



Dayco Global Terms and Conditions of Purchase

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A. Application

1. These Global Terms and Conditions of Purchase (the “Global Terms”) are incorporated into every Order through which the Purchaser purchases Items from the Seller. The Global Terms may be modified or supplemented by an applicable “Country-Specific Addendum.” The Country-Specific Addendums are available for review at www.daycosupplier.com.
2. Parties: The “Purchaser” is the member company of the Dayco group of companies indicated on the Order. The “Seller” is the person or company indicated on the Order and with whom the Order is placed.
3. Items: The “Items” are all products, Tooling, materials, goods, services, supplies, or work covered by the Order (including related documentation and the source code and object code of any software), regardless of type.
4. The Order: Each purchase order issued by Purchaser is an “Order.” The Order means not only the purchase order itself, but also the Global Terms, each applicable Country-Specific Addendum, any Releases, and any other incorporated documents, as well as any modifications to any of these documents.
5. Releases: A “Release” is a document issued by Purchaser that supplements an Order by stating the specific quantity of Items to be delivered by Seller to a specific location on a specific date, or a subset of this information.

B. Offer and Acceptance; Additional or Different Terms; Supremacy

1. Each Order is an offer. An Order is not an acceptance of any offer made by Seller, whether in a quotation or otherwise, regardless of whether Seller’s quotation or any other document is referenced in the Order. If any of Seller’s documents is deemed to be an offer, Purchaser expressly rejects that offer, and the Order is a new offer. Seller acknowledges that a request for quotation issued by Purchaser and a quotation issued by Seller are not offers. Until it is accepted under section B.2, Purchaser may revoke the Order without any liability to Seller.
2. Seller accepts the Order when the first of these events occurs: (a) Seller fails to object in writing to the Order within two business days after receiving it; (b) Seller begins work on the Items; (c) Seller ships or delivers any of the Items; or (d) Seller accepts the Order in writing. Seller’s acceptance is unconditional.



3. Any acceptance of the Order is limited to the terms contained in the Order and these Global Terms, the applicable Country Specific Addendum, and the Additional Purchase Order Terms and Conditions, as defined in section B.4. Any and all terms on Seller's quotation or any other form of communication or documentation provided by Seller or any attempt by Seller to vary any of the terms of the Order in any manner are material, and Purchaser objects to and rejects them. No terms proposed or provided by Seller are part of the Order unless Purchaser explicitly accepts them in a signed writing.
4. All of the terms and conditions applicable to the Order are available on Purchaser's website at www.daycosupplier.com. The website sets forth terms and conditions in addition to those set forth above within the document titled "Supplier Performance Requirements Manual" (collectively the "Additional Purchase Order Terms and Conditions"). The Additional Purchase Order Terms and Conditions are incorporated into and are a part of the Order.
5. If Seller is unable to access Purchaser's website to read any of the documents hosted there, Seller must notify Purchaser and request the documents.
6. If there is any conflict between the Order, the Country-Specific Addendum, these Global Terms, and any other documents incorporated into the Order, the documents control in the order they appear in this section B.6.
7. The Order and its incorporated documents may not be modified except in a writing signed by Purchaser.

C. Quantity

1. **Fixed-Quantity Contracts:** If the Order states a specific quantity (other than "0," which indicates a 100% requirements contract under section C.2), the Order is a fixed-quantity contract. Seller must supply Purchaser with the specified quantity of Items, and Purchaser must purchase from Seller that quantity of Items at the price indicated. Seller must deliver the Items to the locations and at the times in the Order or in any Release issued by Purchaser.
2. **100% Requirements Contracts:** If the Order does not state a specific quantity, or if the Order states the quantity as "0," "REQ," "100% REQ," "100%," "AS REL," "as released," or similar, the Order is an exclusive 100% requirements contract. Purchaser must order exclusively from Seller all of the Items that Purchaser may need during the Term of the Order (as defined in section F.1). Seller must deliver



to Purchaser all of the Items so ordered, and Purchaser must pay for those Items at the price indicated. Seller must deliver the Items in the quantities, at the times, and to the locations in any Release issued by Purchaser. Purchaser will determine its needs for the Items, including quantities and delivery dates, and communicate those quantities and delivery dates to Seller through Releases.

