

Mold Masters Company
Purchase Order General Terms and Conditions
Purchase Order # _____ - _____

This purchase order, together with all terms and conditions, attachments, exhibits, or supplements constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this purchase agreement and supersedes all prior oral or written agreements, covenants, representations and warranties. Buyer OBJECTS in advance to the inclusion of any additional or different terms proposed by Seller in its acceptance or acknowledgement of this purchase order or any quote previously delivered by Seller or other document delivered by Seller to Buyer. The inclusion of such terms by the Seller will be of no significance, such terms will not be conditions or additional terms to this purchase order, and Buyer's acceptance of Seller's goods or services shall not be deemed as acceptance of such terms. Seller has read and understands this contract and agrees that Seller's written acceptance or commencement of any work or services under this purchase order shall constitute Seller's acceptance of these terms and conditions. Unless otherwise stated on the face of this purchase order, the following terms and conditions, together with any supplier manual provided by Buyer to Seller or other document incorporated by reference in this purchase order shall apply.

1. DELIVERY

All goods must be shipped at the most advantageous rates unless otherwise authorized in writing by the Buyer. Any additional expense in effecting delivery of goods not so shipped will be charged to the Seller. Seller shall schedule shipment of goods to meet delivery dates provided in the purchase order and/or the releases, authorizations, or similar instructions issued by Buyer. Seller shall not, however, make material commitments or production arrangements in advance of reasonable flow time needed to meet Buyer's delivery schedule. No claims shall be allowed for such advance effort in case of change or termination. Time is of the essence and shipments shall be made in strict accordance with Buyer's delivery schedule. Buyer reserves the right to return, at Seller's expense, all goods received in advance of delivery schedules or to hold the goods and pay seller's invoices on normal maturity after the scheduled delivery date. If the face of the purchase order does not specify the quantities, or specifies the quantities as "blanket order", "as released", "as scheduled", "as directed" or in another similar fashion, then in consideration for ten U.S. dollars (U.S. \$10.00), the payment of which shall be made by Buyer upon the termination or non-renewal of this purchase order, Seller grants to Buyer an irrevocable option to purchase the goods or services in such quantities and on such delivery dates and times as indicated in the firm delivery or shipping releases, authorizations or similar written instructions issued by Buyer to Seller from time to time in reference to this purchase order, and Seller shall deliver such quantities on such dates and times, at the price and on the other terms specified in this purchase order; provided, however, that in no event will the Buyer be obligated to purchase more than Buyer's requirements for the goods or services, as applicable.

2. EXCUSABLE DELAYS

Neither party shall be liable for damages resulting from delays arising out of causes beyond its control and without its fault or negligence, including acts of God, acts of the Government, fires, floods, freight embargoes, and unusually severe weather, nor shall such delay affect the remainder of this purchase order. Seller shall notify Buyer in writing as soon as practicable, but in no event more than 24 hours, after the beginning of any cause for delay, in the absence of which Seller waives its right for an excuse for such delay. Seller shall bear all risk and expense associated with increased material and labor costs, any delays due to labor problems (including lockouts, strikes and slowdowns), material shortages or inability to obtain equipment and all such occurrences will not constitute an excusable delay hereunder. During the period of such delay or failure to perform by Seller, Buyer, at its option may purchase goods from other sources in quantities and at times required by Buyer and at the price set forth in this Order. If requested by Buyer, Seller shall, within twenty-four (24) hours of such request, provide adequate assurance that the delay shall not exceed seven (7) days. If the delay lasts more than seven (7) days or Seller does not provide adequate assurance that the delay will cease within seven (7) days, Buyer may, at its option, immediately cancel this purchase order without liability.

3. PACKING AND SHIPPING

An itemized list of contents must be placed in each package bearing this purchase order number. No charge will be allowed by Buyer for cartage or packing unless agreed upon before hand in writing. All expenses incurred by Seller's failure to furnish necessary shipping documents shall be charged to Seller.

