

**SHAPE CORPORATION
PURCHASE ORDER
GENERAL TERMS AND CONDITIONS
Revised July 1, 2013**

1. The Contract

1.1 Offer and Acceptance

Each Purchase Order Shape Corporation (“Buyer”) issues are Buyer’s offer to purchase the products (“Products”) and services (“Services”) identified in the Purchase Order. Seller will have accepted a Purchase Order as issued if Seller fails to object to it in writing within ten (10) business days after receipt, commences any work under the Purchase Order, or engages in any other conduct that recognizes the existence of a contract for the Products and/or Services. Upon acceptance, the Purchase Order, (together with these General Terms and Conditions and any other documents specifically incorporated in the Purchase Order) will become a binding contract between Buyer and Seller. All references to the term “Purchase Order” shall mean these General Terms and Conditions and any other documents specifically incorporated in the Purchase Order. The Purchase Order supersedes all prior agreements, quotations, proposals and other communications regarding the Products and/or Services covered by the Purchase Order, except that a mutually signed prior agreement (such as an Award Letter, Statement of Work or Non-Disclosure Agreement) shall continue to apply. ALL PURCHASE ORDERS ARE EXPRESSLY CONDITIONED UPON SELLER’S ACCEPTANCE OF THE EXCLUSIVE APPLICATION OF THESE TERMS. Buyer rejects in total, and seller hereby waives the right to invoke its standard terms and conditions of sale under the Purchase Order. Unless otherwise specifically stated in the Purchase Order, the Purchase Order is not exclusive between the parties, and Buyer may purchase similar products and services from third parties.

1.2 Supplier Documents and Modifications

Copies of Buyer’s General Terms and Conditions and the Supplier Code of Conduct are accessible at www.shapecorp.com. Buyer may modify these General Terms and Conditions and/or the Supplier Code of Conduct at any time by posting a revised document on this website. Modifications shall be effective on the date modified. Such revised terms and conditions shall apply to all Purchase Order revisions/amendments and new Purchase Orders issued on or after the revision date. Seller shall be responsible to review Buyer’s website periodically.

1.3 Outside Documents Binding

The following documents, which are available at www.shapecorp.com, are hereby incorporated by reference and Seller hereby agrees, as an express condition of these General Terms and Conditions, to be bound by and conform to their terms in all respects as they may relate to Seller’s obligations under the Purchase Order:

- (a) Shape Supplier Manual;
- (b) Tool Quote and Build Requirements Manual;
- (c) Shape Corporate Responsibility Statement;
- (d) Supplier Code of Conduct;
- (e) Shape Confidentiality Statement

1.4 Changes

By notice to Seller, Buyer may make reasonable changes, within the scope of the Purchase Order, to the drawings, specifications, materials, packaging, testing, quantity, time or method of delivery or shipment, or similar requirements prescribed in the Purchase Order. Seller shall have ten (10) business days to notify Buyer, in writing, in order for the parties to agree on equitable adjustments to price and timing. Any changes to the Purchase Order must be in writing and signed by Buyer's authorized representative.

2. Delivery/Quality

2.1 Releases

Quantities and delivery schedules to fulfill the Purchase Order shall be as reasonably determined by Buyer and stated in the Buyer's firm releases ("Material Releases") issued to Seller. Seller agrees to 100% on-time delivery of the quantities and at the times specified by Buyer, as stated in the Purchase Order and related Material Releases. Buyer shall have no liability beyond the quantities specified in a Material Release. Buyer may return over-shipments to Seller at Seller's expense.

2.2 Packing and Shipment

Buyer may specify the method of transportation and the type and number of packing slips and other documents to be provided with each shipment. Seller shall pack and ship Products in accordance with Buyer's instructions and specifications, including labeling and hazardous materials instructions. If Buyer has not provided packing or shipping instructions, Seller shall pack and ship Products in accordance with sound commercial practices. Seller agrees to comply with all national, state, provincial, and local laws and regulations pertaining to product content and warning labels.

