



PURCHASE ORDER TERMS AND CONDITIONS

1. Acceptance, Entire Agreement, and Modification: Acceptance of this Purchase Order ("Order") shall be limited to the terms of the Order and these terms and conditions ("Purchase Order Terms and Conditions"). All goods and products (tangible and intangible) and services to be provided under this Order are included in the term of "Goods." This Order shall be deemed accepted upon written acceptance by Seller or commencement of performance by Seller. Buyer rejects any additional or inconsistent terms and conditions offered by Seller at any time and irrespective of Buyer's acceptance of or payment for Seller's Goods or services.

2. Invoices: All invoices and/or advance shipping notices for Goods shipped pursuant to this Order must reference the Order number, Buyer's Part Number, quantity of pieces in the shipment, number of cartons or containers, Seller's name and number and Bill of Lading number, before any payment will be made by Buyer for the Goods. Buyer reserves the right to return all invoices or related documents submitted incorrectly, and payment terms will be determined as of the date of the last correct invoice or advanced shipping notice received. Where Goods are not supplied in accordance with the Order, Buyer shall be entitled to withhold payment of the respective amount of the price until Seller has fulfilled its obligations in full.

3. Prices, Taxes:

A. Prices and payment terms are set forth on the Order.

B. Seller warrants that the prices in the Order are fixed and complete, and no additional charges of any type shall be added without Buyer's express written consent, including but not limited to, material surcharges, shipping, packaging, labeling, custom duties, federal, state and local taxes, storage, handling, insurance, boxing and crating.

C. In addition to any right of setoff or recoupment provided or allowed by law, all amounts due Seller, or any of its subsidiaries or affiliates shall be considered net of indebtedness or obligations of Seller, or any of its subsidiaries or affiliates to Buyer, and Buyer may setoff against or recoup from any amounts due or to become due from Seller, or any of its subsidiaries or affiliates to Buyer however and whenever arising. In the event that Buyer reasonably feels itself at risk, Buyer may withhold and recoup a corresponding amount due Seller or any of its subsidiaries or affiliates to protect against such risk.

4. Buyer's Property:

A. The right, title and interest to all supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, designs, drawings, specifications, spare parts, trial parts, ancillary products, items owned by Buyer and other items furnished by Buyer or its customers ("Buyer's Property") to Seller for use in manufacturing the Goods, or for which Seller is reimbursed by Buyer or its customers, shall be and remain the property of Buyer and/or its customers. Seller shall bear the risk of loss of and damage to such Buyer's Property. Seller will: (i) properly house and maintain the Buyer's Property on Seller's premises; (ii) not use the Buyer's Property for any purpose other than for performance under the Order; (iii) prominently mark the Buyer's Property as property of Buyer; (iv) refrain from commingling the Buyer's Property with the property of Seller or with that of a third party; (v) adequately insure the Buyer's Property against loss or damage, including but not limited to maintaining full fire and extended coverage insurance for replacement value and naming Buyer as the loss payee and an additional insured; (vi) ensure that the Buyer's Property does not become subject to any liens or other claims; and (vii) not move the Buyer's Property to another location whether owned by Seller or a third party, without the prior written consent of Buyer. Buyer will have the right to enter Seller's premises at reasonable times to inspect the Buyer's Property and Seller's records pertaining thereto.

B. Seller expressly waives and releases, and agrees not to file or otherwise assert or prosecute or suffer to permit any statutory, equitable or other liens, including but not limited to equitable or other liens, including but not limited to any molder liens, tool liens, builder liens and the like, that Seller has or might have on or in connection with the Buyer's Property for all work, including but not limited to, designing, manufacturing, improving, maintaining, servicing, using, assembling, fabricating or developing the Buyer's Property and Goods. Seller hereby agrees to indemnify, defend and hold Buyer harmless from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all actual attorney's fees and all other cost of litigation that are in any way related to releasing, terminating or otherwise removing all such liens placed on the Buyer's Property.

C. Seller will assign to Buyer any claims Seller has against third parties with respect to Buyer's Property.

D. Upon written request, Seller, shall immediately deliver the Buyer's Property at Buyer's option F.O.B. Seller's facility (Ex Works Loaded), according to Incoterms 2000 if applicable, and properly packed and marked in accordance with the requirements of the carrier and Buyer. Seller will cooperate with Buyer's removal of the Buyer's Property from Seller's premises.

E. Unless otherwise agreed to in writing by Buyer, Seller at its own expense shall maintain, repair and refurbish Buyer's property in first class condition including repair necessitated by wear and tear and other usage by Seller. All replacement parts, additions, improvements and accessories for Buyer's property shall become Buyer's property upon their incorporation into or attachment to Buyer's property. Seller will pay personal property taxes for Buyer's Property in possession or under its control.

F. Buyer does not guarantee the accuracy of any Buyer's Property or the availability or suitability of any supplies or material furnished by it. Seller assumes sole responsibility for inspecting, testing and approving all Buyer's Property or other materials supplied by Buyer prior to any use by Seller.

