



LUCERNE INTERNATIONAL, INC. TERMS AND CONDITIONS OF PURCHASE

1. OFFER AND ACCEPTANCE.

Each purchase order (“**Order**”) issued by Lucerne International, Inc. (“**Buyer**”) is an offer to the seller identified on the Order (“**Seller**”) for the purchase of products (“**Products**”) and/or services (“**Services**”) and incorporates and is governed exclusively by the terms on the Order and these Terms and Conditions of Purchase (“**Terms**”). Each Order is limited to and conditional upon Seller’s acceptance of these Terms exclusively. Upon the earlier of Seller’s written acceptance of the Order, commencement of work under the Order, or any other conduct that recognizes the existence of a contract with respect to the subject matter of the Order, the Order shall be deemed accepted by the Seller. The Order does not constitute an acceptance of any offer or proposal made by Seller. Any reference in the Order to any offer or proposal made by Seller is solely to incorporate the description or specifications of Products and/or Services in the prior proposal, but only to the extent that the description or specifications do not conflict with the description and specifications in the Order. Any additional or different terms proposed by Seller, whether in Seller’s quotation, acknowledgement, invoice or otherwise, are unacceptable to Buyer, are expressly rejected by Buyer, and will not become part of the Order. Each release, schedule, requisition, work order, shipping instruction, specification and other document issued by Buyer, whether expressed in written form, by electronic data interchange or other tangible format, relating to the Products and/or Services to be provided by Seller pursuant to the Order are incorporated into, and are part of, the Order. Seller agrees to comply with Buyer’s Supplier Standards Manual, available at www.lucerneintl.com. Specific terms and conditions of the Order shall take priority over any inconsistent provision in this Agreement.

2. VOLUME FORECASTS.

Buyer and/or its customer may provide Seller with estimates, forecasts or projections of its future anticipated volume or quantity requirements for Products. Seller acknowledges that any such estimates, forecasts or projections are provided for informational purposes only and are subject to change from time to time, with or without notice to Seller, and shall not be binding upon Buyer. Unless otherwise expressly stated in the Order, Buyer makes no representation, promise, warranty, guaranty or commitment of any kind or nature, express or implied, to Seller with respect to the quantity of Products Buyer will purchase from Seller.

3. QUANTITIES.

Unless otherwise expressly stated in the Order, if no other quantity is stated on the face of the Order or if the quantity is blank or states the quantity as zero, “blanket,” “see releases,” “as scheduled,” “as directed,” “subject to Buyer’s production releases,” “each,” “EA” or similar terms, then Seller will supply, and Buyer will purchase, Buyer’s requirements for Products (or, if multiple sourced, a specified percentage or range of Buyer’s requirements as stated on the face of the Order) in such quantities as identified by Buyer as firm orders in material releases, delivery schedules or other similar instructions that are transmitted to Seller during the term of the Order and Seller will supply all such Products on such dates and times, at the price and on the other terms specified in the Order. All such material releases, delivery schedules or other similar instructions are an integral part of the Order, governed by this Agreement and are not independent contracts. Seller accepts the risk associated with lead times of various raw materials and/or components if they are beyond those provided in such material releases, delivery schedules or other similar instructions.

4. TERM.

The Order will commence upon Seller’s acceptance under Section 1 hereof. Subject to Buyer’s termination rights, unless otherwise specified on the face of the Order or elsewhere in the Order, the Order is binding on the parties for the length of applicable Buyer’s customer program production life (including model refreshes or extensions as determined by applicable customer), and both Buyer and Seller acknowledge the risk of the program production life being cancelled or extended by Buyer’s customer. Unless specifically waived in writing by an authorized representative of Buyer, Seller’s obligations with respect to service and replacement parts, as stated herein, will survive the termination by either party or expiration of the Order, in whole or in part.

5. PRICING.

Seller shall furnish the Products and/or Services called for by this order in accordance with the prices stated on the face of the Order. All prices are fixed and include all charges applicable to the production, sale, shipment, importation or exportation of the Products, including, but not limited to, any costs for storage, handling, shipping, packaging and all applicable duties and taxes (except for any applicable value added tax, which must be shown separately on Seller’s invoice), and no additional charges of any type shall be added without Buyer’s express written consent. Unless expressly stated in the Order, prices are not subject to increase, and Seller assumes the risk of any event or cause affecting prices, including, without limitation, increased raw material costs, increased labor or other manufacturing costs, increased development costs, currency fluctuations, changes in volumes or program length from those estimated or expected, or any event that impacts the price or availability of materials and supplies. Seller represents and warrants that the prices for the Products and/or Services are, and will remain, no less favorable to Buyer than any price that Seller currently, or in the future,



offers to any other customer for the same or similar products and/or services for similar quantities and also that Seller will, at all times, remain competitive in price, quality, performance and fulfillment of its obligations. If Seller is determined by the Buyer not to be competitive for similar products in similar quantities, Buyer shall be entitled to re-source any or all Products to a more competitive source.

6. DELIVERY, TITLE AND RISK OF LOSS.

Deliveries shall be made in the quantities, on the dates, and at the times specified by Buyer in the Order or any subsequent material releases, delivery schedules or other similar instructions Buyer issues under the Order. Seller acknowledges that time is of the essence, and Seller shall be responsible for any expedited shipping or other costs incurred to ensure timely delivery of the Products. Seller shall be responsible for all costs incurred by Buyer, including costs charged by Buyer's customer, as a result of Seller's failure or delay in complying with any shipping or delivery requirements. Buyer is not obligated to accept early, late, partial or excess deliveries. Unless otherwise expressly agreed in writing, the Products will be delivered DDP (Incoterms 2010) Buyer's designated warehouse, as listed forth on the face of the Order. Title and risk of loss will transfer to Buyer upon delivery as determined in accordance with the applicable Incoterm.