3. **Less-Than-100% Requirements Contracts:** If the Order states the quantity as a specific percentage of Purchaser's requirements that is less than 100% (such as "70% REQ," "70%," or similar), the Order is a requirements contract, and is exclusive to Seller as to the indicated percentage of Purchaser's requirements. Purchaser will order exclusively from Seller the indicated percentage of the Items that Purchaser may need during the Term of the Order (as defined in section F.1). Seller must deliver to Purchaser all of the Items so ordered, and Purchaser must pay for those Items at the price indicated. Seller must deliver the Items in the quantities, at the times, and to the locations in any Release issued by Purchaser. Purchaser will determine its needs for the Items, including quantities and delivery dates, and communicate those quantities and delivery dates to Seller through Releases.

D. Firm and Forecasted Quantities; Capacity

1. The Order or Release may specify a firm quantity of Items or a firm quantity of raw materials or components, as well as a firm delivery date. All firm quantities and delivery dates are binding on both Purchaser and Seller. No other quantities or delivery dates are binding on either party.
2. Unless the Order, Release, or a separate agreement between the parties states otherwise, the only quantities on a Release that are firm are those shown for the first four weeks (for finished goods) and the following eight weeks (for raw materials only), both measured from the date of the Release.
3. Unless expressly identified as firm, all quantities and delivery dates in the Order, any Release, or any other document are estimates, are for planning purposes only, and Purchaser has no obligation to Seller for them.
4. Seller must maintain sufficient weekly and annual capacity to satisfy any quantities, including estimated quantities, in the Order or any Release, plus an additional 20%, unless otherwise stated on the Order.



E. Price

1. Prices stated on the Order are fixed unless another pricing structure is explicitly stated. The prices include all charges and expenses related to the sale of the Items to Purchaser. No additional charges, including surcharges, shipping, packaging, taxes, tariffs, and duties, may be added to the amount due from Purchaser in connection with the sale of the Items.
2. Seller warrants that the price of the Items is the lowest price at which these or similar Items are sold to other customers in similar quantities or the last price charged or quoted to Purchaser, whichever price is lower. If, during the period that the Order is in effect, Seller reduces the price at which these or similar Items are sold to customers other than Purchaser, the price for any Items delivered to Purchaser after the price payable by such other customers has been reduced shall automatically be reduced to the price charged to such other customers.
3. If no price is specified on the Order, the price is the lowest price at which the Items are sold by Seller.

F. Duration; Duty to Cooperate with Transition

1. The duration of the Order is the life of each vehicle program into which the Items are ultimately incorporated, including model refreshes as determined by Purchaser's customer or ultimate OEM end customer, and including any period during which Purchaser will provide service or replacement parts incorporating the Items to Purchaser's customer (the Term). The Term may be lengthened or shortened as a result of Purchaser's customer or ultimate OEM end customer increasing or decreasing the life of the applicable vehicle program. Nothing in this section affects Purchaser's rights to terminate the Order under section AA.
2. Seller may not terminate the Order before the end of the Term.
3. Upon the expiration or termination of the Order, Seller must cooperate with Purchaser and provide all reasonably requested support and information required by Purchaser to facilitate Purchaser transition production of the Items to a new supplier. Seller's duty to cooperate includes its obligations to continue supplying Items while Purchaser searches for and prepares a new supplier, and to build a bank of Items so that Purchaser's ability to meet its obligations to its customer is not interrupted during the transition.