G. Buyer will not be liable for and Seller shall assume all risk of death or injury to persons or damage to property arising from use of the maintenance or repair or use of the Buyer's Property or other materials supplied by Buyer and hereby agrees to indemnify Buyer against the same. Seller agrees that it will comply with obligations hereunder to release Buyer's Property not withstanding any offsetting claim that it may have against Buyer.

H. Buyer has not made and does not make any warranty or representation 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.

5. Material, Lot Control, and Traceability: If request by Buyer, Seller shall provide material certifications, statistical process control data and all required test data as specified on the prints or other technical standards. Seller shall also maintain lot control traceability in such manner that each shipment pursuant to this Order shall be traceable through the manufacturing process and with respect to materials contained herein.

6. Drawings and Data: All drawings, data, designs, engineering instructions, models, specifications or other technical information, written, oral or otherwise, supplied by or on behalf of Buyer specifically in connection with performance of this Order and all information obtained therefrom or as a result thereof shall be and remain the property of Buyer.

7. Service Parts:

A. Seller shall sell to Buyer all Goods necessary for Buyer to fulfill Buyer's and its customer's service and replacement parts requirements for its current model year at the then-current production prices plus any actual net cost differential for required unique packaging.



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B. For 15 years after termination of the current model production of the vehicle involved, Seller shall sell to Buyer quantities of Goods sufficient to fulfill 100% of Buyer's and its customers' service and replacement parts requirements for past model years. For the first five (5) years of past model service, the prices shall be as specified in the last Purchase Order for current model production plus any actual net cost differential for required unique packaging. For the next ten (10) years of past model service or such longer period as Buyer's customer requires service parts, the prices shall be as specified in the last Purchase Order for current model production plus any actual net cost differential for required unique packaging, plus any actual net cost differential for manufacturing costs as mutually agreed between Buyer and Seller. If a dispute arises between Seller and Buyer regarding the price of service or replacement parts under this paragraph, Seller shall continue to supply Buyer's requirements for service and replacement parts at the production prices set forth in the Purchase Order pending resolution of such dispute.

8. Changes: During performance of this Order, Seller shall not make any changes in the design of Goods to be furnished by Seller under this Order, terminate or modify this Order or any Release issued under it or obtain an adjustment in price based on Seller's loss of anticipated profits without advance notification to and written approval by Buyer. Buyer may, by written Order, at any time make changes in any one or more of the following: (i) drawings, designs or specifications for the Goods, (ii) method of shipment or packing; (iii) place or time of inspection, delivery or acceptance; and (iv) the amount of any Buyer furnished property. Any such changes shall be deemed not to affect the time for performance and cost under the Order unless Seller provides Buyer with written notice of a claim for adjustment to time for performance or cost within ten (10) days after Buyer's notice to Seller of change and after auditing such claim. Buyer determines that an adjustment (up or down) is appropriate. Seller shall provide Buyer with such additional information including invoices and agreements as Buyer may reasonably request in order to permit Buyer to evaluate Seller's claim for adjustment. Where the cost of property rendered obsolete or excess as a result of the change is included in the Seller's claim for adjustment, Seller shall be entitled to reimbursement for no more than four (4) weeks of raw materials and one (1) week of work in process or finished Goods and Buyer will have the right to take title thereto and prescribe the manner of disposition thereof. Nothing in this clause shall excuse Seller from proceeding with performance of this Order as changed. In the event that any materials used by Seller in making the Goods become unavailable, Seller shall locate a source for, and propose to Buyer, alternative materials for use in making the Goods. Buyer shall, in its sole discretion, determine whether the use of such alternative materials is acceptable.

9. Stop Work Orders: Buyer may at anytime, by a written notice to Seller, stop all or part of the work under this Order until further written notice from the Buyer at any time during the work stoppage. Buyer may with respect to all or any part of the work covered by the Stop Work Order, either cancel the Stop Work Order or terminate this Order in accordance with the termination provisions thereof. If a Stop Work Order has a material effect on cost or delivery, Buyer may make an equitable adjustment in the price or the delivery schedule or both at Buyer's sole option, after reviewing Seller's claim for equitable adjustment. It shall be the responsibility of the Seller to submit a written claim for equitable adjustment to Buyer in writing within twenty (20) days after the Stop Work Order.

10. Deliveries and Shipments:

A. Seller shall make deliveries under this Order in accordance with Buyer's releases. "Release" means any written or electronic notification to Seller, including any notice under any EDI (as defined herein) system authorizing, directing or requiring Seller to ship Goods under this Order. Time is of the essence, and Seller's obligations relating to time for production and/or delivery of the Goods are integral parts of and conditions of this Order. If delivery of the Goods is likely to be delayed, Seller shall immediately notify Buyer in advance, provided that such notice does not release Seller from its liabilities for all costs, losses and consequential damages resulting from incomplete or delayed delivery; without prejudice to Buyer's other available rights and remedies. Furthermore, Seller acknowledges and agrees that money damages would not be a sufficient remedy for any actual, anticipatory or threatened breach of this Order by Seller with respect to its delivery of Goods to Buyer and that, in addition to all other rights and remedies which Buyer may have at law, equity or under these Purchase Order Terms and Conditions, Buyer shall be entitled to specific performance and temporary, preliminary and permanent injunctive or other equitable relief as a remedy for any such breach, without proof of actual damages and without bond or other security being required. Seller shall not procure, fabricate, assemble or ship any Goods except to the extent authorized by Buyer in written Releases. Unless otherwise specified on the face of this Order, no variation on the quantity of any Goods is authorized and Buyer may reject a delivery that varies in the quantity authorized for shipment. Goods shipped in advance of Buyer's delivery schedule may be returned at Seller's expense.

