



WPI Terms & Terms & Conditions of Purchase

Effective Date: May 14, 2018

1. APPLICATION

1.1 These Terms & Terms & Conditions of Purchase ("Terms & Terms & Conditions") apply to the supply of products and performance of related services between the legal entity of WPI Inc. ("BUYER") and the legal entity identified as seller or service provider ("Seller"). Seller acknowledges and agrees that these Terms & Conditions are incorporated in, and are a part of, each quotation, purchase order, invoice, release, requisition, work order, shipping instruction, specification and any other document, whether expressed verbally, in written form or electronic commerce, relating to the sale of products and services by Seller to BUYER.

1.2 All orders between BUYER and Seller will be under these Terms & Conditions. Other terms and Terms & Conditions different from or in addition to these Terms & Conditions do not apply and are hereby expressly rejected by BUYER and waived by Seller, unless an agreement incorporating such other terms and Terms & Conditions is made in writing and signed by an authorized signatory of BUYER. Any execution by BUYER of any other document submitted by Seller in connection with the purchase of products or services does not constitute acceptance of or agreement to any terms and Terms & Conditions in addition to or different from those contained in these Terms & Conditions, but will constitute only acknowledgment of receipt of such document. In addition, Seller is also responsible for complying with all terms of the Supplier Manual Guidelines, Standards and Requirements for Supplier Partners to WPI Inc ("Supplier Manual").

1.3 Seller's commencement of work on fulfilling its obligations under the Agreement or execution of delivery of products or services constitutes an acceptance of these Terms & Conditions.

2. PERFORMANCE BY SELLER

2.1 Delivery dates are firm and TIME IS OF THE ESSENCE with respect to delivery of products. The date for delivery of the products shall be specified in the relevant delivery schedule.. If the Seller at any time has reason to believe that the agreed delivery date will be delayed, Seller shall, without changing Seller's obligation to deliver the products on the delivery date, promptly (a) notify BUYER of such delay, (b) indicate the estimated period of delay, (c) take, at Seller's sole cost and expense, any measures necessary to prevent any delay or to minimize the effects of any delay, including, without limitation, use of an expedited shipping method. Seller will be responsible for all costs incurred by BUYER as a result of early or late deliveries.

2.2 During the applicable vehicle production life and for fifteen (15) years after a vehicle program concludes production or specific part concludes production (unless a different period is agreed in writing by the parties), Seller will supply BUYER'S replacement parts and service parts orders at the price(s) set forth in the purchase order.

3. PACKAGING- DOCUMENTATION - INFORMATION

3.1 The Seller shall ensure that all products are correctly packaged in approved packaging with use of AIAG labels as specified by BUYER and secured in accordance with applicable law and in a manner to enable the products to reach their destination in an undamaged condition.

3.2 All products shall also be accompanied by appropriate shipping documentation stating, among other details, the delivery number, BUYER part number, delivered quantity and the order number and clearly identifying the products including reference to numbers of any parts and drawings which have been supplied by BUYER to Seller.

3.3 The Seller shall give BUYER prior written notice of: (a) any delivery of the products or items accompanying the products having toxic or other hazards to the safety or health of persons or property and shall provide full details of such hazards and of all precautions which should be taken by BUYER in respect of the delivery, storage, handling, installation and use of the products or items and provide BUYER with all information relating to the properties of the products or items to enable BUYER to comply with all relevant legislation relating to the products; and (b) any delivery of products which are perishable or of limited lifespan and of any circumstances which may adversely affect the lifespan of such products.

3.4 BUYER shall only be obliged to inspect delivered products in order to confirm whether (a) the products sustained obvious damage during transportation, (b) there is an obvious defect in any of the products and (c) the correct types and volumes of products were delivered. Such inspection shall not be deemed to be an acceptance of such products by BUYER and shall not relieve Seller of its obligations with respect to nonconforming products.