G. Delivery

1. Time is of the essence.
2. Seller must deliver to Purchaser the exact quantity of Items stated in the Order or Release at the time (if specified), on the date, and at the place specified on the Order or Release.
3. If the Seller learns of an actual or potential conflict that delays or threatens to delay its performance of the Order, Seller must notify Purchaser immediately of the actual or threatened delay and the reason for it. Purchaser may cancel the Order or any Release without liability if Seller fails to deliver the Items or if Purchaser reasonably believes that Seller may fail to do so.
4. If Seller fails to deliver the Items as required by section G.2, Purchaser may: (a) accept the delivered quantities and modify the following Orders or Releases accordingly and store any excess Items at Seller's expense; or (b) reject any excess Items and return them at Seller's risk and expense; or (c) demand that Seller deliver any missing Items at Seller's expense; or (d) terminate the Order. Seller is responsible for all additional costs incurred to cure Seller's failure to deliver the Items as required by section G.2, including any expedited shipping costs incurred by Seller or Purchaser.
5. Purchaser may, by Release or other written notice to Seller, make reasonable changes to the quantity, delivery time or date, delivery location, or other delivery requirement stated in any Order or Release. Seller must make the changes required by Purchaser without any cost to Purchaser or change in price. If the changes are material, Seller may request an equitable adjustment to the price, timing, or other cost related to the changes. Seller's request must be in writing and supported with appropriate documentation, and must be made within three business days after Seller receives the Release or notice. The parties may then discuss the adjustment requested by Seller. No adjustment will be effective unless it is made by Purchaser in a signed writing.
6. If Purchaser requests that Seller maintain at Seller's own facility security stocks of Items to ensure the fulfillment of Purchaser's future Orders or Releases, Seller must do so at its own cost. If Seller uses any of the security stock, it must promptly restore the security stock to the required level.



H. Title and Risk of Loss

1. Title Warranty: Seller warrants that it has good title to the Items, free and clear of all liens and encumbrances, and will transfer title to Purchaser. Seller affirmatively waives any liens, whether based on statute or common law, that Seller might otherwise have on any Items.
2. Title and Risk of Loss: Title and risk of loss to the Items remains with Seller until the Items have been delivered to and accepted by Purchaser or its authorized agent or consignee at the location specified on the Order. If Purchaser rejects or refuses to accept tender or delivery of any Items, where the Items tendered or delivered fail to conform to specifications or other requirements of the Order, or where more Items are delivered than ordered, then title and risk of loss with respect to the Items remains with Seller until it cures the defects in its performance or until Purchaser accepts in writing the nonconforming Items.

I. Shipment, Marking, Packing

1. Seller must ship and deliver the Items FCA Seller's facility (Incoterms 2010). Seller must properly pack, mark, and ship all shipments in accordance with the requirements of Purchaser and the common carrier and in a manner that secures the lowest transportation rates. Seller must mark accordingly any materials designated by law or regulation as hazardous. If Purchaser incurs any costs or expenses because Seller fails to meet any of its obligations under this section, Seller will immediately reimburse Purchaser. If Seller must use a more expensive shipping method to meet a required delivery date, Seller must pay the additional cost.

J. Specifications; Changes

1. Specifications: All specifications, drawings, designs, samples, notes, instructions, engineering notices, or technical data (collectively the "Specifications") of Purchaser furnished to Seller or referred to in the Order are incorporated into it. Purchaser retains title to the Specifications. Seller must not disclose the Specifications to any person other than those authorized by Purchaser in advance and in writing. Upon Purchaser's request, Seller must promptly return the Specifications, including any copies. Seller must not sell Items made to Purchaser's Specifications to any other person, firm, or company without Purchaser's prior written consent.



2. Changes: Purchaser may make changes (including additions and deletions) to the Items or Specifications. Seller will, within ten business days of the date it is notified of a change, demonstrate the effects of the change on the price and delivery date through a cost breakdown and other appropriate documentation. No adjustment to the price or delivery date is effective unless Purchaser agrees to it in writing.

K. Warranty by Seller

1. Warranty by Seller: Seller warrants that all Items will
 - (a) be free from defects in material and workmanship;
 - (b) be of good and merchantable quality;
 - (c) conform strictly to all Specifications (see section M), drawings, and samples provided to or furnished by Purchaser;
 - (d) be fit for the purpose for which they are intended and capable of the performance necessary for the safe and proper function of the final products into which they are incorporated;
 - (e) be free from defects in design, but only if the designs, samples, drawings, Specifications, or changes are furnished by Seller;
 - (f) not appropriate any trade secret or infringe any patent, copyright, trademark, or trade name or service mark by reason of their manufacture, use, or sale, but only if the designs, samples, drawings, Specifications, or changes are furnished by Seller; and
 - (g) comply with applicable law.

