily injury, sickness or disease, including death at any time resulting therefrom, sustained by any person or persons, or on account of damage to or destruction of property, including that of Buyer, arising out of, or in connection with the performance of work on Buyer's premises except that Seller shall not be responsible for or relieve Buyer from liability for claims arising from the willful misconduct or the sole negligence of Buyer. For services performed on Buyer's premises in Canada, Seller must furnish, prior to payment, evidence of compliance with the Workplace Safety and Insurance Act, 1997 or other applicable workers' compensation legislation.

13. TITLE AND ENGINEERING DRAWINGS, SPECIFICATIONS

(a) Any documents, including drawings and specifications produced or acquired by Seller under a Purchase Order will belong to Buyer, subject only to Seller's patent rights, but without any other restrictions on Buyer's use, including reproduction, modification, disclosure or distribution of the documents or the information contained therein. To the extent such documents contain original work of authorship created in order to comply with a Purchase Order, the copyrights to such work shall be owned by Buyer in accordance with Section 17. Seller agrees not to label any such documents with a notice asserting that the documents contain confidential or proprietary information of Seller. Any engineering drawing that Seller is required to prepare and furnish to Buyer will conform to the requirements of the local computer aided design standards of the Buyer.

(b) All drawings, know-how, and confidential information supplied to Seller by Buyer and all rights therein will remain the property of Buyer and will be kept confidential by Seller in accordance with Section 15(f). Seller is licensed to use Buyer's drawings, know-how, and confidential information only for the purpose of fulfilling its obligations under a Purchase Order. In addition to the obligations of Section 15(f), Seller will not disclose such drawings to third parties unless this is required for Seller to fulfill its duties under a Purchase Order. Seller will inform Buyer in writing of any third parties to whom Seller subcontracts any of the work required under a Purchase Order specifying in detail the work which has been subcontracted to such third party. Seller will ensure that any third party to whom Seller subcontracts any of the work

hereunder is bound by all the terms and conditions relating to such work to which Seller is bound under a Purchase Order.

14. INFRINGEMENT AND PROPRIETARY RIGHTS

(a) 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 Supplies 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 Supplies (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 Supplies of a Purchase Order may sustain by reason of each such indemnified claim. 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.

(b) Seller grants to Buyer a nonexclusive, royalty free, permanent, paid-up, irrevocable license with a right to grant a sublicense to any of its Related Companies to rebuild and have rebuilt the Supplies of a Purchase Order. "Related Company" means Ford Motor Company (U.S.) (if it is not the Buyer under a Purchase Order) and any company in which Ford Motor Company (U.S.) owns, directly or indirectly, twenty-five percent or more of the capital or voting stock.

(c) Seller will not sell or otherwise dispose or transfer any product, that is supplied to Buyer under a Purchase Order and that incorporates any trademark, patentable invention, copyright work, industrial design or other matter that is the subject of any intellectual property right of Buyer or any of its Related Companies, to any party other than Buyer, except where specifically authorized by Buyer in writing.

15. INFORMATION AND DATA

(a) 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 Supplies Seller worked on or produced pursuant to a Purchase Order.

(b) At Buyer's request, Seller will furnish to Buyer all other information and data of Seller which Buyer deems necessary to understand the operation and to maintain the goods delivered under a Purchase Order, and to understand and apply the information and data of Section 15(a) hereof, with no restrictions on use other than Seller's patent rights.

(c) With respect to inventions which Seller conceives or first reduces to practice in the course of Seller's experimental or developmental activities under a prior development agreement, early sourcing agreement, or a Purchase Order, Seller grants to Buyer a permanent, paid-up, nonexclusive, worldwide license, with a right to sublicense others, to make, have made, use, have used and sell manufactures, compositions, machines, and processes, covered by patents obtained for such inventions.

(d) Seller grants to Buyer a permanent, paid-up, nonexclusive, worldwide license, with a right to grant a sublicense to any of its Related Companies, to (i) make, have made, use, have used and sell manufactures, compositions, machines and processes used in products or services made by or for Buyer or any of its Related Companies, under any other patents which are now or hereafter owned or controlled by Seller and are necessary to exercise Buyer's rights in Section 15(c), and (ii) use, repair, modify and sell any operating software incorporated in the Supplies in conjunction with the use or sale of the Supplies.