2.3 Delivery Schedules

Unless otherwise stated in the Purchase Order, Products shall be delivered F.C.A. seller's facility. Seller shall immediately notify Buyer of any delays in deliveries. If Products are not delivered in time to meet Buyer's delivery schedules, Seller shall be responsible for additional costs of any resulting expedite or other special transportation. Buyer shall be responsible for additional costs of expedited or other special transportation that Buyer may require as a result of changes to its Material Release or delivery schedules or for other reasons not caused by Seller.

3. Cost and Payment

3.1 Cost

Prices for Products set forth on the face of the Purchase Order are not subject to increase, including, without limitation, any increases based upon changes in raw material or component pricing or labor or overhead costs. Seller represents that the prices charged to Buyer for the Products are at least as low as the prices charged by Sellers to buyers of a class similar to Buyer and for products similar to those specified in the Purchase Order.

3.2 Supplier Expectations

Seller, at all times, must provide Products which meet industry quality standards set forth in Section 4 and Buyer's Supplier Manual, and which are also competitive as to price, quality, delivery, technology and customer support. Seller's failure to meet the requirements of this subsection is a basis for termination pursuant to Section 13.2 below.

3.3 Payment Terms

Buyer shall pay proper invoices on the payment terms set forth in the Purchase Order. Seller shall promptly submit correct and complete invoices or other agreed-upon billing communications with appropriate supporting documentation and other information reasonably necessary required by Buyer after delivery of Products and performance of Services. Buyer may withhold payment until a correct and complete invoice or other required information is received and verified. Seller shall accept payment by check or other cash equivalent, including electronic funds transfer. Buyer shall pay Seller in the currency specified on the Purchase Order (or if not specified, in U.S. Dollars).

3.4 Directed Supplier Payment Terms

If Buyer's customer directed or otherwise identified Seller as the source from whom Buyer is to obtain the Products: (a) Buyer shall pay Seller for the Products using the same payment terms for the Products that Buyer's customer uses for the goods in which the specific Products are incorporated, and any lengthening of the customer's payment terms to Buyer shall automatically lengthen the payment terms between Buyer and Seller by an identical amount of time; (b) within three business days of any change in price, specifications or other terms negotiated between Seller and the customer. Seller shall notify Buyer in writing and will immediately adjust its invoices to reflect any price change, provided that no change will be binding on Buyer without Buyer's specific written consent.

3.5 Insolvency of Customer

In the event that Buyer's customer files or has filed against it a petition in bankruptcy or insolvency and in the course of such proceeding and in connection with an actual or threatened termination by customer of its purchase orders with Buyer, and if Buyer permits a reduction in the price paid to Buyer for goods sold to such customer to prevent a termination of a purchase order with customer, then Buyer has the right to proportionally adjust Seller's price for Products incorporated in the goods upon sixty (60) days notice to Seller. The Purchase Order shall otherwise remain in effect without modification. By written notice to Seller, Buyer may elect to have the provisions of this Section prevail over any conflicting term between Buyer and Seller.

3.6 Setoff

In addition to any right of setoff or recoupment permitted by law, all amounts due Seller shall be considered net of indebtedness or obligations of Seller to Buyer. Buyer may set off against or recoup from Seller amounts due at any time.

4. Product Warranties

4.1 Seller's Warranties

Seller warrants to Buyer that during the warranty period specified in Section 4.3, the Products will be free from defects in workmanship, materials, and design, and will conform to the specifications, drawings, samples, and performance requirements specifically incorporated in the Purchase Order. The Products shall be merchantable and safe and fit for the Buyer's intended purposes. The Products shall conform to all applicable laws, orders, regulations and standards, and shall be free from an actual or claimed patent, copyright or trademark infringement. Buyer will receive title to the Products provided free of all liens, encumbrances, and rights of third parties (except those created by Buyer). Buyer's approval of any design, drawing, material, process or specifications will not relieve Seller of these warranties.