B. Seller shall be responsible for all Seller's costs and losses due to Seller's failure to follow Buyer's shipping instructions. The shipping instructions (Document QS1200), as revised or amended from time to time, is located on the Gibbs Supplier Portal located at <http://www.gibbsdc.com>. Buyer reserves the right to revise or amend the shipping instructions by posting notice of modification on Buyer's website at least thirty days prior to any such modification becoming effective. In the event that delivery is late, Seller shall ship at its expense all late shipments by express or other priority methods of delivery as may be specified by Buyer. Seller shall be responsible for costs and damages incurred by Buyer, directly or indirectly, including, but not limited to, production line shutdowns of the Buyer or Buyer's customers as result of or caused by endangered delivery schedule or late delivery.

11. Quantity/Duration:

A. Seller agrees to sell and Buyer agrees to purchase Buyer's requirements of the Goods pursuant to these Terms and Conditions and this Order and Releases; provided, however that specific quantities to sell and purchase shall be subject to the issuance by Buyer of the Releases.

B. Unless the Order specifically provides that Seller shall produce one hundred percent (100%) of Buyer's requirements for the Goods, Buyer shall have the right to obtain a portion of such Goods from another third party.

C. Unless stated otherwise on the face of the Order, the duration of this and each Order shall be the life of the program(s) into which the Goods ultimately are incorporated, plus applicable service and replacement parts requirements. Buyer and Seller acknowledge, however, that this subsection (C) does not affect or otherwise change the Buyer's right of termination as set forth herein.

D. From time to time and in connection with quotations, requisitions and Orders, Buyer may provide Seller with estimates, forecasts or projections of its future volume or quantity requirements for the Goods and/or the term of a program ("Projections"). Projections, unlike a Release for a firm quantity, are not binding on Buyer. Seller acknowledges that Projections, like any other forward looking projections, are based on a number of economic and business factors, variables and assumptions, some or all of which may change over time, and may or may not be accurate at the time they were made or later. Buyer makes no representation, warranty, guaranty or commitment of any kind or nature, express or implied, regarding any Projections or other estimate, forecast or projection provided to Seller, including as to its accuracy or completeness. Seller accepts that Projections may not be accurate and that actual volume or duration could be less than or greater than the projections. Seller acknowledges that this risk, and possible reward, is an aspect of the automotive industry.

12. Customs and Origin: For customs purposes, Seller shall prepare and expedite any and all required forms and submit them to Buyer within fourteen (14) days of Seller's receipt of the forms. Seller shall attach to the shipping documents a commercial invoice in duplicate. Should additional documents be required in the case of imports or exports in order to provide proof of the intended use of the Goods delivered, Seller shall procure all such documents for Buyer without delay and make them available to Buyer at Seller's cost. Seller shall be bound by and shall warrant the accuracy of all invoices, documents, and information furnished to Buyer by Seller or its agent for export, entry, or other purposes.

13. Electronic Data Interchange: Seller shall, at Buyer's request, connect to Buyer's electronic data interchange ("EDI") system and shall comply with Buyer's guidelines and policies with respect to the EDI system

14. Inspection, Risk of Loss and Quality Control: The title to and risk of loss or damage to the Goods shall pass from Seller to Buyer at the time of delivery of the Goods to Buyer. Buyer reserves the right to inspect the Goods. Buyer may reject any Goods that are defective, damaged or non-conforming or in breach of Seller's warranties at any time before sale of the Goods or vehicles equipped with the Goods. Payment to Seller shall not be construed as acceptance by Buyer or agreement by Buyer that the Goods conform to these Purchase Order Terms and Conditions. Any inspection or testing by Buyer shall not relieve Seller of its



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obligations under these Terms and Conditions. At reasonable times during the period of Seller's performance hereunder, including the period of manufacture, Buyer and its customers may inspect and/or test the Goods to be furnished hereunder at the plants where the work is being performed or the Goods are being produced and designed, including those of the Seller's suppliers, and Seller shall provide, without additional charge, reasonable facilities and assistance for safe and convenient inspection and testing. Such inspection shall not obviate any warranty or constitute acceptance of the Goods. Seller shall provide and maintain quality control and inspection systems acceptable to Buyer. Seller shall comply with the provisions of Buyer's supplier quality manual (SQM), as revised or amended from time to time, which is hereby incorporated into this Order for all purposes. The Supplier Quality Manual (Document QS1382) is located on the Gibbs Supplier Portal located at <http://www.gibbsdc.com>. Seller acknowledges receipt, review and acceptance of the SQM. Buyer reserves the right at its discretion to revise or amend the SQM at any time, and Seller agrees that any such revised or amended SQM, as posted on the Gibbs Website or otherwise made available to Seller, shall be binding on this Order. In the event of Buyer's rejection of any Goods or revocation of acceptance, for whatever reason, risk of loss or damage shall be treated as never having passed to Buyer and has having rested with Seller. Defective or nonconforming Goods may be returned to Seller for full credit and at the Seller's risk and expense, including transportation charges both ways.