(e) To the extent Buyer requires a license that is not provided in Sections 15(c) and 15(d), Seller grants to Buyer, and agrees to grant to any Related Company designated by Buyer, a nonexclusive license, on

reasonable terms and conditions, to make, have made, use, have used and sell manufactures, compositions, machines and processes used in products or services made by or for Buyer or any of its Related Companies, under any patents now or hereafter owned or controlled by Seller which cover any inventions embodied in the Supplies of a Purchase Order.

(f) Unless otherwise indicated in writing by Buyer, Seller will use reasonable care to prevent disclosing to others and will use only for the benefit of Buyer, (i) the technical information and data furnished by Buyer or developed or acquired by Seller in its work under a Purchase Order, prior development agreement or early sourcing agreement for Supplies related to or using such technical information or data, and (ii) information relating to any portion of Buyer's business that Seller may acquire in the course of Seller's activities under a Purchase Order, prior development agreement or early sourcing agreement. This obligation shall continue so long as any Purchase Order for Supplies related to or using such technical information or data is in effect and for a period of two years thereafter. This obligation will not apply to information that is or becomes publicly known through no fault of Seller. Nevertheless, Seller may disclose the information and data of subsections (f)(i) and (f)(ii) hereof to third parties if this is required for Seller to fulfill its duties under a Purchase Order and such third parties have agreed to conditions at least as stringent as those contained herein.

16. PERSONALLY IDENTIFIABLE INFORMATION

Seller will use Reasonable Care to protect the security, integrity and confidentiality of Buyer's Personally Identifiable Information. "Reasonable Care" is the standard of care Seller will use in protecting the security, integrity and confidentiality of its own confidential information. Buyer's "Personally Identifiable Information" is (i) information regarding Buyer's or any of its Related Companies' customers and (ii) information regarding Buyer's or any of its Related Companies' employees excluding in the case of employees, business contact information (name, business telephone number, business address) used by Seller solely for business contact purposes related to providing Supplies under the Purchase Order.

17. COPYRIGHTS

(a) Any work of authorship created by Seller or Seller's employees under a Purchase Order which is specially ordered or commissioned by Buyer will be considered as a "work made for hire" and all copyrights for such works of authorship will belong to Buyer.

(b) In the event any portion of any work of authorship created by the Seller in performing the services under a Purchase Order does not qualify as "work made for hire", Seller hereby assigns or, if Seller has failed to previously secure ownership of all copyrights in such portion, will obtain title and assign all copyrights to such work to Buyer.

(c) All works of authorship subject to Sections 17(a) or 17(b) will bear a valid copyright notice designating Buyer as the copyright owner, for example: "Copyright © 200X, Ford Motor Company", where "200X" is the year the work was created.

(d) Seller hereby grants to Buyer a permanent, nonexclusive, paid-up, worldwide license, with a right to grant a sublicense to any of its Related Companies, under each copyright it owns and controls or has the right to license, in each work of authorship fixed in any tangible medium of expression furnished by Seller to Buyer or its designee pursuant to a Purchase Order, to use such work, to reproduce such work, to prepare derivative works, to distribute copies of such work to the public, and to perform and display such work publicly.

18. SUBCONTRACTS

In each subcontract of Seller's work performed pursuant to a Purchase Order, Seller will obtain for Buyer the rights and licenses granted in Sections 13, 15, and 17, and, if applicable, Section 30.

19. ADVERTISING

Any reference to Buyer or any of its Related Companies or use of Buyer's trade marks or logos by Seller in Seller's advertising or publicity materials will comply with Buyer's Publicity Web-Guide and Advertising Web-Guide

20. AUDIT RIGHTS

- (a) Seller Records and Facilities. If requested by the Buyer, the Seller will permit the Buyer (which, for purposes of this Section 20 (a), includes its authorized representatives) to:
- (i) Examine all pertinent documents, data and other information relating to the Supplies, Tooling, the Seller's obligations under the Purchase Order, any payment made to the Seller or any claim made by the Seller;
 - (ii) View any facility or process relating to the Supplies or the Purchase Order, including those relating to production quality; and
 - (iii) Audit any facility or process to determine compliance with the requirements of the Purchase Order, including those under Section 25 and Section 29.

