

TNE International, LLC (TC-1, R1, 5/10/13)
General Terms and Conditions of Purchase

1. Scope

These General Terms and Conditions are applicable to all purchases made by TNE International, LLC. and its subsidiaries and divisions ("TNE") from the supplier indicated on the purchase order (the "Supplier") whether for tooling, machines, parts, raw materials, other various goods or services (hereinafter individually or collectively called the "Supply").

These General Terms and Conditions shall constitute the only agreement applicable to all purchases of Supply by TNE and expressly exclude the application of the Supplier's general terms of sale as well as any documents now or in the future issued by the Supplier in relation to purchase order or the Supply.

Any additional or different terms in the Supplier's form are hereby deemed to be material alterations and TNE hereby gives notice of objection to them and rejection.

These Terms and Conditions may only be modified by an express written provision signed by TNE.

2. Order

2.1 All purchases made by TNE shall take the form of a purchase order issued by TNE.

In the event of an emergency, the Supply can be delivered or furnished against a collection note issued by TNE or against a purchase order number provided by TNE.

2.2 The Supplier shall acknowledge receipt of the purchase order within fifteen (15) calendar days of the date of the purchase order by mail or fax, by returning a duly signed copy of the purchase order to TNE. Where no such acknowledgment of receipt is issued, the commencement of the completion of the purchase order shall be considered an acceptance of these General Terms and Conditions by the Supplier.

2.3 When deliveries are specified to be in accordance with TNE's written releases, the Supplier will not fabricate, assemble or ship any Supply, or procure required materials, except to the extent authorized by a written release issued by TNE or provisions of the purchase order specifying fabrication or delivery quantities.

3. Compliance

3.1 Without prejudice to the provisions of article 3.2, the Supply shall be in compliance with all drawings and specifications. Characteristics of the Supply not detailed shall be in compliance with samples or typical parts, which have been accepted by TNE.

No technical modification, however minor, shall be made without the prior consent of TNE in the form of a numbered addendum issued by TNE.

3.2 In providing the Supply, the Supplier will comply with any and all applicable federal, state and local laws, regulations and standards in force in the United States or in the country of manufacture and sale, including but not limited to the Occupational Safety and Health Act, the Fair Labor Standards Act, any law or order pertaining to discrimination, the National Traffic and Motor Vehicle Safety Act, all hygiene and safety constraints on restricted, toxic and hazardous material and provisions pertaining to environmental, electrical and electromagnetic considerations.

All quotations or prices, established in reference to the Supply, shall be in compliance with all applicable laws and governmental regulations.

The Supplier shall defend, indemnify and hold TNE harmless from and against any and all claims, losses, damages, costs and expenses, including attorney fees, resulting from or arising out of any failure of the Supplier to comply with any applicable governmental laws, regulations or standards.

3.3 At the request of TNE, the Supplier will provide an appropriate certificate stating the country of manufacture of the Supply.

3.4 The Supplier shall strictly adhere to the requirements of the TNE Supplier Quality Manual (SQM-1), a copy of which the Supplier hereby acknowledges receipt. The Supplier will comply with all QS-9000 quality requirements or alternative requirements specified expressly by TNE.

4. Industrial and Intellectual Property Rights

4.1 The Supplier shall be responsible for confirming the validity of its industrial and/or intellectual property rights related to the manufacture and the sale of the Supply. The Supplier shall specifically identify in writing to TNE any patented components or processes, tooling, machines or equipment used in the manufacture of the Supply.

4.2 The Supplier shall indemnify, defend and hold harmless TNE from and against any and all claims, losses damages and expenses, including reasonable attorney fees, asserted by a third party regarding the Supply based on the third party's industrial or intellectual property rights.

If the Supplier or a third party asserts a claim against TNE for an alleged infringement of intellectual or industrial property rights, TNE may immediately terminate all orders in progress by written notice, without prejudice to TNE's rights or any legal action TNE may take against the Supplier.

The Supplier authorizes TNE to finalize and produce the Supply, including any tooling or equipment upon a breach by the Supplier of these General Terms and Conditions or the purchase order, even where the Supplier's intellectual and/or industrial property rights are utilized for the design and manufacture of tooling or equipment. The Supplier shall provide to TNE all information necessary for the manufacture of the tooling or equipment upon such breach and grants to TNE a royalty free license on the intellectual or industrial property rights in order to finalize or produce the Supply.

5. Delivery

- 5.1 Time and quantity are of the essence. Delivery shall be at the TNE facility, unless otherwise specified on the purchase order, or as specified by the TNE facility where the delivery is to be made. Delivery terms may be modified from time to time.
- 5.2 The Supplier shall take all measures necessary to meet the delivery date for the Supply and comply with all technical, administrative and shipping documents.
- 5.3 The Supplier shall not be entitled to deliver the Supply before the due date without TNE's written authorization, and will bear all costs related to any unauthorized advance delivery, including return shipping costs.
- 5.4 In the event of late delivery, all damages suffered by TNE and any transportation or other costs incurred by TNE to meet the specified delivery schedule will be paid by the Supplier. The Supplier will be responsible for any extraordinary cost incurred by TNE from its customer due to late delivery of the Supply by the Supplier. TNE may apply late delivery penalties as specified in the purchase order.