7. PACKAGING.

No charge shall be made by Seller for packaging or storage. All items shall be packaged, marked and otherwise prepared in accordance with Buyer's instructions, and, in the absence of such instructions, in accordance with customary practices in the industry. An itemized packing list shall accompany shipment in accordance with Buyer instructions.

8. PAYMENT; INVOICING.

(a) Invoices for the Products must reference the Order number, product number, quantity of Products in the shipment, number of cartons or containers in the shipment, bill of lading number, and other information required by Buyer. Buyer may withhold payment until a correct and complete invoice or other required information is received and verified by Buyer. Unless otherwise expressly agreed in writing, Buyer will pay undisputed invoices within 60 days of receipt of the Products.

(b) Payment for tooling owned by Buyer or by Buyer's customer will be made only after Buyer's receipt of both PPAP approval and payment for such tooling from Buyer's customer, unless stated otherwise in the tooling purchase order.

9. CHANGES.

Buyer may, at any time, make changes to the drawings, specifications, design of the Products, process, scope of work, materials, packaging, testing, quantity, time or method of delivery or shipment, or similar requirements prescribed by the Order. Seller will promptly implement any such changes. Any request by Seller for an adjustment in price or time for performance in connection with any such change must be made in writing within the time specified by Buyer and in such form and detail as Buyer may direct. Upon receipt of such information from Seller, Buyer may, in its sole discretion, equitably adjust the price or time for performance by means of a purchase order revision. Seller will not make any change relating to the Products and/or Services, including without limitation, with respect to the Products' contents, approved suppliers, design, specifications, manufacture, assembly, processing, packing, marking, shipping, price, date or place of delivery, or place of manufacture, assembly or production, except at Buyer's written instruction or with the written approval of Buyer's Purchasing Department. Any changes to this contract shall be made in accordance with Section 32 hereof.

10. INSURANCE.

Seller shall, at its expense, maintain insurance for Products in amounts acceptable to Buyer, naming Buyer as an additional insured and covering general liability, public liability, product liability, product recall, completed operations, contractor's liability, automobile liability insurance, Worker's Compensation, and employer's liability insurance as will adequately protect Buyer against such damages, liabilities, claims, losses and expenses (including attorney's fees). Seller agrees to submit certificates of insurance, evidencing its insurance coverage within ten days of Buyer's written request. The furnishing of certificates of insurance and purchase of insurance will not limit or release Seller from its obligations or liabilities under the Order.

11. INSPECTION; NONCONFORMING PRODUCTS/SERVICES; AUDIT RIGHTS.

(a) Buyer and Buyer's Customer(s), upon notice of no greater than 24 hours, may enter Seller's facility to inspect the facility and to conduct a routine audit of the production of the Products for any purpose whatsoever including, without limitation, quality, cost, or delivery verification and audit of materials and any of Buyer's and/or Buyer's Customer's Property covered by this Order.



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(b) Buyer's inspection of the Products, whether during manufacture, prior to delivery, or within a reasonable time after delivery, does not constitute acceptance of any Products, work-in-process or finished goods. Buyer's acceptance, inspection, or failure to inspect the Products does not relieve Seller of any of its responsibilities or warranties with respect thereto or constitute joint fault for any breach of this Order by Seller. Nothing in this Order releases Seller from the obligation of testing, inspection, and quality control of the Products.

(c) If non-conforming Products are shipped to and rejected by Buyer, Seller, at its sole expense, shall immediately ship conforming Products to Buyer in place of the non-conforming Products, unless directed in writing by Buyer to do otherwise.

(d) In addition to other remedies available to Buyer for non-conforming Products and/or Services, (i) Seller agrees to authorize return of the Products, at Seller's risk and expense at full invoice price, plus transportation charges; (ii) Buyer may correct, or have corrected, at any time Products and/or Services that fail to meet the requirements of this Order; and (iii) Seller will reimburse Buyer for all reasonable costs and expenses that result from any rejection or correction of non-conforming Products and/or Services, including the cost of inspection and/or sorting, whether done internally by Buyer or by a third-party.

(e) Seller will develop and document an interim and a permanent corrective action plan as specified in Buyer's Supplier Standards Manual and will take whatever measures necessary to correct the non-conformity. Buyer, in its sole discretion, may require Seller to inspect the Products, at Seller's sole cost and expense, for a commercially reasonable period after discovery of non-conforming Products, including without limitation, after the permanent corrective action has been taken.

(f) Payment for non-conforming Products is not an acceptance, does not limit or impair Buyer's right to assert any legal or equitable remedy, and does not relieve Seller's responsibility for latent or apparent defects.

(g) Seller will retain all documents, data and other records pertaining to the Products for at least two (2) years following the later of: the last delivery of the Products; the date of the final payment to Seller under the Order; or the expiration of any applicable warranty periods for the Products or of any applicable governmental or industry required retention periods.