Any examination under this Section 20 (a) will be conducted during normal business hours and upon advance written notice to the Seller.

- (b) Subcontractor Records and Facilities. If requested by the Buyer, the Seller will use its best efforts to permit the Buyer to obtain from the subcontractors of, and vendors, to the Seller the information and permission to conduct the reviews specified in Section 20 (a), regardless of any other right the Buyer may have to that information or facilities.

- (c) Seller Financial Reports. If requested by the Buyer, the Seller will provide to the Buyer's Purchasing Controller's Office the most current Financial Reports: (i) for the Seller; and, (ii) for any related company of the Seller involved in producing, supplying, or financing the Supplies or any component part of the Supplies. Financial Reports include income statements, balance sheets, cash flow statements and supporting data. The Buyer's Purchasing Controller's Office may use Financial Reports provided under this Section 20 (c) only to assess the Seller's ongoing ability to perform its obligations under the Purchase Order and for no other purpose, unless the Seller agrees otherwise in writing.

- (d) Time of Disclosure. If the Seller is a publicly traded company, the Seller will provide Financial Reports to the Buyer under Section 20 (c) at the time it is permitted to do so under applicable law and the rules of the appropriate stock exchanges.

- (e) Confidentiality. The Buyer is obligated to treat information provided to its Purchasing Controller's Office under Section 20 (c) as confidential.

- (f) Record Retention. The Seller will keep all relevant documents, data and other written information for at least 2 years following the later of the last delivery of the Supplies or the date of the final payment to the Seller under the Purchase Order. The Buyer may make copies of these materials.

21. ASSIGNMENT

Seller will not assign or delegate all or substantially all of its substantive duties under a Purchase Order, nor transfer to another any intellectual property right that is licensed to Buyer under Section 15, without Buyer's prior written approval. Seller will provide Buyer with reasonable advance written notice of any assignment of Seller's right to receive payment under a Purchase Order. Any such assignment shall not prohibit Buyer from enforcing any of its rights against the assignee. Buyer will have the right to assign any benefit or duty under a Purchase Order to any third party upon notice to Seller.

22. EXCUSABLE DELAYS

Neither Buyer nor Seller will be liable for a failure to perform that arises from causes or events beyond its reasonable control and without its fault or negligence, including labor disputes. The party claiming the excusable delay shall give notice in writing as soon as possible after the occurrence of the cause relied on and after termination of the condition. In the event of an excusable delay in performance, Buyer at its option may acquire possession of all finished goods, work in process, and parts and materials produced or acquired for the work under a Purchase Order, and Seller will deliver such articles to Buyer, at Buyer's option, Seller's facility (Ex Works Loaded) or F.O.B. Buyer's facility (CIF Buyer Plant/Delivered Buyer's Plant). Buyer may also obtain the Supplies covered by a Purchase Order elsewhere for the duration of the impediment and a reasonable period thereafter. Prior to the expiration of any directly related labor contract of Seller, Seller at its expense will take such actions as Seller may reasonably determine to ensure the uninterrupted production of supplies for a period of 30 days for Buyer during any anticipated labor disruption or slowdown resulting from the expiration of the labor contract.

23. REMEDIES, WAIVER

The individual remedies reserved in a Purchase Order will be in addition to any remedies provided by law. No waiver of any breach of any provision of a Purchase Order will constitute a waiver of any other breach of such or any other provisions.

24. TERMINATION/EXPIRATION

(a) Unless a Purchase Order specifically states otherwise, Buyer may terminate its purchase obligations under a Purchase Order, in whole or in part, at any time by a written notice of termination to Seller. Buyer will have such right of termination notwithstanding the existence of an Excusable Delay of Section 22.

(b) Buyer may terminate a Purchase Order without liability to Seller if Seller (i) sells, or offers to sell, a substantial portion of its assets used for the production of Supplies for Buyer, or (ii) sells or exchanges, or offers to sell or exchange an amount of its stock that would result in a change in the control of Seller. Buyer shall give Seller written notice of the termination at least 30 days prior to the effective termination date. Seller shall notify Buyer no more than ten days after entering into any negotiations for the sale or exchange of its stock or assets that could result in a change of control of Seller. Upon Seller's request, Buyer will execute an appropriate non-disclosure agreement relating to information disclosed by Seller regarding the potential transaction.