In the event of late delivery, TNE may purchase the Supply from a third party immediately without notice. Any extra cost arising from this replacement order shall be borne by the defaulting Supplier.

- 5.5 The Supplier will notify TNE immediately of any actual or potential labor dispute delaying or threatening to delay timely performance of the purchase order, and will provide TNE with all relevant information. The Supplier will notify TNE six (6) months in advance of the expiration of any current labor contract(s). Prior to the expiration of any such labor contract, the Supplier will store, at its expense, a minimum thirty (30) day inventory of finished Supply at a warehouse unaffected by the labor contract.
- 5.6 The Supply shall be subject to inspection by TNE for a reasonable period, which shall in no event be less than thirty (30) days after receipt thereof by TNE, except that TNE may reject the goods and hold the Supplier in default if, at any time after TNE has inspected the goods, TNE discovers a defect not normally discoverable by visual inspection or TNE or its customer discovers a defect upon integration of the Supply into production. Payment shall not constitute final acceptance of the Supply or waiver of TNE's right to inspect and reject the Supply.

6. Price, Invoicing and Conditions of Payment

- 6.1 All prices shall be as stated in the purchase order. The Supplier shall be solely responsible for all transport and unloading costs, customs charges, taxes and insurance costs, unless otherwise specified on the purchase order.
- 6.2 The invoice and bill of lading shall include all the information appearing on the purchase order necessary for the identification and the control of the Supply. The invoice shall be sent to the invoicing address written on the face of the purchase order.
- 6.3 In addition to any right of setoff provided by law, TNE may automatically deduct from payments made to the Supplier any and all sums due or to become due by the Supplier for whatever reason.
- 6.4 The Supplier may not assign any account receivables from TNE to third parties without TNE's prior written approval.
- 6.5 The Supplier warrants that the prices for the Supply sold to TNE are no less favorable than those that the Supplier currently extends to any other customer for the same or similar Supply in similar quantities are. If the Supplier reduces its prices to third parties during the term of the purchase order for the Supply, the Supplier will correspondingly reduce the prices charged to TNE. The Supplier warrants that the prices on the purchase order are complete and that no other charges will be added without TNE's written consent.

7. Packaging and Delivery Documents

- 7.1 The Supply shall be packed in accordance with TNE purchasing and packaging specifications or purchase orders, and also in accordance with the norms and standards of common carriers in the United States, unless otherwise requested by TNE. TNE shall have the right at any time to change any purchase order as to specifications, delivery, packaging or means of shipment.

The Supplier will provide all necessary Material Safety Data Sheets and ensure that all hazardous material fully meets federal, state and local shipping requirements.

Supplier shall be responsible for any damage to the Supply arising from packaging.

7.2 The exterior of each unit of packaging shall bear in a clearly conspicuous and legible manner the markings required under federal and state regulations in force in the United States, any special conditions for storage, the TNE purchase order number, a description of the Supply, the quantity delivered and the gross or net weight in accordance with AIAG standards.

7.3 The Supplier shall attach to the shipment a bill of lading consisting of a detailed delivery order together with the information appearing on the purchase order necessary to identify the Supply and to facilitate quantitative control.

8. Receipt - Warranty

8.1 Unless otherwise stated on the purchase order or requested in writing by the receiving TNE facility, TNE will only accept delivery to the premises of TNE on working days during normal business hours.

Both TNE and its customer reserve the right to inspect the Supply and manufacturing process used at the Supplier's premises prior to delivery, and at TNE premises after delivery. Any inspection shall not limit the warranties pertaining to the Supply.

8.2 TNE reserves the right to reject or revoke acceptance of a non-conforming Supply, which includes but is not limited to non-compliance with the purchase order or non-compliance with the date and hours of delivery.

8.3 At its option, TNE may return non-conforming Supply to the Supplier at the Supplier's own risk and expense.

Alternatively, at TNE's instruction, the Supplier shall retrieve the non-conforming Supply at its expense within eight (8) days of notification of rejection or revocation of acceptance. TNE will be permitted to dispose of the Supply upon the Supplier's failure to retrieve the non-conforming Supply.

The Supplier shall be liable for all costs (including scrap, storage, sorting out, alterations, tool breaks, breakdowns, production stoppage, recall campaigns and administrative costs) incurred by TNE as a result of the non-conformity of the Supply.

In the event of delivery of non-conforming Supply, TNE may terminate the purchase order pursuant to article 14 below and/or purchase the Supply from a third party. The Supplier shall be responsible for any additional cost incurred by TNE under this paragraph.

8.4 The Supplier shall be responsible for the design and/or manufacture of the Supply to the extent designated in the purchase order or as agreed to in writing, regardless of any assistance provided by TNE throughout the development phase or approval by TNE during initial sample review.

8.5 The Supplier warrants that the Supply shall be free from defects in material, design, workmanship, operating defects or title and will be merchantable and fit for the intended purpose. The Supplier will indemnify, defend and hold harmless TNE for all claims, losses, damages, costs and expenses, including attorney fees, arising from defects in proportion to its liability and for the duration of TNE's warranty obligations to the purchaser of the products in which the Supply is integrated, provided that such limitation as to time shall not apply to concealed defects.