4. INVOICING

Packing lists in DUPLICATE and itemized invoices, each bearing the purchase order number must be mailed on the date of shipment. BILL OF LADING OR EXPRESS RECEIPT MUST BE ATTACHED TO SELLER'S INVOICE. The purchase order number must immediately follow Buyer's name on the Bill of Lading or Express Receipt. Invoices subject to cash discount shall be mailed on the day they are dated. If delivery of the invoice is delayed, any applicable discount period shall not begin until the day the invoice is received by Buyer's Purchasing Department. Failure to attach Bill of Lading or Express Receipt to Seller's invoice will delay payment and discount period will begin when the documents are received. All invoices must bear the following certification in order to be passed for payment: "We hereby certify that these goods and/or services were produced and/or performed in compliance with the Fair Labor Standards Act of 1938 as amended, and regulations and orders issued by the United States Department of Labor there under."

5. INSPECTIONS AND TESTING

Buyer shall have the right to expedite, inspect and test any of the goods, services or work covered by this purchase order prior to shipment or performance. All goods are also subject to Buyer's inspection and approval on arrival. If rejected, they will be held for disposal at Seller's sole risk. Such inspection, or the waiver thereof, however, shall not relieve the Seller from full responsibility for furnishing goods, services and work conforming to the requirements of the purchase order, nor prejudice any claim, right or privilege the Buyer may have because of the use of defective or unsatisfactory goods, services or work.

6. WARRANTY

All goods furnished by Seller and any services or installation relating thereto pursuant to this purchase order shall be warranted to be of the best quality of their respective kinds and to be free of defects in design, workmanship, or material. Seller further warrants and acknowledges that Seller knows of Buyer's intended use and warrants/guarantees that all goods or services covered by this purchase order have been selected, designed, manufactured or assembled by Seller based on Buyer's stated use and will be fit and sufficient for the particular purposes intended by Buyer or its customer. In the event of breach, the Seller shall take all necessary action at Seller's expense, to correct such breach in the most expeditious manner possible. Should the Seller fail to correct any such breach in a timely manner, the Buyer may proceed at Seller's expense, to perform the necessary corrective work. The warranties provided herein shall also inure the benefit of Buyer's customer or user of the goods or services.

7. ASSIGNMENT AND SUBCONTRACTING

Seller shall not assign or subcontract any portion of this purchase order without the prior written approval of the Buyer. Any change in control of Seller or the sale of substantially all of Seller's assets is deemed an assignment for purposes of this purchase order. Buyer shall have the right to assign this purchase order or its interest herein, without Seller's consent, to any of its affiliates or to any purchaser or successor to Buyer's business.

8. CHANGES

Buyer may at any time make changes in shipping and packaging instructions, quantities, drawings, designs, specifications, place of delivery and/or delivery schedules. If any such change results in an increase or a decrease in the cost of, or the time required for, manufacturing or delivering the goods or performing the services required in this purchase order, an equitable adjustment may be made in the price or delivery schedule, or both, and this purchase order shall, subject to the agreement of Buyer and Seller, be modified in writing accordingly.

9. SET-OFF AND RECOUPMENT

In addition to any right of set-off or recoupment provided by law, all amounts due to Seller and its subsidiaries and affiliates shall be considered net of indebtedness or obligations of Seller and its

subsidiaries and affiliates to Buyer and its subsidiaries and affiliates, and Buyer and its subsidiaries and affiliates may set-off against or recoup from any amounts due or to become due from Seller and its subsidiaries and affiliates to Buyer and its subsidiaries and affiliates however and whenever arising. Buyer may do so without notice to Seller or its subsidiaries or affiliates. If any obligations of Seller or its subsidiaries or affiliates to Buyer or its subsidiaries or affiliates are disputed, contingent or unliquidated, Buyer may defer payment of amounts due until such obligations are resolved. Any payment by Buyer hereunder to Seller shall not act as a waiver of any claim of Buyer's arising hereunder against Seller.

10. SERVICE AND REPLACEMENT PARTS

Except as otherwise expressly agreed in writing, for fifteen (15) years after a vehicle design or specific part concludes production, Seller shall supply Buyer's written "service parts" order for the goods, component parts, and materials associated with this purchase order, at the prices set forth in this purchase order, plus any actual cost differential for special packaging. If the goods associated with this purchase order are systems or modules, Seller shall sell each component or part at a price that does not, in the aggregate, exceed the system or module price specified in this purchase order, less assembly costs, plus any actual cost differential for packaging. Seller's obligation with respect to service or replacement parts shall survive the termination of this purchase order.