(c) The Buyer may terminate a Purchase Order, in whole or in part, upon written notice to the Seller, if the Seller: (i) becomes insolvent; (ii) files a voluntary petition in bankruptcy; (iii) has an involuntary petition in bankruptcy filed against it; (iv) has a receiver, administrator, custodian or trustee appointed over the Seller or its assets; or (v) executes an assignment for the benefit of its creditors. In each case, the Seller is liable for all actual costs incurred by the Buyer, including those for attorneys, experts, consultants and other professionals.

(d) Upon receipt of the notice of termination, Seller, unless otherwise directed by Buyer, will (i) terminate promptly all work under a Purchase Order; (ii) transfer title and deliver to Buyer the finished work, the work in process, and the parts and materials which Seller produced or acquired in accordance with a Purchase Order and which Seller cannot use in producing goods for itself or for others; (iii) verify/settle all claims by subcontractors for actual costs that are rendered unrecoverable by such termination and provided the recovery of materials in Seller's possession is ensured; (iv) take actions reasonably necessary to protect property in Seller's possession in which Buyer has an interest until disposal instruction from Buyer has been received; and (v) upon Buyer's reasonable request, cooperate with Buyer in effecting resourcing production of the Supplies to a different supplier .

(e) Upon termination by Buyer under this Section, Buyer's obligation to Seller will be (i) the Purchase Order price for all finished work and completed services which conform to the requirements of a Purchase Order; (ii) Seller's actual cost of the work in process and parts and materials transferred to Buyer in accordance with subsection (d) (ii) hereof; (iii) Seller's actual costs of settling the claims by subcontractors of subsection (d) (iii) hereof; and (iv) Seller's actual cost of carrying out its obligations of subsection (d) (iv) hereof, but Buyer's obligations will not exceed those Buyer would have had to Seller in the absence of termination. Unless otherwise stated in a Purchase Order, Buyer shall have no obligation 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, tooling, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, and general and administrative burden charges from termination of a Purchase Order.

(f) Seller will furnish to Buyer, within one month after the effective date of termination, Seller's termination claim, which will consist exclusively of the items of Buyer's obligation to Seller that are listed in subsection (d) hereof. Buyer may audit Seller's records, before or subsequent to payment, to verify amounts requested in Seller's termination claim.

(g) Buyer will have no obligation to Seller under (a), (d), (e), or (f) above if Buyer terminates its purchase obligations of a Purchase Order because of a default by Seller.

25. COMPLIANCE WITH LAW

(a) Seller and Supplies shall comply with applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country of destination or which relate to the manufacture, labeling, transportation, importation, licensing, approval or certification of the Supplies, including those relating to environmental matters, wages, hours, and conditions of employment, subcontractor selection, discrimination, occupational health/safety, and motor vehicle safety. At Buyer's request, Seller shall certify in writing its compliance with any or all of the foregoing. Buyer requires strict compliance with this provision and has the right to immediately terminate a Purchase Order if there is a breach hereof.

(b) For Supplies shipped to European destinations Seller will notify Buyer of the 'Classification of Dangerous Goods' in conformity with the "European Agreement concerning the International Carriage of Dangerous Goods" prior to the first delivery of such Supplies.

26. RESOLVING DISPUTES

a) Negotiation. In the event of a dispute between the parties relating to the Purchase Order, the one raising the matter in dispute will notify the other in a written notice describing in sufficient detail the nature of the dispute. Each party will then appoint one or more representatives to resolve the dispute. These representatives will promptly meet and negotiate in good faith to reach a fair and equitable settlement. At the end of 60 days, if no settlement has been reached, either party may end discussions and declare an impasse.

(b) Mediation. If an impasse is declared under Section 26 (a), the parties will participate in non-binding mediation by a third-party mediator in good faith. The parties will promptly agree on the mediator and the cost of the mediator will be shared equally. The mediator has 90 days from the date of appointment to help resolve the dispute.

