

PURCHASE ORDER TERMS AND CONDITIONS

INVOICES, PAYMENTS AND SHIPMENTS

- A. All material shall be suitably packed, marked and shipped in accordance with the requirements of the designated carriers in a manner to secure the lowest transportation cost and no additional charge shall be made to Buyer unless otherwise stated herein. All shipments shall be F.O.B. shipping point unless otherwise specified by Buyer.
- B. No charge shall be made by Seller for drayage or storage, unless otherwise stated herein.
- C. Unless specified herein, Seller shall properly mark each package with Buyer's Order number, factory, plant and/or dock number and where multiple packages comprise a single shipment each package shall also be consecutively numbered. Correct Order number and package numbers shall be shown on packing slips, bills of lading and invoices.
- D. Packing slips must accompany each shipment. Packing slips must include Buyer's Order number, item and drawing numbers, if given, quantity ordered and unit of measure stated on Order. Buyer's count shall be accepted as final on shipments not accompanied by Seller's itemized packing slip. The original bill of lading, or other shipping receipt, for each shipment shall be promptly forwarded by Seller in accordance with instructions issued by Buyer.
- E. Seller agrees to describe material on the bill of lading or other shipping receipt and to route shipment in accordance with instructions issued by the Buyer.
- F. With the shipment of the goods purchased, Seller agrees to furnish to Buyer such special handling instructions as may be necessary to advise Buyer and third parties, including transportation carriers and Buyer's employees, as to the degree of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use, recycling or disposal of the goods in addition to the requirements under section 7.
- G. Seller agrees to render invoices promptly to Buyer. Failure to submit such invoices on time shall entitle the Buyer to withhold payment with no charge whatsoever for the account of Buyer and without losing any cash discount privileges.
- H. All invoices must carry a certificate stating that the goods were produced in compliance with the applicable requirements of the Fair Labor Standards Act, as amended, and all regulations and orders of the Department of Labor issued pursuant to the Act.
- I. Unless otherwise specified on the face of this Order, all payments are Net 50 after invoice approval. All invoices must match Buyer's Orders including quantity, exact item number, drawing number if given and price. Payment can be delayed until invoices are received with the necessary tax documentation, as required by law.

GENERAL TERMS AND CONDITIONS

1. ACCEPTANCE: Seller has read and understands this Order and agrees that Seller's written acceptance or commencement of any work or service under this Order shall constitute Seller's acceptance of these terms and conditions only. All terms and conditions proposed by Seller which are different from or in addition to this Order are unacceptable to Buyer and are expressly rejected by Buyer and shall not become a part of this Order. Any modifications to this Order shall be made only as agreed upon by the parties in writing through an Order amendment. This Order will continue to be binding upon the Seller and the Buyer to the extent that it is not specifically modified by an Order amendment.
2. DELIVERY SCHEDULES / DELAYS: Deliveries are to be made both in quantities and at times specified by Buyer either on the face of this Order or in separate schedules as time of delivery is of the essence for this Order. Buyer will have no liability for payment for material or items delivered to Buyer in excess of quantities or beyond the delivery schedules specified by Buyer. Buyer may, from time to time, change delivery schedules or direct temporary suspension of scheduled shipments without implying any modification of the price or other terms and conditions of this Order. Seller shall promptly notify Buyer of any actual or anticipated delay of delivery and take all reasonable steps to avoid or end delay without additional cost to Buyer.
3. FORCE MAJEURE: Any delay or other breach of this Order shall be excused if and to the extent that it is caused by an event or occurrence beyond the reasonable control and without fault or negligence by the breaching party including, without limitation, acts of God, actions by any governmental authority (whether valid or invalid), riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain power, or court injunction or order, provided that the affected party gives the other party ten (10) days written notice of the breach (including the anticipated duration of the breach). During the period of any breach by Seller, Buyer, at its option, may (i) purchase goods or services from other sources and reduce the Order by such quantities, without liability to Seller or (ii) have Seller provide the goods from other sources in quantities and at times requested by Buyer and the price set forth in this Order. If the breach lasts more than thirty (30) days, Buyer may immediately cancel the Order without liability.
4. PREMIUM SHIPMENTS: If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements, and Buyer requires a more expeditious method of transportation for the goods than the method originally specified by Buyer, Seller shall ship the goods by the more expeditious method at Seller's sole expense.
5. SPECIFICATIONS CONFORMANCE/ACCEPTANCE: Acceptance of the goods or services shall occur upon determination by Buyer to its reasonable satisfaction that the goods or services conform to the Order specifications following inspection of the fully-assembled goods or service at Buyer's designated facility. Should Seller's equipment fail to meet the specifications by the acceptance date, Buyer may, at its option, pursue any of its remedies provided herein or by law, including requiring Seller to a) complete the work to meet the specifications, or b) reimburse Buyer for costs incurred as the result of completing such work.
6. WARRANTY: Seller expressly warrants that all materials or work covered by this Order will conform to the