15. Notice of Labor Disputes: Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller shall immediately give written notice thereof, including all relevant information with respect thereto, to Buyer. Seller agrees to insert the substance of this clause, including this sentence, in any purchase order or subcontract hereunder. Seller further agrees to notify Buyer in writing at least sixty (60) days prior to the expiration of any collective bargaining agreement to which Seller or any of Seller's suppliers are party.

16. Warranties: Seller warrants and represents that all Goods and services furnished hereunder shall be (a) in strict compliance with the specifications, samples, drawings, designs or other requirements (including performance specifications) approved or adopted by Buyer; (b) merchantable and will be of good material and workmanship and free from all defects including but not limited to design, workmanship and materials; (c) selected, designed, manufactured and assembled by Seller based on Buyer's intended use and will be fit and sufficient for the use and purpose intended by Buyer; (d) in strict compliance with all applicable industry standards, quality control and inspection standards including QS9000, TS6949, Seller's Quality Manual and all similar quality system standards, and all statutes, rules and regulations, of any kind or nature, including those promulgated by any government or governmental agency in the United States and in countries in which Buyer has informed Seller the Goods furnished hereunder and/or the Goods into which such Goods are to be incorporated are likely to be used; (e) free from all liens and encumbrances; and (f) free from all patent, trademark, copyright, trade secret or other intellectual property right infringement or claims. As to each of the Goods, each of Seller's warranties begins on the date of delivery to Buyer and continues until the last to occur of the following: (A) the expiration of all warranties made by Buyer to its customer concerning Buyer's product incorporating the Goods; or (B) the expiration of the longest time period which Buyer's customer may be required, by contract of law, to repair or replace the Goods or Buyer's product incorporating the Goods, if the Goods are defective or nonconforming to any warranties. The statute of limitations period applicable to any breach of warranty will be the longest statute of limitation period for breach of contract, products liability or indemnity claims in any jurisdiction of the United States or, in the case of any recall campaign, the longest time period dictated by the U.S. federal, state, or foreign government where the Goods are used. Approval by Buyer of Seller's design, drawings, specifications, samples, etc. does not waive or limit any warranty. Seller shall reimburse Buyer for all costs (including labor charges, cost of replacement parts, dealer handling charges and any other expenses) incurred by Buyer as a result of Seller's breach of any warranty. There are no exclusions, limitations, or disclaimers of warranties other than those that may be expressly recited in these Purchase Order Terms and Conditions. Notice of breach of warranty shall be deemed sufficient if given by Buyer within one hundred eighty (180) days after discovery by Buyer. Such notice may be given orally or in writing.

17. Defective or Nonconforming Goods/Breach of Warranty: In the event of Seller's delivery of defective or nonconforming Goods or Seller's breach of warranty, Buyer may at its election and in addition to any other rights or remedies it may have a law or equity or under this Order, exercise one or more of the following remedies: (a) recover from Seller any costs of removing such Goods from property, equipment or products in which such Goods have been incorporated and any additional costs of reinstallation, reinspection and retesting; (b) return the Goods at Seller's risk and expense and recover from Seller the price paid thereof and, if elected by Buyer, purchase or manufacture or have manufacture similar or the same Goods and recover from Seller the costs and expenses thereof; (c) accept or retain the Goods and equitably reduce their price; and (d) require Seller, at Seller's expense, to promptly replace or correct the Goods and pending redelivery to pay to Buyer any amount theretofore paid for such Goods. Seller shall further be liable to Buyer for all consequential and incidental damages incurred by Buyer as a result of the Seller's breach of warranties or delivery of defective or nonconforming Goods.

18. Grounds for Insecurity; Adequate Assurance of Performance: When, in Buyer's good faith opinion, reasonable grounds for insecurity arise with respect to Seller's performance, Buyer may demand from Seller adequate assurance of future performance. If assurance of due performance is required herein and is not timely provided by Seller, Buyer may, at its option, treat any and all Orders as repudiated by Seller.