4.2 Seller's Quality Warranties

Seller warrants conformity to the quality control standards and inspection system, as well as related standards and systems including quality control policies TS 16949 and/or ISO 9001 that are established or directed by Buyer. Seller will participate and comply with Buyer's Supplier Manual, which is accessible at www.shapecorp.com. In the event of any discrepancy between any part of the above programs or standards and an express provision of these General Terms and Conditions, these Terms shall take precedence.

4.3 Warranty Period

The warranty period shall be the longer of three (3) years from the date Buyer accepts the Products, the warranty period provided by applicable law, or the warranty period offered by Buyer or Buyer's customers to its end-users.

5. Inspection/Non-Conforming Products

5.1 Inspection

Buyer may, with reasonable advance notice to Seller, inspect Seller's production processes and property and conduct testing at Seller's premises for the sole purpose of verifying Seller's performance under the Purchase Order. Seller may restrict Buyer's access as necessary to protect proprietary information and may require appropriate indemnification and releases. Buyer is not required to inspect Products delivered or Services performed, and no inspection or failure to inspect will reduce Seller's obligations under the Purchase Order.

5.2 Non-Conforming Products

Products or Services that do not conform to the warranties in Section 4 will be handled by Buyer as follows: (1) reject the non-conforming Products and Services; (2) require Seller, at Buyer's option and Seller's expense (including applicable shipping costs), to either repair or replace the non-conforming Products or Services; and (3) if Buyer reasonably determines (through statistical sampling or other quality assessments) that a material amount of incoming Products are non-conforming or if Buyer receives subsequent defective material, Buyer may require Seller to implement at its expense containment, inspection, sorting, and other quality assurance procedures. Payment for non-conforming Products is not an acceptance, and does not limit or impair Buyer's right to assert any legal or equitable remedy, and does not relieve Seller's responsibility for latent defects. If, after the implementation of the above, Buyer is still not satisfied with the quality of the Products or Services from Seller, then Buyer shall have the right to terminate the Purchase Order without liability.

6. Recall

Recall applies to any voluntary government-mandated offer to Buyer to remedy an alleged defect that affects safety, quality or performance or to address an alleged failure to comply with any applicable safety standard, requirement or guideline. Unless otherwise stated in the Purchase Order, Seller shall be liable for costs and damages resulting from a Recall if the Recall results in whole or in part from a failure of the Products to conform to the warranties in Section 4. If Seller is liable for a recall, the extent of Seller's liability will be determined by Buyer on a case-by-case basis based on (1) a good faith allocation of responsibility for the Recall; (2) the reasonableness of the costs and damages incurred; (3) the quantity purchased and Purchase Order price of the affected Products; and (4) other relevant factors. Buyer shall notify Seller as soon as practicable after Buyer learns in writing that a Recall is being considered which implicates the Products, and thereafter provide Seller with all data relating to the potential Recall, and give Seller a reasonable opportunity to participate in inquiries and discussions among Buyer, its customer, and governmental agencies, and consult with Seller about the most cost-effective method of modifying or replacing the Products in order to remedy the alleged defect or non-compliance. In the event Buyer's customer sets-off the cost of a Recall against sums due to Buyer and Buyer determines, in good faith, that the Recall was caused by the failure of the Products to conform to the warranties in Section 4, Buyer may set-off the costs of the Recall against sums due to Seller prior to Buyer's determination of Seller's allocated responsibility as described above.

7. Service Requirements

7.1 Service Requirements

If a Purchase Order remains in effect at the end of a production program, Seller shall also make those Products available to Buyer and/or Buyer's customer for Buyer's past-model service requirements for a period of ten (10) years after the end of the vehicle production program, or as long as the Buyer's customers require service parts.

7.2 Service Payment Terms

For the first five (5) years past production, service part Products shall be set at the then-current production prices under the Purchase Order, plus any additional costs for the special packaging and shipping. For the second five (5) years, the parties shall negotiate in good faith the prices, quantities, and delivery terms for past-model service Products based on the availability and cost of needed materials, supplies, packaging, shipping and handling, related services, and other relevant factors.