4. OWNERSHIP AND TRANSFER OF RISK

4.1 The ownership of products purchased by BUYER will pass to BUYER on delivery without prejudice to any right of inspection and/or rejection of BUYER.

4.2 Unless otherwise agreed in writing between BUYER and the Seller, risk in the products will pass to BUYER on delivery, provided that products delivered in excess of the quantities ordered and products which are not in conformity with the Agreement will not be accepted and will be returned at Seller's expense and will at all times remain at the Seller's risk.

5. PAYMENT

5.1 The agreed prices for the products will be specified in the relevant purchase order or order.

5.2 All undisputed payments shall be made within 60 days from the end of the month in which the relevant products are received or receipt of invoice, whatever occurs later.

5.3 BUYER reserves the right to withhold payment if the Seller submits an invoice to BUYER for an amount other than the agreed upon price.

5.4 BUYER reserves the right to deduct from any monies payable to the Seller such amounts as are due to BUYER from the Seller on any account whatsoever.

5.5 Payment by BUYER shall not release the Seller from its liability with regard to the products delivered, services performed or the amount invoiced. Under no circumstances shall such payment waive BUYER's right to pursue claims at a later date.

5.6 Acceptance and/or payment of any invoice shall not be construed as acceptance by BUYER of the Seller's terms and Terms & Conditions printed on the invoice or attached to it.

6. PRODUCTIVITY AND COST IMPROVEMENT

6.1 Seller shall make every effort to minimize the total value chain-related purchase costs (inside as well as outside Seller's company) of the products delivered. Seller undertakes to achieve cost reductions throughout the total value chain from raw materials and sub-Sellers to delivered products.

6.2 Seller acknowledges and agrees that it shall implement productivity and cost improvements which shall yield a bottom line reduction in the Prices of the products. Seller agrees to aggressively seek out, notify and advise BUYER of cost reduction opportunities including, but not limited to, the following areas: up front design coordination, cycle time reduction, manufacturing yield improvement, standardization, paperwork reduction, scrap reduction, material substitution and packaging, and transport and handling.

7. WARRANTY

7.1 The Seller warrants that:

7.1.1 All products shall: (a) conform with BUYER's quality and description particulars, (b) strictly conform with all drawings, descriptions and specifications furnished by BUYER to Seller, (c) conform with any and all performance specifications stated or referred to by BUYER, (d) be produced, designed, packaged, marked, labeled, supplied, delivered and maintained in accordance with, and comply with, all applicable laws, (e) be merchantable, of satisfactory quality and fit for their intended uses and free from all defects, apparent or hidden,

including, but not limited to, defects in design, materials and workmanship and defects resulting in poor performance of the products.

7.1.2 Seller shall (a) ensure conformance of all products and processes, including service parts and those that are outsourced, to all applicable BUYER requirements and applicable law, (b) document processes to ensure that purchased products, processes, and services conform to applicable law in the country of receipt, the country of shipment, and the identified country of destination provided by BUYER, (c) pass down all applicable legal requirements and special product and process characteristics to its Sellers and require its Sellers to flow-down all applicable requirements to each third party of the supply chain to the point of manufacture, and (d) confirm and be able to provide evidence that externally provided processes, products, and services conform to the applicable law in the countries where they are manufactured and in the identified countries of destination provided by BUYER.

7.1.3 All services relating to the products shall be supplied with the highest care and skill, shall be in accordance with applicable law, shall be of good quality and workmanship and shall be performed by properly qualified and experienced persons.

7.1.4 Without limiting its obligations under the Agreement, Seller, in its capacity of expert in the development and/or manufacturing of the products, as the case may be, shall ensure it has obtained all information on the intended use, application and environment according to the specification of the products.