(h) Seller will permit Buyer (or a third-party designated by Buyer) to reasonably review Seller's books and records concerning compliance with this Order and Seller's overall financial condition. Seller agrees that if Seller experiences any delivery or operational problems, Buyer may, but is not required, to designate a representative to be present in Seller's applicable facility to observe Seller's operations. Seller agrees that if Buyer provides to Seller any accommodations (financial or other) that are necessary for Seller to fulfill its obligations under this Order, Seller will reimburse Buyer for all costs, including attorneys' and other professionals' fees, incurred by Buyer in connection with such accommodation and will grant access to Buyer to use Seller's premises and machinery, equipment, and other property necessary for the production of the Products covered by this Order. If Seller becomes a debtor in bankruptcy or surrenders its assets to a lender or state court receiver and, Buyer, to obtain and/or continue the continuous flow of Products, participates in a post-petition (or post surrender) loan to Seller, Seller acknowledges and agrees that the funds advanced to participate in the loan (including attorney's fees) shall be deemed "cover" damages within the meaning of section 2-712 of the Uniform Commercial Code.

(i) Buyer's Supplier Standards Manual, as the same may be amended or updated from time to time, is incorporated herein by reference and can be located at <http://www.lucerneintl.com>.

12. WARRANTY.

(a) Seller warrants to Buyer and Buyer's successors, assigns, customers, and end-users of the Products and/or Services that the Products and/or Services covered by the Order, together with all related packaging and labeling and other material furnished by Seller, will (i) be new; (ii) be free from all liens, claims and encumbrances whatsoever; (iii) conform to all of the specifications and drawings furnished by Buyer, (iv) conform to all samples, descriptions, brochures, standards and manuals furnished by Seller or Buyer, (v) be merchantable, (vi) be free of any defects in design, material and workmanship, (vii) be selected, designed (to the extent designed by Seller), manufactured and assembled by Seller based upon Buyer's stated use and be fit and sufficient for the particular purposes intended by Buyer and any customer of Buyer, (viii) conform in all respects with all applicable federal, state and local laws, statutes, ordinances, orders and regulations, including, without limitation, those regarding occupational health, and (ix) not infringe or encroach upon Buyer's or any third party's personal, contractual, proprietary, or intellectual property rights, including, without limitation, patents, trademarks, copyrights or trade secrets. The foregoing warranties shall be in addition to those available at law and shall survive any acceptance by Buyer of all or part of the Products covered by the Order and any expiration or termination, in whole or in part, of the Order. Buyer's approval of any design, drawing, material, process or specifications will not relieve Seller of these warranties.



ANY ATTEMPT BY SELLER TO LIMIT, DISCLAIM OR RESTRICT ANY OF THE WARRANTIES HEREIN, BY ACKNOWLEDGEMENT OR OTHERWISE, IN ACCEPTING OR PERFORMING THE ORDER, SHALL BE NULL AND VOID WITHOUT THE PRIOR WRITTEN CONSENT OF AN AUTHORIZED REPRESENTATIVE OF BUYER.

(b) In the case of Products supplied for use as, or incorporation into, parts or systems for automotive vehicles or other finished products, the period for each of the foregoing warranties will commence upon receipt of the Products by Buyer and, except as otherwise provided herein or as otherwise expressly agreed in writing by an authorized representative of Buyer, end 36 months following the date the vehicle or other finished product on which such parts or systems are installed is first sold and delivered or otherwise utilized for consumer or commercial purposes, provided, however, that if Buyer offers and provides a longer warranty to its customers with respect to any such parts or systems, then such longer warranty period will apply to the Products and Services. In the case of Products supplied for other uses, the period for each of the foregoing warranties will be as specified by Buyer unless otherwise expressly agreed in writing by an authorized employee of Buyer.

(c) Upon Buyer's written notification and authorization, in addition to Buyer's other rights and remedies, Seller shall promptly replace or correct defects of any Products and/or Services not conforming to the warranties set forth herein and/or provided by law, without expense to Buyer. In the event Seller fails to promptly correct defects in or replace nonconforming Products and/or Services, Buyer may make such corrections or replace such Products and/or Services and charge Seller for costs of materials, labor, validation, transportation and all other costs incurred by Buyer. Buyer may reject nonconforming Products and/or Services and return them to Seller at Seller's expense. Seller shall also reimburse Buyer for all indirect, direct, incidental, consequential (including reasonable attorney and professional fees) or other damages, losses, costs, expenses and fees caused by such nonconforming Products and/or Services. Such costs and damages may include, without limitation, costs, expenses and losses of Buyer and/or its customers arising from (i) inspection, sorting, repair or replacement of any nonconforming Products or Services or any system or component that incorporates such nonconforming Products or Services, (ii) production interruptions or slowdowns, (iii) off-lining of vehicles or component systems, and (iv) field service campaigns and other corrective service actions, including, without limitation, the amounts paid to distributors and/or dealers for materials and replacement parts (including reasonable markup to recover administrative costs or other capital expenses) and the labor costs to perform such work.

(d) Notwithstanding the expiration of the warranty period set forth in subsection (b) above, if Buyer, its customer and/or the manufacturer of the vehicles (or other finished product) on which the Products, or any parts or systems incorporating the Products, are installed voluntarily or, pursuant to a government mandate, makes an offer to owners of such vehicles to provide remedial action to address a defect that relates to motor vehicle safety or the failure of the vehicle to comply with any applicable law, safety standard or guideline (a "Recall"), Seller will nonetheless be liable for costs and damages associated with the conduct of such Recall to the extent that such Recall is based upon a determination by Buyer or Buyer's customer (including by use of statistical analysis or other sampling methodology) that the Products fail to conform to the warranties set forth in this Order.