8. Tooling/Capital Equipment

Buyer and Seller agree that all tools and equipment needed to produce the Products will be made to Buyer's specifications, in accordance with the procedures set forth in Buyer's Tool Quote and Build Requirements Manual referenced in Section 1.3(b) above. Any exception to such specification must be stated in writing on the Purchase Order or otherwise in a signed writing by Buyer. To the extent the Purchase Order states that it is for tooling or capital equipment and unless otherwise stated in the Purchase Order, freight terms are F.C.A. seller facility – Freight

Collect, and Seller agrees not to prepay or add freight charges. Seller shall give Buyer access to Seller's premises, prior and subsequent to payment, to inspect work performed and to verify charges for tooling and equipment submitted by Seller against the Purchase Order or any amendment. The price set forth in the Purchase Order or amendment shall be adjusted so as to credit Buyer in the amount, if any, by which the price exceeds Seller's actual cost as verified. Seller agrees to retain all cost records for a period of two (2) years after receiving final payment of the charges and Buyer shall have the right to audit such records to verify the amounts.

9. Property

9.1 Buyer's Property

Buyer shall own or have the right to possess all tooling, dies, gauges, fixtures, molds, and other equipment and property ("Property") used by Seller to manufacture, store, and transport Products or to provide Services if Buyer or Buyer's customer has provided or paid for the Property. Seller shall hold Buyer's Property or Buyer's customer's Property on a bailment basis and shall be responsible for loss or damage to Buyer's Property while in Seller's possession or control. Seller shall fully insure all of Buyer's or Buyer's customer's Property at its replacement value and name Buyer as a loss payee. To the extent permitted by law, Seller waives any lien or similar right it may have with respect to Buyer's Property. Buyer shall be responsible for personal property taxes assessed against Buyer's Property. Seller shall (1) at its expense maintain Buyer's Property in good condition and repair; (2) use Buyer's property only for the manufacture, storage and transport of Products for Buyer, unless Buyer otherwise approves in writing; (3) mark Buyer's Property as belonging to Buyer or its customer; and (4) not remove Buyer's Property (other than shipping containers and the like) from Seller's premises without Buyer's prior written approval. Seller shall immediately release to Buyer, upon request, Buyer's property and Buyer's customer's Property at any time, with or without cause and without payment of any kind unless provided in the Purchase Order. Seller shall release the requested Property and other property to Buyer F.C.A. Seller's plant, properly packed and marked in accordance with the requirements of Buyer or Buyer's carrier.

9.2 Seller's Property

Seller will own all property that is not Buyer's Property or its customer's Property. Seller shall, at its own expense, furnish, maintain in good condition, and replace when necessary Seller's property needed to perform the Purchase Order. Seller grants Buyer an irrevocable option to purchase Seller's property necessary to produce the Products at the federal taxation unamortized acquisition cost, less any amounts Buyer has previously paid to Seller for the cost of such Seller's property. Buyer shall have the right to audit Seller's financial records to verify the amounts due hereunder.

10. Intellectual Property Rights

10.1 Buyer's Intellectual Property

Buyer does not transfer to Seller any patent, trademark, copyright or other intellectual property right of Buyer ("Buyer's IP") through information, documents or property made available to Seller other than the right to use Buyer's IP to produce and supply Products and Services to Buyer.

10.2 Seller's Intellectual Property

Buyer and Seller shall work together to categorize any of Seller's technical information as Seller's intellectual property ("Seller's IP") in the Purchase Order or other mutually signed document. Without such agreement, Seller's technical information will not be considered Seller's IP. If the Purchase Order is terminated, Seller grants to Buyer an irrevocable, non-exclusive, worldwide right and license to use any of Seller's IP to obtain from alternate sources products and services similar to the Products and Services covered by the terminated Purchase Order. There shall be no royalty fee for this license if (1) Buyer terminates the Purchase Order by reason of Seller's Default, or (2) Seller terminates the Purchase Order other than for Buyer's default. Otherwise, the parties shall negotiate a reasonable fee for Buyer's use of Seller's IP.