11. COSTS

The amount and total stated in the purchase order is comprised of all costs including materials, components, labor, overhead and applicable taxes. The amount and total in the purchase order is firm and not subject to adjustment for increases in Seller's costs including, but not limited to, increases in the costs of labor, material or overhead.

12. TERMINATION FOR DEFAULT

Buyer may terminate all or any part of this purchase order by giving notice of default to Seller, if Seller: (a) refuses or fails to deliver the goods or services within the time specified; (b) breaches or otherwise fails to comply with any provisions of this purchase order or so fails to make progress as to endanger performances hereunder; or (c) becomes insolvent or subject to proceedings under any law relating to bankruptcy, insolvency or the relief of debtors. In the event of a termination for default, Buyer's liability shall be limited to the payment for goods or services delivered and accepted by Buyer under this purchase order.

13. TERMINATION FOR CONVENIENCE

Buyer may terminate this purchase order at any time for its convenience in whole or in part, upon notice to Seller, in which event Buyer's sole obligations shall be to reimburse Seller for: (a) those goods actually shipped and accepted by the Buyer up to the date of termination; and (b) costs incurred by Seller for unfinished goods, which are specifically manufactured for Buyer pursuant to any applicable releases and which are not standard products of the Seller, as of the date of the termination, plus a reasonable profit thereon. In no event shall Buyer be responsible for the loss of anticipated profit nor shall reimbursement exceed the purchase order or applicable release value.

14. REMEDIES

The rights and remedies reserved to Buyer in this purchase order shall be cumulative with, and additional to, all other further remedies provided in law or equity. Without limiting the foregoing, should any goods or services fail to conform to the warranties provided in this purchase order, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any and all damages caused by such nonconforming goods or services, including without limitation, incidental and consequential damages.

15. SELLER'S PROPERTY

Unless otherwise expressly stated in this purchase order, Seller shall supply, at its own expense, all supplies, materials, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns, drawings, specifications, samples and facilities required to perform this purchase order (the "Seller's Property"). Seller grants Buyer an irrevocable option to take possession of and title to the Seller's Property that is unique or dedicated to the production of the goods associated with this purchase order upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of such

items; provided, however, that this option shall not apply is the Seller's Property is used to produce goods that are the standard stock of Seller or if a substantial quantity of similar goods are being sold by Seller to others.

16. BUYER'S PROPERTY

All supplies, materials, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns, drawings, specifications, samples and other items furnished by Buyer, either directly or indirectly to Seller to perform this purchase order, or for which Seller has been reimbursed by Buyer (the "Buyer's Property"), shall be held by Seller on a bailment basis and shall remain property of, with both title and right of possession in, Buyer and without limitation to any rights or remedies available hereunder or at law. Seller shall bear the risk of loss of and damage to Buyer's Property. Buyer's Property shall at all times be properly housed and maintained by Seller; shall not be used by Seller for any purpose other than the performance of this purchase order; shall be deemed to be personalty; shall be conspicuously marked, by Seller, with Buyer's name as it appears on the face of this purchase order; shall not be commingled with the property of Seller or with that of a third party and shall not be moved from Seller's premises without Buyer's written approval. Upon request of Buyer, Buyer's Property shall be immediately released to Buyer or delivered to Buyer by Seller either (i) F.O.B. transport equipment at Seller's shop or plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer, or (ii) to any location designated by Buyer, in which event Buyer shall pay to Seller the reasonable cost of delivering Buyer's Property to such location. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect Buyer's Property and Seller's records with respect thereto. Seller shall pay actual costs incurred by Buyer in the event Seller refuses to return Buyer's property immediately upon demand, including but not limited to actual attorney fees and costs. **Seller hereby specifically waives any and all rights to assert any lien, security interest, encumbrance any other interest whatsoever in any of Buyer's Property.**

17. STOP WORK ORDER

Buyer may at any time by written notice to the Seller stop all or any part of the work called for by this purchase order. Upon receipt of such notice, the Seller shall take all reasonable steps to minimize the incurrence of costs during the period of work stoppage. Buyer may subsequently either cancel the stop work order resulting in an equitable adjustment in the delivery schedule and/or the price or terminate the work in accordance with the provisions of this purchase order.