specifications, drawings, samples, and other descriptions furnished to or by Buyer, and will be new, first class, fit and sufficient for the purposes for which they are intended as evidenced in this Order and in the drawings and specifications referred to herein, merchantable, of good material and workmanship and free from defect. The term of this warranty shall be the longer of: (1) the term of warranty provided by the manufacturer of the final product into which the goods purchased herein are incorporated (hereinafter "Final Product"); (2) the term mandated by applicable law; or (3) twelve months from the date of service (in the cases of services) or the date the Final Product is first placed into operation. The above

warranties are in addition to all other warranties, express or implied, at law or equity. Seller, upon notice by Buyer, where reasonable, will correct any nonconformity without undue delay by, at Buyer's option, a) repair at the job site,

b) repair or replace the nonconforming parts at the designated repair facility, or c) reimburse Buyer for costs incurred as the result of correcting the nonconformity within thirty (30) days of receipt of invoice therefore. In addition to, or in lieu of such remedies, Buyer may pursue any of its other remedies provided herein or by law.

7. **PRODUCT INGREDIENTS:** If any of the items ordered constitute or contain "hazardous or toxic chemicals" or "hazardous substances" or flammable or hazardous "petroleum products" as defined by any applicable Federal State or local law, rule or regulation, Seller shall provide at the time of delivery all required notices and information, including without limitation, all Material Safety Data Sheets in approved form. Seller agrees to keep such information current and shall provide Buyer with amended, altered or revised information on a timely basis. Seller warrants that the goods supplied under the Order do not contain any substance whose use is prohibited under Federal, State, or local law and that any applicable requirements under such laws have been satisfied by Seller. If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients in the goods purchased; (b) the amount of one or more ingredients; and (c) information concerning any changes in or additions to such ingredients.

8. **BAILED PROPERTY:** Unless otherwise indicated in this Order, all supplies, materials, tools, jigs, dies, fixtures, patterns, equipment and other items furnished by Buyer either directly or indirectly to Seller to perform this Order or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer; provided, however, that Seller shall bear the risk of loss of any damage to such property, normal wear and tear excepted. Such property shall at all times be properly housed and maintained by Seller; shall be insured by Seller with fire and extended insurance coverage for the replacement value thereof, shall not be used by Seller for any purpose other than the performance of this Order unless otherwise authorized in writing by Buyer; shall be deemed to be personal property, shall be conspicuously marked, "Property of P.C.S. Company" by Seller; 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 prior written approval. Upon the request of Buyer, such property shall be immediately delivered to Buyer by Seller, either (i) properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer shall pay to Seller the cost of delivering such property to such location. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto.

9. **CANCELLATION FOR DEFAULT:** Buyer reserves the right to cancel all or any part of this Order if Seller repudiates or breaches any terms hereof, including warranties of Seller, and does not cure such repudiation or breach within ten (10) days (or any shorter period of time which may be commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such. In the event of such cancellation, Buyer may pursue any remedy under law including without limitation the right to complete the performance of this Order by such means as Buyer selects and Seller shall be responsible for any cost incurred by Buyer in so doing. Seller shall deliver or assign to Buyer any work in progress as Buyer may request. Any amounts due Seller for goods and services completed by Seller in full compliance with the terms of this Order prior to such cancellation shall be subject to offset by Buyer's additional costs of completing the Order and other damages incurred by Buyer as a result of Seller's default.