10.3 Intellectual Property under the Purchase Order

All intellectual property, including without limitation, processes, information, patents, trademarks, copyrights or other intellectual property developed in the performance of the Purchase Order ("Products IP") are owned by the Buyer and not by Seller. Seller agrees that all copyrightable works shall be considered "works made for hire." To the extent that, by operation of law, Seller owns any of the Products IP, Seller hereby assigns to Buyer all of its right, title and interest including all patent and copyright rights in the Products IP.

10.4 Infringement

Seller expressly warrants that all Products manufactured for Buyer under the Purchase Order will not and do not infringe on any patent, copyright, trademark or other intellectual property right of any third party. Seller shall indemnify and defend Buyer and its customers against all claims, liabilities, losses, damages, costs and expenses, including reasonable legal fees, arising out of the actual or alleged infringement of the Products of a third party intellectual property right (1) in the United States, the European Union, Japan, China or Mexico and (2) in another jurisdiction if Seller is aware of the actual or alleged infringement in that other jurisdiction at the time the Purchase Order is issued and fails to disclose it to Buyer within ten (10) days after accepting the Purchase Order. If a claim under this Section 10.4 results in, or is likely to result in an injunction or other order that would prevent Seller from supplying Buyer with Products, or from using Products for their intended purpose, Seller shall at its sole expense either (1) secure a license of the intellectual property that permits Seller to continue supplying the Products to Buyer, or (2) modify the Products so that they become non-infringing, so long as the modification does not materially alter the operation or performance of the Products, as determined by Buyer.

11. Confidential Information

Trade secrets, specifications, drawings, notes, instructions, engineering data and financial data, and other technical and business data which are supplied or disclosed by Buyer in connection with the Purchase Order that are marked or otherwise identified as confidential ("Confidential Information") or where its confidential nature is apparent at the time of disclosure, shall be deemed confidential and proprietary to, and remain the sole property of, the Buyer. Seller may not disclose Confidential Information or use Confidential Information for any purpose other than as specified under the Purchase Order without in each case securing Buyer's written consent.

Upon Buyer's request, the Seller shall promptly return or destroy the original and all copies of Confidential Information received. The responsibility of Seller pursuant to this Section 11 shall be in addition to those outlined in the Buyer's Confidentiality Statement referenced in Section 1.3(e) above.

12. Subcontracting

Seller may not assign, subcontract or delegate its duties or responsibilities under the Purchase Order without Buyer's prior written consent. An approved assignment does not relieve Seller of its duties or obligations under the Purchase Order or its responsibility for non-performance or Default by its assignee or subcontractor. If Buyer requires Seller to subcontract all or a portion of its duties or obligations under the Purchase Order to a designated subcontractor, Seller shall not be responsible for a breach of the Purchase Order caused by that subcontractor's failure to meet its warranty, delivery, or other contractual obligations.

13. Termination

13.1 Term of the Purchase Order

The Purchase Order shall remain in effect for the length of the applicable Original Equipment Manufacturer ("OEM") program production life (including model refreshments as determined by the OEM customer) and both Buyer and Seller acknowledge the risk of the program production life being cancelled or extended by the OEM, or until cancelled pursuant to the terms of this Section 13. Seller may not terminate or cancel the Purchase Order or suspend performance of the Purchase Order for any reason except for breach of payment by Buyer as outlined in Section 13.2.