19. Recall: In the event any of the Goods fail to conform to the warranty of Seller hereunder or any motor vehicle safety standards or constitutes a safety related defect, including but not limited to failure to meet industry state of art, and buyer, Buyer's customer, the National Highway Traffic Safety Administration or other appropriate governmental agency or nongovernmental organization orders or requests that a Recall Campaign or remedial action in lieu of a Recall Campaign be undertaken, Seller will bear the cost and expense of any Recall Campaign or such remedial action and shall, without charge, provide replacement Goods as needed. Seller shall reimburse Buyer for all costs, damages and expenses incurred by Buyer or its related entities arising out of a Recall Campaign or remedial action in which any Goods supplied by Seller are alleged to be defective or to breach the warranty hereunder. Buyer shall give written notice to Seller, keep Seller informed and consult with Seller on actions to be taken. Seller shall immediately notify Buyer of any information Seller may possess regarding any product related incidents and shall fully cooperate with Buyer in responding to inquiries by any Federal and State agency related to the products. Buyer shall have the right to perform a full investigation including but not limited to inspection and testing of the products involved, vehicle history, reports, analysis, and tests performed by or in the possession of Seller. Seller agrees to supply to Buyer all field and production tests, repair/replacement parts for products requested or required by Buyer to correct any defect or alleged defect in the part or product supplied by Seller. Buyer shall not have any responsibility for any such Recall Campaign or remedial action cost or expense, or portion thereof. The term "Recall Campaign" shall mean any such systematic effort to locate Goods, suspected, believed to be or known to be defective and installed in vehicles or vehicle components, and to replace, repair, modify or correct such Goods regardless of whether such Recall Campaign is initiated by Buyer, Buyer's Customer, any governmental or regulatory body or any other entity.

20. Termination:

A. In addition to any other rights of Buyer to cancel or terminate this Order or any Releases issued pursuant to this Order, Buyer may at its option immediately terminate all of any part of this Order or any Releases issued pursuant to this Order for Buyer's convenience, at any time and for any or no reason by giving written notice to Seller. Upon receipt of notice of termination, Seller unless otherwise directed by Buyer shall: (i) terminate promptly all work under this Order; (ii) transfer title and delivery to Buyer the finished work, the work-in-progress and the parts and materials which Seller procured or acquired in accordance with this Order and issued Releases (iii) settle claims by subcontractors, if any, for actual costs that are rendered unrecoverable by such termination; and (iv) take actions reasonably necessary to protect property in Seller's possession in which the Buyer has an interest. Upon such termination for convenience and subject to paragraph 21, Buyer shall pay to Seller the following amounts without duplication: (i) the Order price for all conforming Goods which have been completed in accordance with Buyer's releases and meet all warranties stated herein; (ii) Seller's reasonable actual costs of the work-in-progress and parts and material furnished to Buyer in accordance with the provisions of this paragraph; (iii) Seller's reasonable actual costs of settling with its subcontractors provided Seller obtains Buyer's prior approval of such amount; (iv) Seller's reasonable actual costs for protecting property in its possession in which Buyer has an interest. Notwithstanding the foregoing or any transfer to Buyer, Buyer shall not be liable to pay for more than four (4) weeks of raw materials inventory and no more than one (1) week of works-in-process and finished Goods. Buyer shall not be liable to pay for work in process or raw materials fabricated or processed by Seller in amounts in excess of those authorized in delivery Releases, for any undelivered Goods which are Seller's standard stock or which are readily marketable, or for any finished Goods which are not promptly delivered to Buyer after request by Buyer. Except as provided in this Section, Buyer shall not be liable 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, facilities and equipment, rearrangement cost or rental, unamortized depreciation costs, or general and administrative burden charges arising from termination of this Order. Within twenty-one (21) days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer with sufficient supporting data to permit Buyer's audit and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agent shall have the right to audit and examine all books, records, facilities, work material, inventories and other Goods relating to any termination claim of Seller. Payment under this Section shall constitute the only liability of Buyer if this Order is terminated by Buyer for its convenience. Termination of



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this Order or any Release does not affect Seller's obligations under this Agreement as to Goods delivered or obligations not dependent upon the delivery of Goods.

B. Buyer reserves the right to terminate this Order in whole or in part for default if: (i) Seller fails to perform in accordance with any of the requirement of this Order to make progress so as to endanger performance hereunder; (ii) Seller breaches or defaults under any agreement between Buyer and Seller; or (iii) Seller becomes insolvent or suspends its operations or if any petition is filed or proceeding commenced by or against Seller under any State or Federal law related to bankruptcy, arrangement, reorganization, receivership or assignment for the benefit of creditors. Any such termination will be without liability to Seller except for completed Goods delivered and accepted by Buyer, payment for which can be setoff against any damages due to Buyer. Buyer may require Seller to transfer title and deliver to Buyer any and all property produced or procured by Seller for performance of the work terminated and Seller shall be credited with the reasonable value thereof not to exceed Seller's cost. Seller will be liable for damages caused by or resulting from its default including but not limited to excess of cost of procurement. Buyer shall, in addition, have all other rights provided by law arising from Seller's default. If after a default termination, it is determined that Seller was not in default, the termination shall be considered to have been made pursuant to the preceding paragraph under this provision.

C. Because Buyer's commitments to its Customers are made in reliance on Seller's commitments under this and each Order, Seller has no right to terminate any Order.