13. FORCE MAJEURE

Neither Seller nor Buyer shall be liable for any delays or failure to perform any obligations under an order if and to the extent that the performance of the same is partly or wholly delayed, prevented, or hindered by an event of force majeure beyond the reasonable control of the party including, but not limited to, accidents, fires, floods or other acts of God, acts of terrorism or war, restrictions imposed by law or any rules or regulations thereunder. The following events or occurrences will not constitute a force majeure and will not excuse performance under the Agreement: (a) Seller's inability to perform as a result, or delays caused by, Seller's insolvency or lack of financial resources, (b) the change in cost or availability of materials or components based on market conditions or supplier actions, and (c) any strike, slow-down, work stoppage or labor dispute of any nature or kind. As soon as possible (but no more than one full business day) after the occurrence, Seller will provide written notice describing any delay or inability to perform and assuring Buyer of the anticipated duration of the delay or inability to perform and the time that the delay or failure to perform will be cured. During the delay or failure to perform by Seller, Buyer may at its option: (a) purchase Products from other sources and reduce its schedules to Seller by such quantities, without liability to Seller; (b) require Seller to deliver to Buyer at Buyer's expense all finished goods, work in process and parts and materials produced or acquired for work under the Order; or (c) have Seller provide Products from other sources in quantities and at a time requested by Buyer and at the price set forth in the relevant Order. If the interruption as described above lasts longer than 30 days, Buyer has the right to immediately terminate all Orders without liability.

14. CONFIDENTIALITY and NON-CIRCUMVENTION.

During the performance of the Order and for a period of 3 years after the termination or completion of the Order, any and all information, in whatever form transmitted, and items embodying information (including photographs, samples, models, prototypes) disclosed by or



on behalf of Buyer to Seller or to which Seller is exposed, including, without limitation, manufacturing methods, procedures, processes, technologies, know-how, trade secrets, formulas, ideas, inventions, drawings, specifications, product data, designs, software, business plans, marketing plans, business operation information, financial information, pricing information, strategies, customer lists, supplier lists, and any representations, compilations, analysis, and summaries of the foregoing (“**Confidential Information**”) shall be held by Seller in strict confidence and used solely for the purpose of doing business with Buyer. Seller shall restrict access to and limit disclosure of Buyer’s Confidential Information to only those of Seller’s employees, directors, officers, and advisors with a need to know the information to accomplish the purpose of the Order, provided that they have been instructed and are bound in writing not to disclose the Confidential Information or use it for any purpose other than as permitted under the Order and that Seller shall at all times be fully liable to Buyer for any breach of this provision by such persons and any entities. Seller shall not disclose or transfer any of Buyer’s Confidential Information, either directly or indirectly, to any other person or entity without the written consent of Buyer.

Seller agrees that it shall not, directly or indirectly, through intermediaries or other persons or companies, circumvent its obligations under the Order or interfere with, circumvent, usurp, divert or disrupt any agreement, business, business prospect, relationship or transaction Buyer currently has, had in the past or desires to have in the future with any customer, employee, contractor, supplier or other person or company.

15. INTELLECTUAL PROPERTY.

Buyer does not transfer or license to Seller any patent, trade secret, trademark, service mark, copyright, mask work, or other intellectual property right (collectively “**Intellectual Property Rights**”) of Buyer in any form, including in connection with information, documents, or property that Buyer makes available to Seller, other than the limited right to use Buyer’s Intellectual Property Rights to produce and supply Products and/or Services to Buyer. Other than the foregoing limited and revocable right to use Buyer’s Intellectual Property Rights, Seller shall have no right, title, or ownership in or license to any of Buyer’s Intellectual Property Rights. Seller agrees: (a) Buyer and its subcontractors and direct or indirect customers have the worldwide, irrevocable right to repair, reconstruct or rebuild, and to have repaired, reconstructed or rebuilt, Products delivered under the Order without payment of any royalty or other compensation to Seller; (b) that Products and/or Services based, in whole or in part, on Buyer’s designs, drawings or specifications may not be used for Seller’s own use or sold to third parties without Buyer’s express written consent; (c) to 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 the Order; (d) to promptly disclose in an acceptable form to Buyer all such inventions, discoveries or improvements and to cause its employees to sign any papers necessary to enable Buyer to obtain title to and to file applications for patents throughout the world; and (e) to the extent that the Order is issued for the creation of copyrightable works, that the works will be considered “works made for hire,” and to the extent that the works do not qualify as such, to assign to Buyer upon delivery thereof all right, title and interest in all copyrights and moral rights therein (including any source code). Except as expressly agreed by Buyer in a signed writing, all Products and/or Services or other deliverables provided under the Order, and all Intellectual Property Rights acquired or developed by either Seller or Buyer in connection with the Products and/or Services or in connection with the Order, are owned exclusively by Buyer. Additionally, Seller hereby grants and Buyer hereby accepts a non-exclusive, irrevocable, worldwide, paid-up, royalty-free license, including the right to sublicense others in connection with providing the Products to Buyer or its customers, to use all of Seller’s Intellectual Property Rights in existence prior to the issuance of the Order and acquired or developed entirely independent of Seller’s obligations under the Order to obtain from alternate sources products and services similar to the Products and/or Services covered by the terminated Order for the balance of the Order term at the termination effective date. There will be no fee for this license if (a) Buyer terminates the Order for Seller’s default or (b) Seller terminates the Order other than for Buyer’s default. Otherwise, the parties shall agree upon a reasonable industry-standard fee for use of Seller’s Intellectual Property Rights. Seller will ensure that the terms of its contracts with its subcontractors and employees are consistent with the content of this Section. At no additional cost, Seller will grant Buyer a license to use any Intellectual Property Right owned by Seller that is necessary or incident to the reasonably intended use or application of the Products.