18. INTELLECTUAL PROPERTY

(a) Seller shall indemnify and hold Buyer, its subsidiaries and affiliates, their respective successors and assigns, the Buyer's customer and other users of products containing the goods and services provided in this purchase order and their respective officers, directors, employees, agents, shareholders, members, managers and representatives, harmless from and against all liabilities, demands, claims, losses, costs, damages and expenses of any nature or kind (including court costs and legal or other professional fees) arising from or as a result of the infringement or alleged infringement of any patent, trademark, copyright, misuse or misappropriation of any trade secret, industrial design right or process of manufacture for or on account of the manufacture, sale or use of the goods or services provided in this purchase order, or of products containing the goods or services provided in this purchase order. Seller expressly waives any claim against Buyer that such infringement or alleged infringement arises out of compliance with Buyer's specifications.

(b) Seller shall not manufacture or provide, or offer to manufacture or provide, any goods or services that are based in whole or in part upon Buyer's intellectual property and/or the drawings or specifications in respect to the goods and services provided in this purchase order, or any derivative thereof, whether for its own purposes (other than to satisfy its obligations under this purchase order), for Buyer's customer or any third parties, without Buyer's prior written consent. The foregoing restriction shall not apply in respect of "off-the-shelf" or "catalogue" goods or services that have been routinely manufactured or provided by Seller and developed by Seller, in each case prior to this purchase order and independently of its relationship with Buyer.

(c) To the extent Seller creates or develops any patents, industrial designs, technical information, know-how, processes of manufacture or other intellectual property in the performance of Seller's obligations under this purchase order, Seller shall: (i) assign to Buyer each invention, discovery or improvement (whether or not patentable) that is conceived or first reduced to practice by Seller, or by any person employed by or working under the direction of Seller, in the performance of Seller's obligations under this purchase order; and (ii) promptly disclose all such inventions, discoveries or improvements and cause Seller's employees to sign any documents necessary to enable Buyer to obtain title to and file applications for patents throughout the world. To the extent that any works of authorship (including, without limitation, software and computer programs) are created in the performance of Seller's obligations under this purchase order, such works shall be considered "works made for hire", and to the extent that such works do not qualify as "works made for hire", Seller hereby assigns to Buyer all right, title, and interest in all copyrights and moral rights therein.

(d) Seller grants to Buyer a worldwide, non-exclusive, royalty-free irrevocable license to repair and have repaired, to reconstruct and have reconstructed the goods ordered under this purchase order. In the event Seller is unable or unwilling to complete the goods or perform the services required by this purchase order, Seller shall further grant to Buyer a worldwide, non-exclusive, royalty-free irrevocable license to complete or have completed, and to perform or have performed the goods and services under this purchase order.

19. CONFIDENTIAL INFORMATION

Seller agrees not to make any use of data, designs, drawings, specifications and other information furnished to it by the Buyer, except for the performance of this purchase order and Seller further agrees not to disclose such data, designs, drawings, specifications and other information to others except for the performance of this purchase order under similar restrictions against use and disclosure. Upon completion or termination of this purchase order, Seller shall return to Buyer on demand all such data, designs, drawings, specifications and other information, including copies made by Seller. This purchase order is confidential between the Buyer and the Seller, and it is agreed by the Seller that none of the details connected herewith shall be published or disclosed to any third party without the Buyer's written permission.

20. RISK OF LOSS

Seller assumes the following risks: (a) all risks of loss or damage to all goods, work in process, materials and other things until the delivery thereof as herein provided; (b) all risks of loss or damage to third persons and their property until the delivery of all goods as herein provided; (c) all risks of loss or damage to any property received by Seller from or held by Seller or its supplier for the account of Buyer, until such property has been delivered to Buyer or its customer as the case may be; and (d) all risks of loss or damage to any of the goods or part thereof rejected by Buyer, from the time of shipment thereof to Seller until redelivery thereof to Buyer.

21. INSURANCE AND INDEMNIFICATION

Seller agrees to indemnify and save harmless the Buyer its subsidiaries and affiliates and their respective officers, directors, employees, agents, shareholders, members, managers and representatives from and against any and all claims and liabilities (including expenses) for injury or death of persons or damage to any property which may result in whole or in part, from any act or omission on the part of the Seller, its agents, employees or representatives, or arising from any Seller furnished goods or services, except to the extent that such damage is due solely and directly to the gross negligence of the Buyer. Seller shall carry comprehensive general liability insurance, including contractual and product liability coverage, with minimum limits acceptable to the Buyer. Seller shall at the request of the Buyer, supply certificates evidencing such coverage.