D. Upon the expiration or earlier termination of this Order for whatever reason, Seller agrees to take such action as may be reasonably required by Buyer to accomplish the transition from Seller to an alternative seller, including, without limitation the actions set forth below. The term "alternative seller" expressly includes, but is not limited to, a Buyer-owned or operated facility. Among other things:

- i. Seller shall provide all notices necessary or desirable for Buyer to resource the Order to an alternative seller.
- ii. Seller shall provide a sufficient bank of Goods covered by the Order, as determined by Buyer, to ensure the orderly transition to any alternative seller chosen by Buyer.
- iii. Seller shall return to Buyer all Buyer's Property and any other property furnished by or belonging to Buyer or any of Buyer's Customers in as good as condition as when received by Seller, reasonable wear and tear excepted.
- iv. Seller shall, at Buyer's option: (i) assign to Buyer any or all supply contracts or orders for raw material or components relating to the Order; (ii) sell to Buyer, at Seller's cost any or all inventory and work in process relating to the Order and (iii) sell to Buyer at the unamortized portion of the cost of such items, less any amounts Buyer previously has paid to Seller for the cost of such items, any or all Seller's Property relating to the Order.

21. Limitation of Damages: In no event shall Buyer be liable to Seller for anticipated profits or for special, incidental or consequential damages. This limitation of liability provision applies notwithstanding the type of this Order. Buyer's liability for a claim of any kind or for any loss or damage arising out of or in connection with or resulting from each Order, the Goods or any other agreement between Buyer and Seller is the Reasonable Obsolescence, if any, created by the event giving rise to the claim. Buyer and Seller agree that "Reasonable Obsolescence" means the following amounts without duplication: (i) the Order price for all finished and completed Goods that are authorized under outstanding firm Releases, conform to the requirements of this Order and the warranties stated herein, and have not been previously paid for; and (ii) Seller's reasonable actual cost of the usable and merchantable work in process and raw materials/components transferred to Buyer in accordance with the termination and that are covered by outstanding firm Releases from Buyer. Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, recoupment of investment, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, general and administrative burden charges resulting from termination of this Order or otherwise. Notwithstanding anything to the contrary, Buyer's obligation to Seller upon termination of any Order shall not exceed the obligation Buyer would have had to Seller in the absence of termination of such Order.

22. Force Majeure: In the event of fire, accidents, government acts, war, acts of terrorism, riots and other civil disturbances, or any other extraordinary event beyond either party's reasonable control which prevent manufacture, transportation, delivery, acceptance or Buyer's prompt utilization of the Goods covered by this Order, the affected party may, without any liability or penalty, delay delivery, manufacture, transportation, acceptance or utilization by written notice effective when received by the other party, until such event and consequences of such event of force majeure shall have terminated. Said notice of an event of force majeure shall contain the reason for any delay which the notifying party considers to be an event under the provisions of this paragraph. An event of force majeure shall not include events within the total or partial control of the party giving notice including, but not limited to, poor business judgment or estimates, material cost increases, currency fluctuations, labor shortages, or unanticipated engineering or technical difficulties. Furthermore, Seller specifically agrees that labor disputes at its facility do not constitute a force majeure. Notwithstanding the foregoing, in the event that any such force majeure shall cause Seller to fail to deliver or otherwise perform under this Order for a period of thirty (30) days, Buyer may terminate the Order immediately and find an alternative source for the Goods to be provided hereunder, all without liability or obligation to Seller.

23. Patent, Trademark, Copyright, and Intellectual Property, Indemnification:

A. Seller grants to Buyer a worldwide, nonexclusive, royalty-free, irrevocable license to repair and have repaired, to reconstruct and have reconstructed, to make or have made the Goods ordered hereunder. Seller assigns to Buyer all right, title and interest in and to all trademarks, copyrights, patents, trade secrets, industrial design rights, drawings, data, designs, engineering instructions, models, specifications or other technical information, written, oral or otherwise, in any Goods prepared for Buyer in connection with this Order. Technical information and data furnished to Buyer in connection with this Order are disclosed on a non-confidential basis. To the extent that, by operation of law, Seller owns any intellectual property rights in the Goods, Seller hereby assigns to Buyer all rights, title and interest, including trademark, copyright patent and trade secret rights in such Goods. Seller shall ensure that any Subcontractors to Seller shall have contracts with Seller in writing consistent with the terms of this section.

B. Seller further agrees to defend, hold harmless and indemnify Buyer, its successors, employees and agents, against all claims, demands, losses, suits, damages, liability and expenses (including actual attorneys fees) arising from any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright or industrial design right by reason of the manufacture, use or sale of the Goods including infringement arising out of compliance with specifications furnished by Buyer or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions. Seller further agrees to waive any claim against Buyer, including any hold harmless or similar claim, in any way related to a claim asserted against Seller or Buyer for patent, trademark, copyright or industrial design right infringement or the like, including claims arising out of compliance with specification furnished by Buyer. Upon becoming aware of such a claim, demand, suit or action, Buyer shall notify Seller and Seller, at Buyer's option, and at Seller's expense, will undertake defense of such a claim, demand, suit or action through counsel approved by Buyer, provided that Seller shall first obtain authorization from Buyer before settlement is made of the claim, demand, suit or action. In the alternative, Buyer may elect to undertake defense of such a claim, demand, suit or action, to the extent it is asserted against Buyer, and Seller shall reimburse Buyer on monthly basis for all expenses, actual attorney fees, and other costs incurred by Buyer.