16. CUSTOMER AND SUB-SUPPLIER REQUIREMENTS.

As directed by Buyer, Seller shall comply with the applicable terms and conditions of any agreements between Buyer and Buyer’s indirect and/or direct customer(s) (the “**Customer Terms**”) pursuant to which Buyer agreed to sell to Buyer’s customer products or assemblies which incorporate the Products. This provision specifically includes costs and obligations imposed by warranty programs instituted by the buyer’s customer that ultimately purchases Buyer’s products or assemblies that incorporate the Products, to the extent applicable to Buyer. If Buyer is not acting as a direct supplier to a vehicle manufacturer, the term Customer Terms shall also include the terms and conditions of the vehicle manufacturer that ultimately purchases Buyer’s products that incorporate the Products. Seller will be responsible to ascertain how the Buyer’s Customer’s terms affect Seller’s performance under the Order. By written notice to Seller, Buyer may elect to have the provisions of the Customer’s Purchase Orders prevail over any term of the Order.



Seller shall ensure that its suppliers and sub-suppliers are bound to all of Buyer's requirements, including the Order, and Seller shall ensure that Buyer has the right and ability to enforce such terms with such suppliers and sub-suppliers. If requested by Buyer, Seller shall provide Buyer with proof of such Order and compliance to this Section.

17. TERMINATION FOR CAUSE.

Buyer is entitled to immediately terminate all or any part of this Order, on notice and without liability to Seller, if Seller: (a) repudiates, breaches, or threatens to breach any of the terms of this Order, including Seller's warranties; (b) fails to perform or threatens not to perform services or deliver the Products and/or Services as specified by Buyer in a material release, delivery schedule or otherwise; (c) fails to meet the quality requirements so as to endanger timely and proper performance of the Order; (d) makes an assignment for the benefit of creditors, or proceedings in bankruptcy or insolvency are instituted by or against Seller; (e) requests an accommodation from Buyer, financial or otherwise, in order to meet its obligations under the Order; (f) fails to make progress so as to endanger timely and proper completion or delivery of the Products and/or Services and does not correct the failure within 10 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying the failure; (g) sells, or offers to sell, a substantial portion of its assets used for the production of the Products for Buyer, or sells or exchanges, or offers to sell or exchange, an amount of its stock or other equity interests that would result in a change in control of Seller; or (h) fails to remain competitive with respect to quality, technology, delivery and pricing of the Products. Seller shall notify Buyer within 10 days after entering into any negotiations that could lead to the situation specified in subsection (g) above, and upon Seller's request, Buyer will enter into an appropriate nondisclosure agreement related to information disclosed to Buyer in relation to such transaction.

18. TERMINATION FOR CONVENIENCE.

(a) In addition to any other rights of Buyer to cancel or terminate this Order, Buyer may, at its option and in good faith, immediately terminate all or any part of this Order at any time by giving written notice to Seller.

(b) Upon receipt of notice of termination, and unless otherwise directed by Buyer, Seller will (i) terminate promptly all work under this Order; (ii) transfer title and deliver to Buyer the finished Products, the work in process, and the parts and materials that Seller produced or acquired in accordance with the terms and conditions of this Order and which Seller cannot use in producing goods for itself or for others; (iii) verify and settle any claims by subcontractors for actual costs made unrecoverable by the termination and ensure the recovery of materials in subcontractor's possession; (iv) take actions reasonably necessary to protect property in Seller's possession in which Buyer has an interest until disposal instruction from Buyer has been received; and (v) upon Buyer's reasonable request, cooperate with Buyer in transferring the production of the Products to a different supplier.

(c) Upon termination by Buyer under this Section, Buyer's obligation to Seller will be limited solely to the following: (i) the Order price for all finished Products that conform to the requirements of this Order and were not previously paid for; and (ii) Seller's reasonable actual cost of work-in-process and the parts and materials transferred to Buyer in accordance with subsection (b)(ii) above. NOTWITHSTANDING ANYTHING TO THE CONTRARY, BUYER SHALL HAVE NO OBLIGATION FOR AND SHALL NOT BE REQUIRED TO MAKE PAYMENTS TO SELLER, DIRECTLY OR ON ACCOUNT OF CLAIMS BY SELLER'S SUBCONTRACTORS, FOR LOSS OF ANTICIPATED PROFIT, UNABSORBED OVERHEAD, INTEREST ON CLAIMS, PRODUCT DEVELOPMENT AND ENGINEERING COSTS, TOOLING, FACILITIES AND EQUIPMENT REARRANGEMENT COSTS OR RENTAL, UNAMORTIZED DEPRECIATION COSTS, FINISHED GOODS, WORK-IN-PROCESS OR RAW MATERIALS THAT SELLER FABRICATES OR PROCURES IN AMOUNTS THAT EXCEED THOSE AUTHORIZED IN THE MATERIAL RELEASES, DELIVERY SCHEDULES OR OTHER INSTRUCTIONS, AND GENERAL ADMINISTRATIVE BURDEN CHARGES FROM TERMINATION OF THIS ORDER, UNLESS OTHERWISE EXPRESSLY AGREED TO ON THE FACE OF THE PURCHASE ORDER OR IN A DOCUMENT INCORPORATED INTO THE ORDER.