13.2 Termination for Breach or Convenience

Buyer may terminate all or part of the Purchase Order, without liability to Seller, if Seller (1) breaches or threatens to breach any terms of the Purchase Order; (2) fails to cure a nonperformance within ten (10) business days of written notice; (3) admits in writing its inability to pay its debts as they become due, begins a bankruptcy, insolvency, receivership or similar proceeding, or makes a general assignment for the benefit of creditors; (4) becomes a debtor in bankruptcy, insolvency, receivership or similar proceeding commenced by a third party that is not dismissed within thirty (30) days; or (5) fails to provide adequate assurance of performance under the Purchase Order within five (5) business days after written demand by Buyer. In addition to any other right of Buyer to terminate or cancel the Purchase Order, Buyer may, at its sole discretion terminate all or any part of the Purchase Order at any time and for any reason upon fourteen (14) days prior written notice to the Seller. Upon notice of termination, Seller shall, unless otherwise directed by Buyer and subject to Seller's obligations under Section 13.4 (1) terminate all or the specified portion of the work under the Purchase Order; (2) transfer title to and deliver to Buyer the useable and merchantable Products, work in progress and raw materials that Seller has produced or purchased based upon the Releases issued by the Buyer; (3) settle all claims by subcontractors approved by Buyer for reasonable direct and actual costs that are rendered unrecoverable by the termination; (4) upon request, cooperate with transition to an alternate supplier specified by Buyer. Seller may terminate the Purchase Order only for non-payment of the purchase price for that Products which are sixty (60) days past due and material

in amount, and then only if (a) Seller first provides Buyer with written notice specifying the amounts past due and Seller's intent to terminate the Purchase Order if the past due amount is not paid and (b) Buyer, within sixty (60) days of such notice does not either pay the past due amounts or notify seller that the amounts claimed to be unpaid are disputed by Buyer.

13.3 Buyer's Obligations under Termination

Upon termination under Section 13.2, Buyer shall pay to Seller the following documented amounts: (1) the Purchase Order price for completed and delivered Products and Services and the actual cost of any work-in-progress and raw materials in Seller's possession based on firm Material Releases (which will become Buyer's property upon payment in full), and (2) reasonable claims of subcontractors of Seller if such claims are directly caused by termination of the Purchase Order. Buyer shall not be obligated to pay Seller for loss of anticipated or direct or indirect profits, liquidated or consequential damages, unabsorbed overhead, product development or engineering costs, unamortized depreciation, or general and administration burden resulting from termination of the Purchase Order. Seller's termination claim must be submitted to Buyer within thirty (30) days after the effective date of the termination. Buyer shall have the right to audit the records of Seller to verify the amount sought by Seller.

13.4 Transition of Supply

In connection with termination of the Purchase Order by either party (including Buyer's decision to change to an alternate Supplier), Seller shall cooperate in the transition of supply, including the following: (1) Seller shall continue production and delivery of all Products as ordered by Buyer, at the prices and terms stated in the Purchase Order, without premium or other condition, during the entire period reasonably needed by Buyer to complete the transition to the alternate supplier, such that Seller's action or inaction causes no interruption in Buyer's ability to obtain Products as needed; (2) Seller shall promptly provide all information and documentation reasonably requested by Buyer regarding Seller's manufacturing process for the Products including on-site inspections, bill of material data, tooling, process detail and sample of components; (3) if the transition occurs for reasons other than Seller's termination or Breach, Buyer shall, at the end of the transition period, pay the reasonable, actual cost of transition support as requested and incurred, provided that Seller has advised Buyer prior to incurring such amounts of its estimates of such costs. Buyer shall have the right to audit the records of Seller to verify transition support expenses.

14. Remedies

14.1 Remedies – Seller's Default

The rights and remedies reserved to Buyer under the Purchase Order are cumulative and in addition to all other legal or equitable remedies allowed by law. In addition to any direct damages sustained by Buyer on account of Seller's breach of the Purchase Order or by delivering non-conforming Products, Seller shall also be liable for Buyer's direct and indirect, incidental and consequential damages including, without limitation, reasonable professional fees. In the event Buyer must commence legal action for the production or delivery of the Products or for transition support, Seller acknowledges that Buyer has no adequate remedy at law and Buyer shall be entitled to an immediate order of specific performance of Seller's obligations under the Purchase Order and injunctive equitable relief as a remedy for any such breach.

14.2 Remedies – Buyer’s Property

If Seller does not release or deliver Buyer’s property or its customer’s Property in accordance with Section 9.1, Buyer may at Seller’s cost (1) obtain an immediate court order for possession without notice and without posting a bond, and (2) enter Seller’s premises, with or without legal process, and take immediate possession of Buyer’s Property and its customer’s Property. To the extent permitted by law, Seller waives any right to object to Buyer’s repossession of Buyer’s Property and its customer’s Property in a bankruptcy or other proceeding.