22. RIGHT TO AUDIT

Seller acknowledges that Buyer shall have the right to conduct visits at Seller and Seller's suppliers' facilities and that these rights extend to Buyer's customers or designated Buyer representatives. All work, materials, inventories and other items provided under this purchase order must be accessible to Buyer, including, but not limited to, designs, parts, tools, fixtures, gauges and models.

23. LAWS AND REGULATIONS

Seller shall comply with all applicable Federal, State, and Local laws, statues and ordinances including but in no way limited to rules, regulations and standards of the Occupational Safety and Health Act of 1970 and the Federal Contract Work Hours and Safety Standards Act and the rules and regulations promulgated under these acts. With respect to the supply of goods relating to a facility regulated pursuant to the Atomic Energy Act of 1954, as amended or the Energy Reorganization Act of 1974, the provisions of Title 10 code of Federal Regulations, Part 21 (10 C.F.R. 21) are applicable to this purchase order. Seller agrees in connection with performance of this purchase order, not to discriminate against any employee or applicant for employment because of race, sex, religion, color, age, national origin, handicap or status as a Vietnam Era or Special Disabled Veteran. Unless exempted, the equal employment opportunity clauses in Section 202, paragraphs one through seven of Executive Order 11246, as amended, and the affirmative action clauses as set forth in 41 C.F.R. Section 60-741.4 (for orders of \$2,500 or more) and 41 C.F.R. Section 60-250.4 (for orders of \$10.00 or more) are incorporated herein by reference.

24. AMENDMENT

This purchase order may only be modified by written amendment issued by the Buyer.

25. GOVERNING LAW

This purchase order is to be interpreted and enforced in accordance with the local, domestic laws of the State of Michigan and of the United States of America, exclusive of the choice of law rules thereof. Article II of the Uniform Commercial Code shall apply to this purchase order. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this purchase order.

26. TOOLING

To the extent this purchase order covers the production or fabrication of tools, dies, jigs, molds, fixtures, gauges or patterns, this is a design and build purchase order. Seller recognizes and acknowledges that certain aspects of mating components may not adequately reflect math data design and that minor tuning of the production tooling may be necessary to assure an acceptable performance. Seller acknowledges the possibility for minor tuning and has submitted its quote accordingly. The tool design comprehends the potential for such tuning and Seller has made every effort to design steel-safe tooling for future tuning. Seller is exclusively responsible for providing a production ready tool capable of producing parts that meet all drawing requirements, including appearance and which is capable of obtaining PPAP approval. Minor tuning of production tooling necessary to assure acceptable production performance is the responsibility of the Seller and is shall not result in increased costs to Buyer. Such minor tuning includes, but is not limited to items such as runners and gating, vents, ejection, draft of ribs, cooling core and cavity finish, slides, punches, guides and all/any other items that affect tooling performance and part appearance. Seller is responsible to meet the OEM's requirements that pertain to items manufactured under the scope of work of this purchase order.

Tooling progress reviews shall be held by Seller each week and reports/timelines (in Microsoft Project format or other format selected by Buyer) shall be submitted to Buyer each Monday until PPAP approval. All math data files including original and altered files (in UG and/or IGES or other format selected by Buyer) used to build tools and/or validate parts, including part data, tool design data, cutter paths, etc., shall be property of the Buyer and must be provided to Buyer with the delivery of production tooling. Buyer representative will review the tooling for acceptability and approval at tool buy-off meeting to take place after the parts meet all drawing and other requirements. No tooling shall be commenced by Seller until an "OK to Tool" authorization is provided by Buyer. Seller shall not submit an invoice to Buyer until tool is approved. Upon such approval, Seller shall include signed tool buy-off form with the invoice as provided by Paragraph 4 of these terms and conditions. Seller and Seller's subcontractors of tooling components must execute a tooling lien release in form and substance acceptable to Buyer on or before each and any payment is made pursuant to this purchase order. Seller further agrees to execute and deliver such agreements reflecting Buyer's ownership of the tooling or providing such further assurances requested by Buyer and/or Buyer's lender.