At its option, TNE may provide additional governing warranty terms.

8.6 If TNE or its customer recalls the Supply or a product incorporating the Supply, the Supplier shall reimburse TNE, in proportion to the Supplier's responsibility, for actual expenses borne by TNE.

8.7 The Supplier shall obtain comprehensive general liability insurance in amounts and scope to cover all claims under this article 8 and shall provide proof of insurance and proof of payment of insurance premiums upon the request of TNE. Such insurance shall provide thirty (30) days written notice to TNE of cancellation or material change.

9. Risk of Loss

Risk of loss with respect to the Supply delivered shall not be transferred to TNE until the actual receipt of the Supply at the address indicated on the purchase order.

10. Subcontractors

10.1 The purchase order shall not be assigned, in whole nor in part, by the Supplier to a subcontractor without TNE's prior written approval.

10.2 If TNE agrees to the assignment of the purchase order, in whole or in part, to a subcontractor, the Supplier shall remain solely liable to TNE for the adherence of the subcontractor to these General Terms and Conditions.

11. Confidentiality

All information provided to the Supplier by TNE under this purchase order and for the Supply not publicly available will be considered confidential by the Supplier. The Supplier shall take all necessary measures to ensure that neither the Supplier

nor its employees, agents, suppliers or authorized subcontractors, communicate such confidential information to any third party and that the information is used only for the purpose submitted.

These confidentiality requirements shall be maintained for the duration of performance under the purchase order and for a period of five (5) years thereafter.

Immediately upon completion of the performance of the purchase order, any termination of the purchase order or upon the request of TNE, the Supplier agrees to return to TNE all information, including all copies thereof, confidential or otherwise, related to the purchase order.

12. The Supplier Employees and Agents

With respect to the performance of any purchase order, the Supplier shall be responsible for the acts and omissions of the Supplier and its employees, agents or representatives and shall indemnify, defend and hold harmless TNE from liability for any property damage or personal injuries, including death arising out of any act or omission of the Supplier, its employees, agents or representatives.

13. Ownership

13.1 Notwithstanding article 9 above, ownership of the Supply shall be transferred to TNE immediately upon its identification to the purchase order on the premises of the Supplier. The Supplier agrees to acknowledge and defend TNE's property interests at all times.

13.2 The Supplier shall not impose nor permit to be imposed any lien, encumbrance or security interest or similar reservation of title on the Supply.

13.3 If TNE finances all or part of the raw materials or semi-finished products to be procured by the Supplier for incorporation into the Supply, the raw materials and semi-finished products will become the property of TNE immediately upon payment. The Supplier, as bailee, will identify the raw materials and semi-finished products by plainly marking TNE ownership.

13.4 Molds, tooling or machines made by the Supplier on behalf of TNE, together with the intellectual or industrial property rights related thereto, will become the property of TNE, regardless of whether payment is received and as they are made and shall be neither withheld by the Supplier nor pledged to any third party. The Supplier, as bailee, will plainly mark all such molds, tooling and machines, with a metal label stating "Nontransferable, Property of TNE". The Supplier shall provide TNE with equipment and tooling drawings, technical specifications, FMEA's and control plans for each component and for the purchase of capital equipment.

13.5 If TNE deposits molds, tooling or machines with the Supplier in connection with a subcontracting agreement:

- the molds, tooling and machines shall remain the exclusive property of TNE, which may recover the molds, tooling and machines at any time; and,
- the molds, tooling and machines shall be exclusively used for the performance of TNE orders; and,
- the Supplier shall be responsible for the preventive or curative maintenance necessary for the correct operation of the molds, tooling and machines; and,
- except as otherwise agreed, the Supplier shall be liable for all damages incurred in connection with the molds, tooling and machines as well as all damages arising from their use. The Supplier shall insure the molds, tooling and machines for damage or loss (including theft) in an amount not less than replacement value and shall maintain general liability insurance regarding the operation of the molds, tooling and machines in amounts and coverage reasonable in the circumstances and acceptable to TNE. The Supplier shall also comply with the provisions listed in section 8.7 regarding insurance.

14. Termination

If the Supplier fails to perform any of its contractual obligations under these General Terms and Conditions, TNE may cancel any and all purchase orders upon eight (8) days written notice, without prejudice to any damages TNE may claim.

15. Applicable Law and Jurisdiction

These General Terms and Conditions of Purchase shall be governed by the laws of the State of Michigan without regard to rules pertaining to conflicts of law. The federal, state and local courts located in the State of Michigan shall have exclusive jurisdiction of any disputes relating to these General Terms and Conditions of Purchase. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these General Terms and Conditions of Purchase nor any transaction pursuant hereto.

If any provision herein is or becomes invalid or unenforceable under any law of mandatory application, such provision will be deemed severed and omitted. The remaining provisions will remain in full force and effect as written.

No action or inaction taken pursuant to these General Terms and Conditions shall constitute a waiver of compliance with any covenants or agreements herein.