14.3 Limitation of Damages

In no event shall Buyer be liable to Seller for its indirect, special, consequential (including lost profits or market share or damage to brand value), incidental, punitive, or exemplary damages, whether or not foreseeable. This limitation of liability applies notwithstanding the type of Purchase Order or the nature of Seller’s claim in contract, tort or equitable proceeding.

14.4 Indemnification

Seller agrees to indemnify and hold harmless Buyer, its subsidiaries and affiliates and their respective officers, directors, members, employees and agents from any and all claims, liabilities, damages of any kind or nature, reasonable costs or reasonable expenses incurred in connection with any claims (including lawsuits, administrative claims, regulatory actions and other proceedings to recover for personal injury or death, property damage or economic loss) that are related in any manner or arise in any way from the Products. Seller’s indemnification obligation shall apply regardless of whether the claim arises in tort, contract, or otherwise, except to the extent of any liability arising solely out of the gross negligence of the Buyer. Seller’s indemnification obligations shall apply even if Buyer furnishes all or a portion of the design and specifies all or a portion of the processing used by Seller.

15. Force Majeure

A delay or failure by either Buyer or Seller to perform its obligations under the Purchase Order shall be excused, and shall not constitute a default, only if (1) caused by an event or occurrence beyond the reasonable control of that party and without its fault or negligence such as: acts of God, embargoes, fire, natural disasters or riots and (2) the party unable to perform gives notice of the non-performance (including its anticipated duration) to the other party promptly after becoming aware that it has occurred or will occur. If Seller is unable to perform for any reason, Buyer may purchase Products and Services from other sources and reduce its purchases from Seller accordingly without liability to Seller. Within three (3) business days after written request by the other party, the non-performing party shall provide adequate assurances that the non-performance will not exceed thirty (30) days. If the non-performance exceeds thirty (30) days, the other party may cancel the Purchase Order. The change in cost or availability of raw materials, components or services based upon market conditions, supplier actions or contract disputes shall not be considered Force Majeure and will not excuse Seller’s performance.

16. Labor Contracts

Seller shall notify Buyer of the Purchase Order expiration date at least six (6) months before the expiration of a current labor contract that has not been extended or replaced. Buyer may thereafter direct Seller in writing to manufacture up to thirty (30) days of additional inventory of Products, specifying the quantities of Products required and any packaging and storage requirements. By authorizing the additional inventory, Buyer commits to buy the entire quantity of conforming Products requested and produced. Seller is responsible for carrying costs and any additional costs of manufacture.

17. Customs

Transferable credits or benefits associated with Products purchased, including trade credits, export credits, or rights to the refund of duties, taxes, or fees, belong to Buyer unless otherwise prohibited by applicable law. Seller shall provide Buyer with all information and records relating to the Products necessary for Buyer to: (1) receive these benefits, credits, and rights; (2) fulfill any customs obligations, origin marketing or labeling requirements, and certification or local content reporting requirements; (3) claim preferential duty treatment under applicable trade preference regimes; and (4) participate in any duty referral or free trade zone programs of the country of import. Seller shall obtain all export licenses and authorizations and pay all export taxes, duties, and fees unless otherwise stated in the Purchase Order, in which case Seller shall provide all information and records necessary to enable Buyer to obtain those export licenses or authorizations.

18. Insurance

Prior to commencing work on Buyer's premises or utilizing Buyer's Property, Seller shall maintain and upon request furnish to Buyer a certificate evidencing: (1) general liability insurance with coverage limits reasonably acceptable to Buyer and naming Buyer as an additional insured; (2) all risk property perils insurance covering the full value of Buyer's Property while in Seller's care, custody, or control and naming Buyer as loss payee; and (3) worker's compensation insurance as required by law.