7.2 Seller agrees to replace or correct defects of any product or services not conforming to the foregoing warranties promptly, without expense (including, if applicable, return freight expense) to BUYER, when notified of such defects or nonconformance by BUYER, provided BUYER elects to provide Seller with the opportunity to make such corrections or replacements. If Seller fails to correct defects in or replace nonconforming products or services promptly upon request by BUYER, then BUYER, after advance notice to Seller in a time period which is reasonable under the circumstances, may, in addition to BUYER's other rights or remedies, make such corrections or replacements (or permit a third party to make such corrections or replacements) and charge Seller for the costs incurred in doing so, and any other costs or damages which BUYER incurs or for which BUYER is responsible as a result of such defects or nonconformance. In the event that a product, which BUYER considers to be defective, is delivered by Seller, Seller shall replace the defective product at no additional charge to BUYER and Seller will pay all return and re-shipment expenses.

7.3 The duration of the warranty period shall be forty-eight (48) months from delivery of the products to BUYER and/or for the duration provided in the relevant purchase order.

7.4 The warranty provision set out in this article shall apply equally to any replacement, repair or substitute or remedial products provided by the Seller with BUYER's consent.

8. INDEMNITY

8.1 To the extent permissible under applicable law, the Seller shall fully defend, indemnify, hold harmless and reimburse BUYER, its officers, directors, shareholders, affiliates, subsidiaries, employees, customers, agents and assigns from and against all liabilities (which include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), losses, damages, claims, suits, actions, proceedings, costs and expenses awarded against or incurred or paid by BUYER as a result of or in connection with:

(i) any breach of any representation, warranty, certification, covenant or agreement made by Seller, including these Terms & Conditions;

(ii) any violation of law by Seller, its employees, agents, affiliates, contractors or subcontractors;

(ii) Any infringement or alleged infringement of any intellectual property rights caused by any kind of uses, including, but not limited to, the offer, manufacture or supply of the products; and

(iii) Any claim made against BUYER in respect of any liability, loss, damage, injury, cost or expense sustained by BUYER's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the delivered products as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the Seller's obligations under these Terms & Conditions (e.g. any claim against BUYER in connection with a recall or field campaign caused by defective products or the replacement of such defective products or the consequences of defective products to other parts or to individuals).

8.2 If BUYER shall become the subject of a claim, the Seller shall render all reasonable assistance as required by BUYER to settle and defend such claim.

9. FORCE MAJEURE

9.1 Neither party is liable for any breach of the Agreement when such breach results from events such as war, flood, fire, earthquake and other natural disasters, riots, changes to applicable legislation, or power failures, provided such event or breach (a) could not reasonably be prevented by that party, (b) does not simply render performance of that party's obligation more difficult or more expensive, but makes it temporarily or permanently impossible to perform that party's obligations under the Agreement, and (c) is not the direct result of action or inaction of that party (collectively, "Force Majeure Event").

9.2 If a party is or has reason to believe that it will be affected by a Force Majeure Event, that party shall immediately (a) notify the other party in writing (b) describe such Force Majeure Event in detail, (c) inform the other party of any relevant element capable of allowing the precise identification of the Force Majeure Event, and (d) determine and inform the other party about the effects of the Force Majeure Event as to performance of the party's obligations. A party failing to its

obligations under this section may not invoke a Force Majeure Event.

9.3 The obligations of the party invoking a Force Majeure Event shall be suspended as long as such obligations cannot be performed due to a Force Majeure Event. Nevertheless, such party shall, as far as it is possible, remedy the situation with due diligence.

9.4 In the event that performance under the order is rendered impossible for more than three (3) months, either party may terminate or rescind such order by written notification to the other party, unless the parties decide to amend the order to take into account the new circumstances arising from such Force Majeure Event.

9.5 The occurrence of a Force Majeure Event may however not relieve the relevant party from its liability for any negligent conduct or lack of diligence to remedy the situation or to remove its cause in a reasonable and adequate manner.

9.6 A Force Majeure Event may not give rise to a claim for damages.

9.7 Furthermore, the Seller shall ensure that all insurance certificates and associated documents are made available to BUYER upon request.