(d) Buyer's obligation upon termination under this Section shall not exceed the obligation Buyer would have had to Seller in the absence of termination.

(e) Seller will furnish to Buyer, within thirty (30) days after the date of termination (or such shorter period as may be required by Buyer's Customer), its termination claim, which shall consist exclusively of the items of Buyer's obligation to Seller that are listed in subsection (c) above. Buyer may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

(f) Buyer will not have any obligation to make payments to Seller under this section if Buyer terminates Buyer's obligations under the Order because of a default or breach by Seller.

19. INDEMNIFICATION.

To the fullest extent permitted by law, Seller expressly agrees to defend, indemnify and hold harmless Buyer and its affiliates, customers, officers, directors, employees, agents, successors and assigns (“**Indemnitees**”) from and against any and all claims, liabilities, lawsuits, losses, costs, expenses, or damages, judgments, penalties, and liabilities of any kind (including professional and attorneys’ fees) which arise out of, result from, or are in any way related to the Order and/or the Products sold hereunder, except to the extent of Buyer’s willful misconduct or gross negligence, whether such claims are premised on contract, tort or otherwise, including strict liability.

20. BUYER’S AND BUYER’S CUSTOMER’S PROPERTY

(a) Unless otherwise agreed to in writing, all information, including all Confidential Information as defined in Section 14, materials, tools, dies, special dies, patterns, jigs, gauges, fixtures, drawings, designs, samples, tooling aids, molds and/or any other property for which Buyer has paid or has agreed to pay, has furnished directly or indirectly, and/or has made available to Seller for use by Seller to perform its obligations under the Order, shall be and remain the property of Buyer, Buyer’s customer or the applicable customer (collectively “**Buyer’s Property**”). Seller shall hold Buyer’s Property on a bailment basis as a bailee-at-will and bears the risk of loss of, theft and damage to Buyer’s Property. Buyer’s Property shall (i) be used exclusively by Seller for performance of its obligations under the Order and for the benefit of Buyer; (ii) be and remain conspicuously marked by Seller as the property of Buyer, or of Buyer’s customer or the applicable customer, as appropriate, (iii) not be commingled with the property of Seller or with that of a third person, (iv) be removed only upon Buyer’s instructions, unless such removal is for normal repair and maintenance, in which case Seller shall provide prior notice to Buyer of the date, expected duration, maintenance to be completed and location of such intended removal; (v) be held at Seller’s risk and insured at its expense in a replacement cost amount with loss payable to Buyer (evidence of insurance to be furnished upon request); (vi) be maintained at Seller’s expense, in good condition capable of producing Products that meet the applicable specifications, and (vii) not be modified without Buyer’s written consent. All replacement parts, additions, improvements, and accessories to Buyer’s Property will become part of Buyer’s Property immediately upon attachment to or incorporation into Buyer’s Property. Any and all Products manufactured by Seller with the use of Buyer’s Property may not be used for Seller’s own use or manufactured or provided (or offered to be manufactured or provided) to third parties without Buyer’s express written authorization. Seller grants to Buyer a purchase money security interest in Buyer’s Property, and any portion thereof, as well as work in progress, raw materials, drawings and other items dedicated to constructing any Buyer’s Property and agrees to perform any act and execute any document reasonably necessary to perfect Buyer’s security interest in Buyer’s Property. This Section shall apply to all tooling owned by Buyer or Buyer’s customers on Seller’s property even if such tooling was ordered through and manufactured by a third party.

(b) Seller acknowledges and agrees that (i) Buyer is not the manufacturer of Buyer’s Property nor the manufacturer’s agent nor a dealer therein, (ii) Buyer is bailing Buyer’s Property to Seller for Seller’s benefit, (iii) Seller is satisfied that Buyer’s Property is suitable and fit for its purposes, and (iv) BUYER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF BUYER’S PROPERTY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND TO THE EXTENT PERMITTED BY LAW, BUYER SHALL HAVE NO LIABILITY TO SELLER OR ANYONE CLAIMING BY OR THROUGH SELLER FOR ANY INCIDENTAL OR CONSEQUENTIAL OR OTHER DAMAGES OF ANY KIND WHATSOEVER RELATING TO OR CAUSED BY BUYER’S PROPERTY.

(c) Seller agrees that Buyer has the right, at any time and from time to time, with or without reason and without payment of any kind, to retake possession of or request the return of Buyer’s Property. Without further notice or court hearings, which rights, if any, are hereby waived, Buyer or its designee(s) will have the right to enter Seller’s premises and take possession of any and all of Buyer’s Property. Upon Buyer’s request and in accordance with Buyer’s instructions, Buyer’s Property will be immediately released to Buyer or delivered to Buyer by Seller either (i) FCA loaded (Incoterms 2010) at Seller’s plant properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such Buyer’s Property or (ii) to any location Buyer designates, in which event Buyer will pay Seller the reasonable costs of delivering Buyer’s Property to the location Buyer designates. If Seller fails to release and deliver Buyer’s Property as required herein immediately on demand, Buyer will sustain irreparable harm and, as such, may obtain an immediate writ of possession without notice and without the posting of any bond and/or enter Seller’s premises, with or without legal process, and take immediate possession of Buyer’s Property. Seller shall be responsible for all legal fees and costs associated with Buyer’s enforcement of this Section and recovery of the Buyer’s Property. Buyer will have the right to enter Seller’s premises at all reasonable times to inspect Buyer’s Property and Seller’s records with respect thereto. Seller will not sell, lend, rent, encumber, pledge, lease, transfer or otherwise dispose of Buyer’s Property. Furthermore, Seller will not assert, or permit any person claiming an interest through Seller to assert, any claims of ownership to or any other interest in Buyer’s Property. Seller will be responsible for replacing or repairing, in Buyer’s sole discretion, Buyer’s Property if it is stolen, damaged or destroyed regardless of