19. Dispute Resolution

19.1 Negotiation and Mediation

Buyer and Seller will first endeavor to resolve through good faith negotiations, any dispute arising under the Purchase Order. If a dispute cannot be resolved through good faith negotiations within forty five (45) days of a claimed breach of the Purchase Order, either party may request a non-binding mediation by a mediator approved by both parties or, absent that approval, by the National Center for Dispute Resolution.

19.2 Arbitration

If mediation fails to resolve the dispute within thirty (30) days after the first mediation session, either party may submit the dispute to binding arbitration by notice to the other party. Any arbitration shall be conducted in Grand Haven, Michigan. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association and this Section 19. The parties agree that a court of competent jurisdiction may render judgment on

and enforce any arbitration award. The cost of any arbitration shall be borne evenly by the parties and each party shall bear its own attorneys' fees and other expenses in resolving any dispute related to the Purchase Order.

19.3 Litigation

The parties have selected binding arbitration as the sole means to resolve a dispute between them over monetary claims that cannot be resolved through mediation. Either party may pursue through litigation claims that also involve third parties who have not consented to arbitration, claims in litigation commenced by third parties, and claims for injunctive or other non-monetary relief.

20. Insolvency

Buyer, or a third party designated by Buyer may, at any time, review the financial health of the Seller. Seller will fully cooperate with such review and provide all requested financial documentation after mutually agreed to procedures have been established. Subject to Section 11, Buyer shall use the financial information provided under this Section 20 only to determine Seller's ability to perform under the Purchase Order.

21. Miscellaneous

21.1 Advertising

During and after the term of the Purchase Order, Seller will not advertise or otherwise disclose its relationship with Buyer or Buyer's customers without Buyer's prior written consent, except as may be required to perform the Purchase Order or as required by law.

21.2 Taxes

Unless otherwise stated in the Purchase Order, the Purchase Order price includes all applicable federal, state, provincial, and local taxes other than sales, value added, or similar turnover taxes or charges. The Products purchased under the Purchase Order are identified as industrial processing and may be exempt from sales taxes. In such case, the tax identification number and/or other exemption information shall be stated in the Purchase Order or otherwise provided by Buyer.

21.3 Compliance with Laws

Seller shall comply with all applicable laws, rules and regulations of the country and state where the Products are manufactured or the Services are performed. Seller shall, upon Buyer's request, provide Buyer with other information reasonably required in order to comply with all applicable laws.

21.4 Relationship of the Parties

Buyer and Seller are independent contractors, and nothing in the Purchase Order makes either party the 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.

21.5 Time

Time shall be of the essence with respect to all aspects of the Purchase Order.

21.6 Waiver

The failure of either party to enforce any right or remedy provided in the Purchase 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.

21.7 Severability

A finding that any provision of the Purchase Order is invalid or unenforceable in any jurisdiction shall not affect the validity or enforceability of any other provision of the Purchase Order or the validity or enforceability of that provision in any other jurisdiction.

21.8 Notices

Any notice or other communication required or permitted in the Purchase Order must be in writing and shall become effective on the date of actual receipt if the date of actual receipt is a business day or on the next business day.

21.9 Entire Agreement

These General Terms and Conditions, the documents referenced and made part of this Agreement pursuant to Section 1.3, and the Purchase Order contains the entire agreement of the parties with respect to the subject matter. Any additional or inconsistent term or condition contained in any document used by Seller in connection with the performance of the Purchase Order shall be of no effect.

21.10 Governing Law & Venue

Unless otherwise agreed in writing, the Purchase Order shall be governed by and interpreted according to the internal laws of the State of Michigan. Venue shall always be in Ottawa County, Michigan.

21.11 Electronic Signatures

Unless otherwise agreed, the parties shall conduct all legal transactions between them (including delivery of notice, document delivery, offer and acceptance, changes, etc.) electronically. The parties agree that any document which bears a signature which is sent by the sender and received by the recipient via e-mail attachment in pdf format shall constitute a legally valid document under the Michigan Uniform Electronic Transaction Act (MCLA 450.831 et seq.).