This warranty is in addition to all warranties provided by law.

2. Seller warrants that all documents it provides, including all Material Safety Data Sheets and Item testing data, are accurate. Seller acknowledges that Purchaser, its customers, and others will be relying on the accuracy of the information in those documents.
3. Warranty Scope: Seller's warranty extends to Purchaser and to its successors, assigns, and customers, and to users of the Items.



4. Warranty Period: The warranty period is the longest of (a) four years from the date Purchaser accepts the Items, (b) the warranty period provided by applicable law, and (c) the warranty period offered by Purchaser or its customers to end-users for the products into which the Items are incorporated.

L. Liability, Limitation of Liability, and Insurance

1. Seller is liable to Purchaser for any breach of the Order. Seller's liability includes Purchaser's direct, indirect, incidental, and consequential damages, and any other damages and other remedies available under law and equity. Seller must reimburse Purchaser for any attorneys' fees, other professional fees, and court costs incurred by Purchaser in connection with any breach of the Order by Seller or any action by Purchaser to enforce its rights under the Order.
2. Seller must pay Purchaser for any loss that is caused by Seller's breach of the Purchase Order, or that arises from or relates to warranty, product-recall, or product-liability claims asserted by any party against Purchaser, or that arises from or relates to any injuries to persons, including death, or damage to property caused by Seller. But Seller need not pay for any loss that is caused solely by Purchaser's gross negligence or willful misconduct.
3. As used in section L:
 - (a) A "loss" means any amount that Purchaser is legally responsible for or pays in any form. Amounts include any judgment, settlement, fine, penalty, damages, cost, or expense, including attorneys' or other professional fees. A loss can be tangible or intangible; can arise from bodily injury, property damage, or other causes; can be based on tort, breach of contract, or any other theory of recovery; and includes Purchaser's direct, indirect, incidental, and consequential damages and any other damages.
 - (b) A loss is "caused" by an event if the loss would not have occurred without the event, even if the event is not a proximate cause of the loss.
 - (c) "Purchaser" includes Purchaser's affiliated companies and both Purchaser's and those affiliated companies' directors, officers, employees, invitees, agents, and customers.
 - (d) "Seller" includes Seller's employees, subcontractors, and agents.



4. Seller waives the application of the doctrine of comparative negligence and other doctrines that may otherwise allocate the liability covered by Seller's obligations under section L. Those obligations are in addition to Seller's warranty obligations.
5. Purchaser will notify Seller within a reasonable time after Purchaser knows of a claim for a loss that Seller might be obligated to pay. Purchaser's failure to give notice within a reasonable time does not terminate Seller's obligation under section L, except to the extent that the failure prejudices Seller's ability to defend the claim or mitigate losses.
6. Seller, at Purchaser's option and at Seller's expense, will defend the claim through counsel approved by Purchaser. Seller may not settle the claim without Purchaser's written authorization. Purchaser may elect to defend the claim itself, and if Purchaser does so, Seller must reimburse Purchaser on a monthly basis for all costs and expenses of defense, including attorneys' fees and other professional fees.
7. If any third party asserts any claim against Purchaser that arises from the delivery or performance of Seller and that the third party could also assert against Seller, Seller will indemnify Purchaser to the extent Seller would be directly liable to the third party.
8. **IMPORTANT – PLEASE READ – Limitations on Purchaser's liability to Seller:**
 - (a) Purchaser is not liable to Seller for anticipated profits or for special, incidental, or consequential damages, including attorneys' fees, under any circumstances. Purchaser's liability for a claim of any kind or for any loss arising out of or in connection with or resulting from the Order, the Items, or any other agreement between Purchaser and Seller is limited to any amounts due Seller through a termination claim under section BB.
 - (b) Any lawsuit or other action by Seller under or in connection with the Order must be commenced within one year after the breach or other event giving rise to Seller's claim occurs, regardless of Seller's lack of knowledge of the breach or other event giving rise to Seller's claim.
9. **Insurance:** If requested by Purchaser, Seller will maintain policies of liability insurance, declaring Purchaser as an additional named insured, in the amounts designated by Purchaser, to protect Purchaser. Seller will furnish proof of such insurance to Purchaser. Seller may not cancel the policies of insurance without