cause or fault. Seller waives, to the extent permitted by law, any lien or other rights that Seller might otherwise have on any of Buyer's Property, including but not limited to molder's and builder's liens, or any liens or other rights that Seller might otherwise have on Buyer's Property for work performed on such property, for the purchase price of Products, or otherwise. Seller will indemnify and defend Buyer against claims or liens adverse to Buyer's, Buyer's customer's or the customer's ownership of Buyer's Property, as applicable.

21. REMEDIES AND BUYER'S LIMITED LIABILITY.

The rights and remedies reserved to Buyer in each Order will be cumulative with and in addition to all other or legal or equitable remedies. Seller will reimburse Buyer for any indirect, direct, incidental, consequential or other damages (including lost profits) caused or incurred as a result of Seller's breach or by nonconforming Products and/or Services, and /or tortious conduct, including without limitation costs, expenses and losses incurred directly or indirectly by Buyer, its customer(s), and/or the applicable customer: (a) in inspecting, sorting, storing, reworking, repairing or replacing the nonconforming Products and/or Services; (b) resulting from production interruptions; (c) conducting recall campaigns, customer field service actions or other corrective service actions; or (d) resulting from personal injury (including death) or property damage caused by the nonconforming Products and/or Services. Buyer's damages include reasonable attorneys' fees and other professional fees, settlements and judgments incurred by Buyer and other costs associated with Buyer's administrative time, labor and materials. If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty charge-backs for nonconforming Products, and will participate in and comply with warranty reduction or related programs of Buyer or, to the extent directed by Buyer, of Buyer's customer and/or the applicable customer(s) that relate to the Products. In any action brought by Buyer to enforce Seller's obligations in connection with the production or timely delivery of Products or transition of supply, or for possession of Buyer's Property, Seller acknowledges and agrees that monetary damages are not a sufficient remedy for any actual, anticipatory or threatened breach of the Order and that, in addition to all other rights and remedies that Buyer may have, Buyer shall be entitled to specific performance and injunctive equitable relief as a remedy for any such breach without posting of a bond, plus Buyer's reasonable attorneys' fees incurred in seeking such relief.

BUYER SHALL NOT BE LIABLE TO SELLER FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL (INCLUDING LOST PROFITS OR MARKET SHARE OR DAMAGE TO BRAND VALUE), INCIDENTAL, PUNITIVE, AND EXEMPLARY DAMAGES, WHETHER OR NOT FORESEEABLE, WHICH ARE EXPRESSLY EXCLUDED UNDER THESE TERMS AND CONDITIONS TO THE EXTENT PERMITTED BY APPLICABLE LAW.

22. SETOFF.

In addition to any right of setoff or recoupment provided by law, all amounts due Seller will be considered net of indebtedness of Seller to Buyer. Upon Buyer's written notice, Buyer will have the right to set off against or to recoup from any payment or other obligation owed to Seller, in whole or in part, including any disputed, contingent or unliquidated claims, any amounts due to Buyer from Seller.

23. ASSIGNMENT.

Seller may not assign this Order or any rights under this Order without the prior written consent of Buyer. Any attempted assignment or subcontracting by Seller without such consent shall be ineffective and will not relieve Seller of its duties or obligations under this Agreement. In the event of a proper assignment, the contract shall be binding upon and inure to the benefit of the Seller's successors and assigns.

24. TRANSITION SUPPORT.

In connection with the expiration or termination of the Order by either party, in whole or part, for any reason, Seller will cooperate in the transition of supply to an alternate supplier, including the following, which will collectively be referred to as "**Transition Support**":

(a) Seller will continue production and delivery of all Products and Services as ordered by Buyer, at the prices, and other terms stated in the Order, without premium or other condition, during the entire period reasonably needed by Buyer to complete the transition to the alternate supplier(s), including, at Buyer's request, providing a sufficient inventory bank of Products covered by the Order, such that Seller's action or inaction causes no interruption in Buyer's ability to obtain Products and/or Services as needed;

(b) At no cost to Buyer, Seller will promptly provide all requested information and documentation regarding, and access to, Seller's manufacturing process, including on-site inspections, bill-of-material data, tooling and process detail and samples of Products and components;



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(c) Seller will, subject to Seller's reasonable capacity constraints, provide special overtime production of Products and Services, storage and/or management of extra inventory of Products, extraordinary packaging and transportation and other special services as expressly requested by Buyer in writing.

(d) Seller will, upon request by Buyer, promptly return to Buyer all Buyer's Property and/or Buyer's customer's property in the same condition as when it was originally received by Seller; and

(e) If the transition occurs for reasons other than Buyer's termination of Seller for Seller's breach, Buyer will, at the end of the transition period, pay the reasonable, actual cost of the assistance under this Section provided that Seller has advised Buyer in writing prior to incurring such amounts of its estimate of such costs. If the parties disagree on the cost of Transition Support, Buyer will pay the agreed portion to Seller, and Seller will accept the agreed portion without prejudice to Seller's right to seek to recover any disputed amounts.