24. Indemnification and Insurance:

A. Seller shall indemnify and hold harmless Buyer, its employees, agents and invitees from and against all liability, demands, claims, losses, costs, damage and expenses (including actual attorney fees) by reason of or on account of property damages, personal injury, death or other claims arising out of, as result of, or in connection with the performance of this Order, which is occasioned by defect in product and/or breach of this Order including



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warranty and acts of Seller, its employees, agents and invitees. The Seller waives the application of the doctrine of comparative negligence and other doctrines that may otherwise allocate the liability covered by Seller's indemnity. Upon becoming aware of such a claim, demand, suit or action, Buyer shall notify Seller and Seller, at Buyer's option, and at Seller's expense, will undertake defense of such a claim, demand, suit or action through counsel approved by Buyer, provided that Seller shall first obtain authorization from Buyer before settlement is made of the claim, demand, suit or action if, the terms of such settlement could materially adversely affect Buyer, including any terms which admits the existence of a defect in Goods or a failure of Buyer to fully and faithfully perform its obligations. In the alternative, Buyer may elect to undertake defense of such a claim, demand, suit or action, to the extent it is asserted against Buyer, and Seller shall reimburse Buyer on monthly basis for all expenses, actual attorney fees, and other costs incurred by Buyer.

B. Seller shall procure and maintain at its sole expense insurance, with reputable insurance companies, which adequately covers Seller's liability against Buyer and third parties. Buyer is entitled to require certain insurance coverage, including products liability, employer's liability, workman's compensation, general liability, public liability, property damage liability, completed operations liability, recall liability, business interruption and contractual liability, in the amounts acceptable and approved by Buyer. Seller shall provide to Buyer proof of such insurance upon Buyer's request. Such policies shall provide cancellation only upon written notice to Buyer. Failure by Buyer to request proof of insurance from Buyer shall not constitute a waiver of the requirements provided for in this Section.

25. Compliance with Laws:

A. Seller shall comply with all applicable federal, state and local laws, executive orders, rule and regulations during the performance of this Order. The Seller warrants that: (i) all Goods sold or furnished under this Order will conform to and comply with OSHA standards and regulations and all applicable Federal Motor Vehicle Safety Standards issued under the NTMVSA; (ii) such Goods have been manufactured or furnished in accordance with the FLSA and regulations issued thereunder; and (iii) for each chemical product or product containing a chemical substance, purchased under this Order, Seller will furnish Buyer a Material Safety Data Sheet ("MSDS") in conformance with OSHA state and local requirements, unless current MSDS has previously been submitted by Seller to Buyer, Seller further warrants that all chemical substances delivered under this Order will conform to and comply with the TSCA and regulations issued thereunder. Seller agrees to indemnify and hold Buyer and its customers harmless for any loss, damage or expenses sustained because of Seller's non-compliance with any applicable law.

B. Seller shall, where applicable: (i) comply with the North American Free Trade Agreement and the North American Free Trade Agreement Implementation Act; (ii) warrant that all sales made hereunder shall be in compliance with the United States Anti-Dumping Law and Seller will indemnify, defend and hold Buyer harmless from and against any and all costs or expenses arising out of or in connection with any breach of this warranty; and (iii) upon request, furnish promptly certificates of local value added in accordance with government regulations pertaining thereto.

C. Seller agrees to indemnify and hold Buyer and its customers harmless for any loss, damage or expenses, including actual attorney's fees, sustained because of Seller's non-compliance with the requirements of this Section.

26. Assignment, Subcontracting: Any assignment of this Order or the work to be performed, in whole or in part, or of any other interest hereunder without Buyer's written consent, except an assignment confined solely to monies due or to become due hereunder, shall be void. Any such assignment of monies shall be void to the extent that it attempts to impose upon Buyer obligations to the assignee additional to the payment of such monies, or to preclude Buyer from dealing solely and directly with Seller in all matters pertaining hereto, including the negotiation of amendments or settlements of amounts due, or to preclude Buyer from any right of setoff or recoupment arising out of this or any other transaction. In the event of any such assignment of monies due or to become due, Seller will file, in addition to a written notice of assignment, a true copy of the instrument of assignment with Buyer. Seller agrees not to subcontract for any complete or substantially completed materials, supplies and/or services called for by this Order without the prior written approval of Buyer. In the event that Seller does use sub-contractors, Seller shall ensure that all and any of its sub-contractors are contractually bound to the Order and these Purchase Order Terms and Conditions.