(c) Arbitration. A party may request the other to participate in binding arbitration following the declaration of an impasse under Section 26 (a) or the conclusion of mediation under Section 26 (b). The request will be made in a written notice provided within 30 days following the end of the applicable resolution time period, and the other party must respond within 30 days after receipt of the request. Neither party is required to participate in any arbitration proceeding under this Section 26 (c). If both agree to do so, they will participate in good faith and in accordance with applicable requirements of the Dispute Resolution Web-Guide.

(d) Litigation. If the dispute has not been resolved within 60 days after the end of the mediation period specified in Section 26 (b), litigation may be initiated, unless the parties agree to arbitration under Section 26 (c). In any litigation, the parties agree that the litigation will be filed only in the courts of the country in which the Buyer has its principal place of business, regardless of where the Seller may be located or the Supplies may have been designed, manufactured, sold or delivered, unless the applicable provisions of the Dispute Resolution Web-Guide provide otherwise.

(e) Principal Place of Business in the U.S. If the principal place of business of the Buyer is in the United States, each party will, in any litigation brought under Section 26 (d):

(i) Irrevocably submit to the exclusive jurisdiction of: (1) the United States District Court for the Eastern District of Michigan, Southern Division in Detroit, as to any claim or proceeding over which it may have jurisdiction; or, (2) the Circuit Court for the County of Oakland, Michigan (6th Circuit – Pontiac) as to all other claims or proceedings;

(ii) Expressly waive any objection to venue or jurisdiction, including an objection based on the inconvenience of the forum; and

(iii) Not seek or accept any award of punitive, exemplary or multiple damages other than a right to recover them under the indemnification provisions in Section 12.

(f) Principal Place of Business Outside the U.S. If the principal place of business of the Buyer is outside of the United States, the applicable provisions of the Dispute Resolution Web-Guide may require binding arbitration in place of litigation, and will describe the jurisdiction and venue for any litigation. See the Dispute Resolution Web-Guide.

(g) Governing Law. The Purchase Order will be governed by the laws of the Buyer's principal place of business without regard to any conflict of laws provisions that might 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 United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

(h) Effect on Buyer's Rights. The dispute resolution processes specified in Sections 26 (a) through 26 (d) are not preconditions to the exercise by the Buyer of any of its rights or remedies under the Purchase Order or applicable law, including its rights under Section 9 (b). The Buyer's exercise of its rights will not, however, affect either party's obligations to comply with the requirements of this Section 26.

27. CONTINUING OBLIGATIONS; SEVERABILITY

(a) Continuing Obligations. The obligations of the Buyer and the Seller under the following Sections will survive the expiration, non-renewal or termination of the Purchase Order: 4, 9, 11, 12, 13, 14, 15, 16, 17, 18, 20, 24, 26, 30, 31

(b) Severability. Any term or condition that is declared unlawful or unenforceable by a court of competent jurisdiction will not apply. The unenforceability of any such term or condition will not affect the enforceability of any other term or condition.

28. NO THIRD-PARTY RIGHTS

Except as expressly provided in the Global Terms and Conditions, no term, condition or right in or arising under any of the documents or Web-Guides relating to the purchase of the Supplies gives or creates any third-party beneficiary rights or any other rights whether in law or equity to any person or entity other than the Buyer, the Seller and their Related Companies.

29. BASIC WORKING CONDITIONS AND EMPLOYMENT STATUS

(a) Basic Working Conditions When the Seller performs work on the Supplies or their component parts and /or provides Services, the Seller will not: (i) use forced labor, regardless of its form; (ii) employ any person below the age of 15, unless it is part of a government approved job training, apprenticeship or

other program that would be clearly beneficial to its participants; or (iii) engage in physically abusive disciplinary practices.

(b) Subcontractors If the Seller retains subcontractors to perform work on the Supplies or their component parts and/or provide Services, the Seller will use only subcontractors that will adhere to the requirements of Section 29 (a). The Seller will monitor the subcontractor's compliance.

(c) Adoption of Code The Buyer has adopted a **Code of Basic Working Conditions** that includes the requirements of Section 29 (a) and other work-place practices. The Code applies to all of the Buyer's operations. The Code can be found via the Social Responsibility Web-Guide or by contacting the Buyer directly. The Seller is encouraged to adopt and enforce a similar code of practice and to have its subcontractors do so.