10. **TERMINATION FOR CONVENIENCE:** In addition to Buyer's right to cancel this Order under Section 9 above, and notwithstanding the existence of any cause or event in Section 3 above, Buyer may at its option terminate all or any of this Order, at any time and for any reason, by giving written notice of termination to Seller. Upon termination by Buyer under this Section 10, Buyer shall pay to Seller the following amounts: (1) the Order price for all items or services which have been completed in accordance with this Order and not previously paid for; (2) the actual costs, not to exceed the aggregate purchase price specified in this Order, of work-in-process and raw materials incurred by Seller in furnishing the items or services under this Order to the extent such costs are reasonable in amount and are properly allocable under generally accepted practices to the terminated portion of this Order. Buyer will make no payments for finished work, unused services, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in delivery schedules nor for any undelivered goods which are in Seller's standard stock or which are readily marketable. In no event shall Buyer be liable for, and Buyer shall make no payment to Seller indirectly or on account of claims by Seller or Seller's subcontractors with respect to loss of anticipated profit, unabsorbed overhead, interest on claims arising from termination of this Order, product development and engineering costs, facilities and equipment rearrangement costs, rental or lease, unamortized depreciation costs, and general and administrative burden charges, with respect to any goods or service termination pursuant to this Section 10. Seller shall submit promptly, but in no event later than thirty (30) days from the effective date of termination, its termination claim in the form and with such detail as Buyer shall direct. Buyer, or its agents, shall have the right to audit and examine all books, records, facilities, work, material, inventories, and other items relating to any termination claim of Seller.

11. **CHANGES:** Buyer reserves the right at any time to make changes to the design (including drawings, material and

specifications) processing, method of packing and shipping, and the date or place of delivery of the good or services covered by this Order. If any such change causes an increase or decrease in the costs of, or the time required for, the provision of goods or services, an equitable adjustment shall be made in the price or delivery schedule or both, and this Order shall be modified in writing accordingly. Seller will within (7) business days, submit a firm fixed price quotation, if required for each change requested by Buyer. Seller will charge Buyer for materials, goods or services relating to a Change Order at Seller's actual, direct cost plus a mark-up of not more than 7%. Seller will not be entitled to any compensation with respect to any Order change without Buyer's prior written consent. Progress payments shall not be revised to reflect changes in the price unless such changes total a net of ten percent (10%) or more of the total purchase price.

12. AUDIT RIGHTS: Buyer will have the right at any reasonable time to send its authorized representatives to examine all pertinent documents and materials in the possession or under the control of Seller relating to any of Seller's obligations under this Agreement for the purpose of evaluating that fair and reasonable prices were represented throughout this Agreement. If at the conclusion of this review, Buyer determines that the prices in this Agreement were inaccurate, incomplete or not consistent with generally accepted accounting principles, and therefore prices resulted in an overcharge to the Buyer, the Seller will refund this overcharge plus the fees associated with Buyer completing the audit. In no event will the price of this Agreement be increased as the result of an undercharge by Seller or for the Seller's cost of participating in this audit. Seller shall maintain all pertinent books and records relating to this Agreement for a period of three years after completion of services or delivery of goods pursuant to this Order.

13. PROPRIETARY RIGHTS INDEMNITY: Seller shall, at its sole expense, indemnify, hold harmless and defend Buyer, its officers, employees, owners, successors and customers from and against any suit or proceeding brought against Buyer based on a claim that the manufacture, use or sale of any goods or services or any part thereof supplied under this Order constitutes infringement of any patent, copyright, trademark or propriety information right of others, and Seller shall pay all damages and costs awarded therein against Buyer. Seller shall be promptly notified, in writing, of the suit or proceeding and shall be given adequate authority, information and assistance, at Seller's expense, for the defense of same, subject to the right of Buyer to participate at its expense and to be fully advised by Seller in advance of all actions taken. In case said goods or any part thereof are, in such suit, are held to constitute infringement or the sale or use of said goods or parts thereof are enjoined, regardless of whether such determination constitutes a final judgment, Seller shall, at its expense either procure for Buyer the right to sell and use said goods; replace the same with substantially equal but non-infringing goods; or, if approved by Buyer, remove said goods and refund the purchase price and the transportation and installation costs thereof. The preceding shall not apply to any goods, or any part thereof manufactured to designs furnished and specified by Buyer.