10. INTELLECTUAL PROPERTY

10.1 All patterns, specifications, drawings, sketches, models, samples, tools, dies, molds, designs, technical or commercial information, trade secrets, know-how, inventions, processes or initiatives or data or other proprietary information written oral or otherwise, furnished to the Seller by BUYER or on its behalf or paid for by BUYER, or which are created by the Seller in performing the order and any other confidential information concerning BUYER's business or its products which the Seller may obtain (collectively, "BUYER Proprietary Information")

(i) shall be and remain the property of BUYER unless otherwise agreed in writing by the parties;

(ii) shall, where in tangible form, be maintained by the Seller in good condition and returned promptly to BUYER, carriage paid, (together with all copies) at BUYER's request ;

(iii) shall be treated as strictly confidential;

(iv) shall be kept safely and shall not be used or disclosed by the Seller except strictly as required in the course of performance of an order.

10.2 All patterns, tools, dies, moulds, jigs and other equipment and materials furnished by BUYER to the Seller and/or procured by the Seller but paid for by BUYER and any replacements therefore shall be kept separately from the Seller's property and clearly identified as the property of BUYER. All such property shall be held at the Seller's risk and shall be insured by the Seller at its expense for an amount equal to its replacement cost with loss payable to BUYER.

10.3 The Seller shall not use BUYER's intellectual property rights, including trademarks, copyrights, patents, designs, ("BUYER IPRs") without the prior written consent of BUYER.

10.4 The Seller shall (in so far as it becomes aware thereof) notify BUYER of any unauthorized use of BUYER Proprietary Information and/or BUYER IPRs.

10.5 If any product, service, or part thereof is held to constitute an infringement, Seller will, at its expense, obtain for BUYER a license to use the item or service, or replace or modify the same, in a manner satisfactory to BUYER, so as to avoid the infringement. Seller shall not assert any of its patents or other intellectual property rights against BUYER or BUYER's affiliates or customers worldwide in connection with any use of products or services provided to BUYER in the production, use, preparation, sale, or delivery of, or other action with respect to, the products or services of BUYER or BUYER's affiliates or customers.

11. CONFIDENTIALITY

11.1 The following provisions of this section apply unless the parties have entered into a separate written agreement with respect to non-disclosure and confidentiality of Confidential Information ("NDA") signed by an authorized signatory of BUYER; in the event of ambiguity or conflict between the following provisions and such NDA the NDA has precedence.

11.2 Seller shall (a) treat all technical information, samples, documents, ideas, know-how, trade and commercial and other information supplied or made accessible by BUYER or an affiliated company of BUYER, whether disclosed orally, in documentary form, by demonstration or otherwise, (collectively, "Confidential Information") as confidential, (b) keep Confidential Information in safe custody, and prevent unauthorized persons from gaining access to the Confidential Information by taking, at a minimum, such precautions and making such arrangements as Seller would take and make with regard to the Seller's own confidential information, including without limitation, inform persons concerned in the use of the Confidential Information of the confidential nature of the Confidential Information, prohibit taking copies of any of it except as reasonably required for performance of Seller's obligations to BUYER, (c) not use Confidential Information except for the performance of its obligation to BUYER, in particular, not to use Confidential Information for its own or for foreign purposes; (d) not disclose Confidential Information to any person who is not directly concerned in the performance of its obligations to BUYER, (e) not disclose Confidential Information to any third party without BUYER's prior written consent (collectively, "Confidentiality Obligations").

11.3 The Confidentiality Obligations do not apply to any Confidential Information which Seller can prove (a) is already known to the Seller at the date it was disclosed by BUYER, (b) is disclosed to the Seller without restrictions on use or disclosure by a third party whose direct or indirect source is not BUYER, (c) is or becomes generally known or freely available to the public other than through a breach by the Seller of its obligations hereunder, or (d) is independently developed by the Seller. If only a portion of the Confidential Information falls

within any one of these exemptions, the remainder shall continue to be subject to the confidentiality obligations.