27. Confidentiality: Notwithstanding any separate confidentiality and non-disclosure agreements, Seller shall safeguard, preserve and maintain the confidential nature of all know-how, trade secrets and other confidential information disclosed to it by Buyer unless such information is or becomes public knowledge without the fault of Seller. Drawings, models, patterns, samples and similar objects shall not be disclosed or otherwise made available to third parties without the prior written consent of Buyer. Notwithstanding the foregoing, Seller may disclose confidential information pursuant to the order of a court of competent jurisdiction provided it shall have first given notice to Buyer of the request or subpoena for such confidential information and Buyer shall have had the opportunity to challenge or limit the disclosure thereof pursuant to applicable rules of Civil Procedure or Court Rules. Seller shall include these confidentiality obligations to Buyer in any and all contracts with subcontractors. The terms of this provision shall survive the expiration or termination of any Order.

28. Rights and Remedies of Buyer: The rights and remedies of Buyer set forth herein shall be in addition to any other rights and remedies provided in law or equity and the failure of delay by Buyer to exercise any rights or remedies under this Order shall not operate as a general waiver thereof. No course of dealings between Seller and Buyer or any delay or omission of Buyer to exercise any right or remedy granted hereunder shall operate as a waiver of such rights, and every right and remedy of Buyer provided herein shall be cumulative, concurrent and in addition to any other further rights and remedies available in law or in equity.

29. Choice of Law and Jurisdiction: The construction, interpretation and performance hereof and all transactions under shall be governed by the law of the Commonwealth of Kentucky, without regard to principles of conflicts of law. Any legal action involving this contract shall be initiated and prosecuted in Henderson Circuit Court, Henderson Kentucky. The United Nations Convention on the International Sale of Goods is expressly excluded. Seller specifically waives any and all objections to venue in such courts and agrees that a judgment or award against it resulting from any lawsuit or proceedings shall be conclusive and binding upon it and may be enforced in any other jurisdiction.

30. Attorney Fees: If Buyer institutes or defends against a proceeding or lawsuit requiring interpretation or enforcement of these Purchase Order Terms and Conditions and prevails, Buyer shall be entitled to recover its actual attorneys' fees and costs.

31. Identification of Components: Seller will furnish to Buyer in writing, upon request, with all information which Buyer is required to furnish to its customer, concerning the description and identification of all components and materials incorporated into the Goods. Seller's purchase orders and contracts with its suppliers will include the same requirement and will also provide that this requirement be included in all purchase orders and contracts with all lower-tier suppliers, such that Seller will be able to obtain and provide to Buyer detailed information concerning every component and material incorporated in each of the Goods.

32. Severability: The Terms and Conditions of this Order are severable and if any term, condition or portion of any term or condition is stricken or declared illegal, invalid or unenforceable for any reason whatsoever, the legality, validity, or enforceability of the remaining Terms and Conditions shall be not be affected thereby.

33. Relationship of Parties: Seller and Buyer are independent contracting parties and nothing in an Order shall make either party the agent, joint venture or legal representative of the other for any purpose whatsoever, or grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. There are no third party beneficiaries to this Order.

34. Rights of Entry, Reclamation and Inspection: Buyer shall have the right to enter Seller's facility during normal business hours or, in the event of a Seller shutdown, at reasonable times, to inspect the facility, Goods, materials and any property of Buyer covered by each Order and, without the necessity of a court order, may enter upon Seller's property at any time and remove property belonging to Buyer or any customer of Buyer, including, without limitation, Buyer's Property and other Goods, inventory or Seller's Property that has been or is agreed to be sold to Buyer under the Order. Buyer's inspection of the goods whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work in process or finished Goods.

35. Electronic Communications and Electronic Signatures: Seller shall comply with any method of electronic communication specified by Buyer, including requirements for electronic funds transfer purchase order transmission, production Releases, electronic signature, and communication.



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36. Ingredients and Conflict Minerals Disclosure

If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients in the goods; (b) the amount of all ingredients; and (c) information concerning any changes in or additions to such ingredients. Seller also recognizes, consistent with the United States public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and nonlegal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("DRC countries"). Accordingly, the goods delivered under this Contract shall comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, Seller commits to have in place supply chain policies and processes to undertake the following: (a) a reasonable inquiry into the country of origin of Conflict Minerals, if applicable, incorporated into products it provides Buyer; (b) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there; (c) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures; and (d) disclosure of information to Buyer on this Contract for products containing Conflict Minerals for products with delivery dates during the current calendar year. Seller agrees to complete, sign and submit as directed by Buyer the applicable "Conflict Minerals Disclosure" form provided to Seller by Buyer on an annual basis and shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time. Prior to and with the shipment of the goods, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, and their respective employees of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Buyer.

37. Entire Agreement: This Order, together with these Purchase Order Terms and Conditions, the attachments, exhibits and supplements specifically referred to in this Order, are intended by the parties as a complete and exclusive statement of the terms of their agreement. It supersedes all prior agreements, written or oral. No course of prior dealings between the parties and no usage of the trade may be used by Seller to supplement or explain any term used in an Order. In addition, all other purchasing manuals, guidelines and requirements available and updated from time to time through authorized links provided on the Buyer's web site are incorporated by reference.