14. INDEMNIFICATION: Seller agrees that Seller shall be responsible for all damage to property and injuries to persons (including death), including, but not limited to, Buyer's employees and property, and all other damage, including, but not limited to, any customer penalties and/or back-charges that occur as a result of Seller's employees, subcontractors or other agents, performance or lack of performance of work under this Order and Seller shall indemnify and hold Buyer harmless from and against any liability, claims or demands for such damages or injuries (including death); provided however, that Seller shall not be responsible for, nor be required to indemnify and hold Buyer harmless from, liabilities, claims or demands based upon the sole negligence of Buyer.

15. DEVELOPMENTS: Seller agrees to promptly inform Buyer of the full details of all inventions, discoveries, concepts, and ideas, including without limitation any hardware and apparatus, processes and methods, formulae, computer programs and techniques and any improvements and related knowledge, which Seller conceives, completes or reduces to practice in the course of any work related to this Order ("Developments"). Seller agrees to assign its right, title, and interest in all Developments, and all associated intellectual property rights, to Buyer, and agrees to take any action necessary for Buyer to obtain, perfect, or maintain such ownership of the Developments. Seller agrees that all original materials developed in connection with this Order are works for hire and are the exclusive and confidential property of Buyer or, alternatively, hereby irrevocably assigns to Buyer all rights in such materials.

16. TECHNICAL INFORMATION DISCLOSED TO BUYER: Unless otherwise specifically agreed to in advanced and in writing by Buyer, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Buyer shall be deemed as secret or confidential and Seller shall have no right against Buyer with respect thereto. Additionally, any information, supplies, or equipment delivered to Buyer by Seller shall be available for unrestricted use by Buyer without further compensation to Seller unless otherwise agreed in advance and in writing by Buyer.

17. CONFIDENTIALITY: Seller will maintain as confidential all information provided by Buyer, including any items furnished under Section 7, whether noted and clearly labeled confidential or not or whether transmitted orally, visually, or embodied in written documents ("Buyer Information"). Such information shall not be disclosed by Seller to any other individual or entity. Seller shall not reproduce, copy, transmit or disclose Buyer Information without the prior written and authorized consent of Buyer. Buyer Information is to be used for the sole purpose of enabling Buyer and Seller to develop their relationship and in no event shall Seller be deemed to have acquired any right or interest in or to Buyer Information. Seller shall not publicize the existence or scope of this Order without Buyer's written consent. Seller shall require these same agreements on the part of any sub-supplier to whom the information is disclosed. Seller shall return all Buyer Information and copies thereof to Buyer upon written request.

18. BUYER INSPECTION AT SUB-CONTRACTOR'S PREMISES: Buyer reserves the option to inspect purchased product at Seller's premises, and specify verification arrangements and the method for product release (approval) in applicable purchasing documents.

19. BUYER'S CUSTOMER REQUIREMENTS: Seller agrees to comply with all of Buyer's customer requirements applicable to Seller, including without limitation any specifications, drug testing or safety requirements. Seller further grants Buyer's customer or its representative the right to verify at Seller's and/or Buyer's premises that the Seller's product conforms to specified requirements. Such verification does not constitute Buyer's or its customer's review or acceptance of Seller's quality control.