(d) Certification of Compliance The Seller represents when it delivers the Supplies and/or provides the Services that it has complied with the requirements of Section 25, Section 29 (a) and Section 29 (b). The Buyer may retain an independent third party, or request the Seller to retain one reasonably acceptable to the Buyer, to: (i) audit the Seller's compliance with the requirements of Section 29; and (ii) provide the Seller and the Buyer with written certification of the Seller's compliance, including areas for potential improvement.

(e) Cost of Audit The Seller may bear the cost of any third-party audit and certification, regardless of which party retained the auditor. The Buyer, at its option, may accept an audit or certification by the Seller in lieu of a third-party certification.

(f) Temporary Assignment of Employees The temporary assignment of employees of one party to the facilities operated by the other party will not affect the status or change the employment relationship of the assigned employees.

30. TOOLING: TITLE, IDENTIFICATION

All right, title, and interest in and to any part of Tooling to be paid for by Buyer ("Buyer-owned Tooling") shall pass to Buyer as soon as it is acquired or fabricated in accordance with a Purchase Order. During the term of a Purchase Order, all such Buyer-owned Tooling in the possession of Seller shall be deemed to be Bailed Property and shall not be deemed to be a fixture or a part of Seller's real property. Seller will (i) properly house and maintain such property on Seller's premises, (ii) prominently mark it Property of Buyer, (iii) refrain from commingling it with the property of Seller or with that of a third party, and (iv) adequately insure it against loss or damage and (v) not move it to another location whether owned by Seller or a third party, without the prior written consent of Buyer, except in the case of an emergency, Seller may move the Tooling property provided that it gives Buyer notice that the Tooling has been moved and the location of the Tooling as soon as reasonably practicable. Seller shall indemnify Buyer against any claim adverse to Buyer's ownership of the Buyer-owned Tooling, except as such claims may result from any acts or omissions of Buyer. To the extent permitted by law, Seller waives its right to object to the repossession of the Buyer-owned Tooling by Buyer in the event Seller is involved in bankruptcy proceedings. While in its possession, Seller, at Seller's expense, shall maintain the Buyer-owned Tooling in first class condition and immediately replace any items which are lost or destroyed or become worn out. All repaired or replaced Buyer-owned Tooling shall be the property of Buyer. Wear and repair of the Buyer-owned Tooling is Seller's responsibility. Title to any modifications, changes or accessions to Buyer-owned Tooling shall vest in Buyer regardless of whether Buyer has reimbursed Seller for such modification, changes or accessions. Seller shall keep such records in relation to the Buyer-owned Tooling as Buyer may reasonably require. None of the Buyer-owned Tooling shall be used in the production, manufacture or design of any goods or materials except to the order of Buyer. Seller shall not sell or otherwise dispose of any product using Buyer-owned Tooling to any party other than Buyer except where specifically authorized by Buyer in writing. Seller's responsibility continues beyond the expiry date of the related parts Purchase Order. If the Buyer-owned Tooling is not utilized to produce any parts for Buyer for a period of two years, Seller shall so notify Buyer and request instructions as to the disposition of the Buyer-owned Tooling. If Seller subcontracts all or any portion of the manufacture of

the Buyer-owned Tooling, Seller shall so notify Buyer in advance and obtain for Buyer all of the rights contained in this Section 30 from each such subcontractor used by Seller.

31. TOOLING INVOICES, PAYMENT FOR BUYER-OWNED TOOLING

To the extent permitted by applicable law, any payments made by Buyer for Buyer-owned Tooling are expressly intended by Buyer to be held in trust for the benefit of any subcontractor(s) used by Seller to produce the Buyer-owned Tooling that are covered by such payments and Seller agrees to hold such payments as trustee in express trust for such subcontractors until Seller has paid the subcontractors in full for the Buyer-owned Tooling. Seller acknowledges and agrees that its subcontractor is an intended third party beneficiary of the terms of this section relating to the express trust and as such, the tooling subcontractors shall have the right to enforce these terms directly against Seller in their 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 Purchase Order. In the event Seller's tooling subcontractor brings an action against Seller under this section, Seller agrees that it will not join Buyer in any such action.