11.4 Upon receipt of a written request from BUYER for return of Confidential Information, the Seller shall promptly return to BUYER or destroy all of BUYER's Confidential Information disclosed to Seller, including but not limited to all copies, reproductions, summaries, analyses or extracts of the Confidential Information or based thereon. Seller shall confirm and certify that the Confidential Information were returned or destroyed. Seller may retain one archival copy of any Confidential Information returned or destroyed under this Agreement in the files of its lawyers or legal department for dispute resolution purposes only.

12. TOOLING

12.1 All rights, titles and interests in all tooling, and any documentation, drawings or specifications related to such tooling, raw materials and work in progress shall pass to BUYER with payment of the tooling.

12.2 The Seller shall prominently mark the tooling in a clearly visible manner pursuant to BUYER'S instructions as the property of BUYER (or BUYER'S customer depending on the instructions), including the labeling "BUYER", the BUYER asset number and the BUYER part number. Seller may not omit such markings without BUYER's prior consent in writing.

12.3 Seller shall store the tooling separate from Seller's or any third party's property, and ensure that the tooling does not become subject to any liens or other claims. Seller shall permit BUYER, to verify, during normal working hours, the keeping and proper usage of the tooling.

12.4 Without prejudice to its other rights, BUYER is entitled to remove the tooling at BUYER's own expense from Seller's premises at any time without any prior notice and at customer's request. Seller shall not interfere in any manner and will cooperate with BUYER in the removal of the tooling.

12.5 The Seller shall use the tooling exclusively for the manufacture of products to be supplied to BUYER, and shall not be entitled to use such tooling, directly or indirectly, for any third party nor for any other purpose nor move it outside the production plant of the Seller without first obtaining the prior written consent of BUYER.

12.6 Seller shall use or handle the tooling with due care and properly store, maintain, repair or replace the tool at Seller's own expense until the end of the service life defined by the manufacturer of the tooling or purchase order and any period required for replacement parts. Seller, at its expense, shall insure the tooling against fire damage, theft, and damage.

12.7 For a period of fifteen (15) years after the Seller has last used the tooling to produce a product, the Seller shall store and maintain the tooling at Seller's costs. At the end of the period, the Seller shall promptly notify BUYER of the expiry of storage and maintenance period, and return the tooling to BUYER at Seller's own cost. Seller shall not, destroy or otherwise utilize the tooling for other applications without first obtaining prior written consent of BUYER.

13. TERMINATION

13.1 BUYER shall have the right to terminate the Seller, in whole or in part and with or without cause, by giving the Seller written notice whereupon all work under the order shall be discontinued and BUYER shall pay to the Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss.

13.2 Without prejudice to its rights or remedies under these Terms & Conditions, BUYER shall have the right at any time by giving written notice to the Seller, to terminate its contractual relationship with the Seller immediately if:

13.2.1 The Seller commits a material breach of its obligations to BUYER in any regard any order and/or under these Terms & Conditions;

13.2.2 The financial position of the Seller deteriorates to such an extent that in the opinion of BUYER the capability of the Seller to adequately fulfil its obligations under the order or these Terms & Conditions has been placed in jeopardy.

13.2.3 The Seller is subject to winding up, bankruptcy proceedings or any other proceedings having a similar effect.

13.2.4 At the direction and request of BUYER'S customer, BUYER shall have the right to terminate its contractual relationship with the seller immediately.

13.2.5 Termination of the contractual relationship with the Seller shall not affect any accrued rights or liabilities of BUYER, nor shall it affect any provision of the order and these Terms & Conditions, which is expressly or by implication intended to come into or continue in force on or after such termination, such as the intellectual property and confidentiality provisions contained in these Terms & Conditions.