20. INSURANCE: Seller agrees to furnish insurance certificates showing that the Seller has insurance coverage in amounts not less than the following: Worker's Comp- Statutory Limits for the state or states in which work is to be performed. Employer's liability \$500,000, General Liability including Products and Completed Operations Liability \$1,000,000 Each Occurrence; Automobile Liability- \$1,000,000 Per Accident. Certificate must name Buyer as an additional insured, except for Worker's Compensation and Employer's Liability. The purchase of such insurance coverage or the furnishing of the aforesaid certificate shall not be a satisfaction of Seller's liability hereunder or in any way modify Seller's indemnification of Buyer. Any cancellation of insurance must be reported to Buyer in writing thirty (30) days in advance of such action.

21. LIMIT OF LIABILITY: IN THE EVENT OF ANY CLAIM ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ORDER, SELLER'S SOLE REMEDY SHALL BE LIMITED TO THOSE SET FORTH IN SECTION 9 OR 10. IN NO EVENT SHALL BUYER BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS OR REVENUE, COMMERCIAL LOSS OR LOSS OF PRODCUTION.

22. INSOLVENCY: As permitted by applicable law, and without waiving any of the rights or remedies provided by such applicable law, Buyer may immediately cancel this Order in the event of any of the following, or any other comparable event: insolvency of the Seller; the filing of a voluntary petition in bankruptcy; the filing of any involuntary petition to have Seller declared bankrupt, provided it is not vacated within thirty (30) days from the date of filing; the appointment of a receiver or trustee for Seller, provided such appointment is not vacated within thirty (30) days from the date of such appointment; the execution by Seller of an assignment for the benefit of creditors.

23. GOVERNMENT AND BUYER REGULATIONS: Seller agrees to comply with all federal, state and local laws, rules, regulations, executive orders (including those related to equal employment opportunities), and ordinances which may be applicable to Seller's performance of its obligations under this Order. In addition, Seller warrants that the material covered by this Order, when delivered to Buyer, will comply with all applicable federal, state, and local laws, rules, regulations, executive orders, and ordinances. Seller shall provide all permits, certificates, and licenses which may be required for the performance of this Order. Seller further certifies that it does not maintain any segregated facilities. Seller agrees, unless exempt by law, to develop and maintain a current written Affirmative Action Compliance Program in accordance with Executive Order 11246 as amended. Seller shall provide equal employment opportunities to all employees or applicants for employment without any discrimination on the basis of race, color, religion, national origin, gender, disability, veteran status, or any other protected class. If Seller performs any work at Buyer's premises or with Buyer's property, Seller agrees to comply with all of Buyer's policies, procedures and guidelines governing such premises and property.

24. NO IMPLIED WAIVER: The failure of either party at any time to require performance by the other party of any provision of this Order shall in no way effect the right to require such performance at any time thereafter nor shall the waiver of either party of a breach of any provision of this Order constitute a waiver of any succeeding breach of the same or any other provision.

25. RELATIONSHIP OF PARTIES: Seller and Buyer are independent contracting parties and nothing in this Order shall make either party the agent or legal representative of the other for any purpose whatsoever nor does it grant either party an authority to assume or to create any obligation on behalf of or in the name of the other.

26. SEVERABILITY: If any term of this Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term shall be deemed reformed or deleted but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule and the remaining provisions of this Order shall remain in full force and effect.

27. ENTIRE AGREEMENT: This Order together with the attachments, exhibits or supplements specifically referenced in this Order constitutes the entire agreement between Seller and Buyer with respect to the matter contained herein and supersedes all prior oral or written representations and agreements. This Order may only be modified by a written Order amendment issued by an authorized representative of Buyer.

28. SALES, USE AND/OR OTHER TRANSACTIONS TAXES: Any and all state and/or local sales or use tax will be calculated by Buyer and included on Buyer's Order to the Supplier.

29. ASSIGNABILITY: This Order is not assignable by either party without written consent from the other party which will not be unreasonably withheld.

30. REMEDIES: The rights and remedies herein reserved shall be cumulative, and additional to any other or further remedies provided in law or equity. Buyer, without waiver or limitation of these remedies, shall be entitled, from time to time, to deduct any amounts due or owing by Buyer to Seller in connection with this Order, or any other order or contract with Buyer, any and all amounts owed by Seller to Buyer.

31. GOVERNING LAW: This Order shall be governed and construed in accordance with the laws of the State of Michigan.