25. SERVICE AND REPLACEMENT PARTS.

During the term of the Order and for five years after a vehicle program concludes production or the production on a specific part concludes (unless a different period is agreed in writing by the parties), Seller will supply Buyer's written "replacement parts" and "service parts" orders for the same Products, component parts and materials at the price(s) set forth in the Order plus any actual cost differential for special packaging. If the Products are systems or modules, Seller will sell each component or part at a price that does not, in the aggregate, exceed the system or module price specified in the Order, less assembly costs, plus any actual cost differential for packaging. For an additional ten years, or so long as the Buyer's customer and/or the applicable customer requires service parts, whichever is longer (or a different period if agreed in writing by the parties), Seller will sell Products to Buyer in order to fulfill Buyer's past model service and replacement parts requirements, at price(s) based on the most recent price(s) under the Order, taking into account actual, documented differences in the cost of materials, packaging, and costs of production after any of Buyer's current model purchases have been completed, as mutually and reasonably agreed by the parties. At Buyer's request, Seller will make service literature and other materials available at no additional charge to support Buyer's service part sales activities. Unless otherwise expressly agreed in writing by an authorized representative of Buyer or Buyer removes tooling from Seller necessary for the production of service parts, Seller's obligations under this Section shall survive termination or expiration of the Order for any reason.

26. RELATIONSHIP OF PARTIES.

Buyer and Seller are independent contractors, and nothing in the Order makes either party the employee, agent or legal representative of the other party for any purpose. Neither party has authority to assume or to create any obligation on behalf of the other party. Buyer is not responsible for any obligation with respect to the employees, agents or legal representatives of Seller or its contractors.

27. SEVERABILITY; NO IMPLIED WAIVER.

The failure of Buyer at any time to enforce any right or remedy provided in the Order or by law on a particular occasion will not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy. Any attempt on the part of Seller to limit Buyer's remedies and the amount and types of damages it may seek shall be null and void. If one or more provisions of the Order should be or become invalid or unenforceable, the remaining provisions of the Order shall remain in full force and effect, and the parties shall substitute the invalid or unenforceable provision with a valid provision that as closely as possible achieves the same business purpose as the invalid or unenforceable provision.

28. COMPLIANCE WITH LAWS.

Seller, and any Products and/or Services provided by Seller, shall comply with all applicable rules, regulations, orders, conventions, ordinances and standards, including without limitation (i) in relation to the manufacture, labeling, sale, transport, import, export, licensing, approval or certification of the Products, (ii) laws relating to competition, corporate governance, taxation, financial disclosure, environmental matters, hiring, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health or safety and motor vehicle safety, and (iii) anti-corruption and anti-bribery laws, including, without limitation the US Foreign Corrupt Practices Act. The Order incorporates by reference all clauses required by these laws.

29. INGREDIENTS AND HAZARDOUS MATERIALS.

If Buyer requests, Seller will promptly furnish to Buyer, in such form and detail as Buyer directs: (a) a list of all ingredients in the Products, (b) the amount of all ingredients, and (c) information concerning any changes in or additions to the ingredients. Before, and together with, the shipment of the Products, Seller will furnish to Buyer and all carriers sufficient written warning and notice (including appropriate labels on the Products, containers and packing) of any hazardous or restricted material that is an ingredient or a part of any of the Products, together with all special handling instructions, safety measures and precautions as may be necessary to comply with



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applicable law, to inform Buyer and all carriers of any applicable legal requirements and to advise carriers, Buyer and their employees how to take appropriate measures while handling, transportation, processing, using or disposing of the Products, containers and packing. Seller shall comply with all national, state, provincial, and local laws and regulations pertaining to product content and warning labels. Upon Buyer's request, Seller will certify to Buyer in writing the origin of any ingredients or materials in the Products. Seller will promptly provide, in writing, any information regarding the Products requested by Buyer so that Buyer may comply in a timely manner with all due diligence, disclosure, and/or reporting requirements with respect to the ingredients and materials used in Seller's Products, including, without limitation, under applicable laws regarding "conflict minerals" (e.g. Section 1502 of the Dodd-Frank Act) or similar materials or ingredients.

30. APPLICABLE LAW/JURISDICTION.

The validity, interpretation and enforcement of the Order, matters arising out of or related to the Order or its making, performance or breach, and any and all related matters shall be governed by the laws of the State of Michigan. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another choice of law, are excluded. The Parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the applicable state and federal courts of the State of Michigan. Seller shall pay Buyer's reasonable attorney fees, costs, and expenses incurred in enforcing any provision of the Order.

31. NO ADVERTISING.

Seller shall not, without first obtaining the written consent of Buyer, advertise or publish in any manner the fact that Seller has contracted to furnish Buyer the Products and/or Services covered by this contract, or use any trademarks or trade names of Buyer or Buyer's Customer in Seller's advertising or promotional materials.

32. ENTIRE AGREEMENT

The Order, any attachments, exhibits or supplements thereto included by the Buyer, and these Terms contain the entire understanding of the parties and is intended as a final expression of their agreement and a complete statement of the terms thereof, and may not be amended, modified or otherwise supplemented unless any such amendment, modification, or supplementation is done so in writing and is signed by both authorized representatives of both parties hereto.