13.3 On completion or termination of the contractual relationship, howsoever arising, the Seller shall immediately return all Confidential Information and all other records, papers, materials, media and other property of BUYER which is in its possession and any tooling owned by BUYER or its customer.

14. REMEDIES

14.1 Without prejudice to any right or remedy which BUYER may have pursuant to these Terms & Conditions or applicable law, if any products are not supplied in accordance with, or the Seller otherwise fails to comply with, any of the terms of these Terms & Conditions and of an order, BUYER shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the products have been accepted by BUYER:

14.1.1 To reject the products (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the products so returned shall be paid forthwith by the Seller;

14.1.2 At BUYER'S option to give the Seller the opportunity at the Seller's expense either to remedy the non-conformity of the products or to supply replacement products

and carry out any other necessary work to ensure that the terms of these Terms & Conditions and the order are fulfilled;

14.1.3 To carry out itself or through another Seller at the Seller's expense any work necessary to make the products comply with the order, these Terms & Conditions and any specification supplied or agreed to by BUYER;

14.1.4 Recover from the Seller any expenditure reasonably (directly or indirectly) incurred by BUYER in obtaining the products in substitution from another Seller (e.g. in case of Seller's failure to deliver the products pursuant to Article 3.2 hereof);

14.1.5 To claim such damages, loss, costs or expenses incurred (directly or indirectly) by BUYER as the result of the Seller's breach of its obligations under the order and these Terms & Conditions.

15. SUB-CONTRACTING- ASSIGNMENT – CHANGE OF CONTROL

15.1 The Seller may not sub-contract its obligations hereunder without the prior written consent of BUYER. In the case of authorized sub-contracting, the Seller shall remain wholly liable to BUYER.

15.2 The obligations of the Seller under any order and these Terms & Conditions may not be transferred or assigned, without BUYER's prior written consent. BUYER may legally terminate the contractual relationship with the Seller without notice in the event of breach of this obligation.

15.3 Should the equity interests or substantially all of the assets of Seller be sold or should there be a change in the direct or indirect control of the Seller, the Seller undertakes to immediately inform BUYER thereof which may, at the discretion of BUYER, legally terminate the contractual relationship with the Seller without notice.

16. LAW AND JURISDICTION

16.1 The Agreement shall be governed by the laws of the State Michigan. Any disputes arising between the parties shall be submitted to the exclusive jurisdiction of the state and federal courts of the State of Michigan.

17. COMPLIANCE WITH LAWS

17.1 All products supplied to BUYER shall comply with, and Seller agrees to be bound by, all applicable foreign, United States federal, state and local laws, orders, rules, regulations, guidelines, standards, limitations, controls, prohibitions, or other requirements contained in, issued under, or adopted pursuant to such laws.

18. SEVERABILITY

18.1 If any provision of these Terms & Conditions becomes invalid or unenforceable, that provision (to the extent invalid or unenforceable) shall be deemed amended or reformed to the extent required to render it valid and enforceable, and the remainder of these Terms & Conditions shall be unaffected and shall continue in effect.

19. BUYER'S WEBSITE

19.1 BUYER may modify these terms and conditions from time to time by posting the revised terms and conditions to BUYER'S website periodically. Such revised terms and conditions shall apply to all purchase orders and purchase order revisions issued on or after the effective date. Seller shall review BUYER'S website periodically.

20. RIGHT TO INSPECTION, AUDIT AND FINANCIAL REVIEW

20.1 BUYER has the right to review, inspect and access Seller's facilities as well as Seller's testing, quality control, records, data and procedures upon reasonable notice and Seller will cooperate with same.

20.2 BUYER or a third party designated by and acting on behalf of BUYER, may at any time review the financial condition of Seller and its affiliates, and Seller shall fully cooperate in such review and make its financial managers available for discussions during reasonable business hours. Seller grants BUYER access to all pertinent information, including books and records for the purpose of auditing Seller.