first giving ten business days' written notice to Purchaser. Before beginning work on Purchaser's premises or using Purchaser's property (including Purchaser's Property as defined below) and at all relevant times, Seller must maintain and upon request furnish to Purchaser a certificate evidencing: (a) general liability insurance with coverage limits reasonably acceptable to Purchaser and naming Purchaser as an additional insured; (b) all-risk property-perils insurance covering the full replacement value of Purchaser's property while in Seller's care, custody, or control, and naming Purchaser as loss payee; and (c) worker's compensation insurance as required by applicable law. Seller will require any of its subcontractors to maintain appropriate insurance consistent with this section. Seller's liability under the Order is not limited to its insurance coverage or that of any of its subcontractors.

M. Quality, Compliance with Specifications, Inspection, and Defective and Nonconforming Items

1. All Items, including prototype and production parts, must strictly comply with the Specifications. The Specifications includes the written specification, the drawings, and all technical data approved by Purchaser. Purchaser may revise or amend the Specifications on its own initiative or at the request or suggestion of the Seller. If Seller develops any change or improvement that it has verified is suitable for the intended purpose and required quality of the Items, Seller must inform Purchaser of that change or improvement so that Purchaser may consider amending the Specifications accordingly.
2. Seller may not change the Items or the materials, tools, or production processes (including the location of manufacture) without Purchaser's prior written authorization. Seller acknowledges that such changes may often also require the prior written consent of Purchaser's customer.
3. Purchaser may make, or require Seller to make, modifications to the Items, the Specifications, or the production processes at any time, and Seller must implement those modifications immediately or as directed by Purchaser. Seller will, within ten business days of the date it is notified of a modification by Purchaser, demonstrate the effects of the modification on the price and delivery date through a cost breakdown and other appropriate documentation. If the modification requires any deviation in price or delivery date, Purchaser and Seller will agree on an equitable adjustment in writing. But Seller's obligations



under the Order, including to implement the modification, are not contingent on agreement to an equitable adjustment.

4. Purchaser may inspect any Items. Seller must test the Items for compliance with the Order by any procedure stated in the Order or otherwise communicated by Purchaser. Purchaser may reject any Items at any time if the Items are defective or fail to conform to the Order, regardless of how that defect or nonconformity is discovered (including by inspection, analysis, manufacturing operations, or use) or whether it is discovered after Purchaser has inspected the Items and accepted them. Purchaser may return any rejected Items to Seller at Seller's risk and expense (including transportation and handling costs), or may require Seller, at Seller's expense, to correct or replace the Items. In the event that Purchaser chooses to return any rejected Items, Purchaser will notify Seller and then hold the Items at Seller's cost for no more than three business days. If, during those three days, Seller provides instructions to dispose of the Items, Purchaser will dispose of the Items at Seller's cost. Otherwise, Purchaser may dispose of the Items as it sees fit or store them, either option at Seller's cost and without Purchaser's liability.
5. Purchaser may enter Seller's facilities, at reasonable times, to inspect and test the quality of the Items, raw materials, and manufacturing and testing procedures, and to review and audit all records relative to Seller's performance under the Order. Any such testing, inspection, review, or audit does not relieve Seller of any responsibility or liability under the Order.
6. Neither Seller's delivery of the Items nor Purchaser's payment for them reduces or eliminates Seller's responsibility for the quality and serviceability of the Items. Nor do they constitute an acceptance or impair, limit, or otherwise restrict Purchaser's right to claim any legal or equitable right. Nor do they relieve Seller of any responsibility or liability for defects or breach of warranty that are discovered after delivery, payment, or acceptance.
7. Seller must keep appropriate records of all trials and tests performed on the Items and of the checks performed on tools and equipment used for production and tests for at least ten years, and longer if required by Purchaser.
8. Seller must comply with the quality control and inspection standards and systems established or directed by Purchaser, and must be ISO 9001 or IATF 16949 certified throughout the Term of the Order.



9. Seller must comply with the Supplier Performance Requirements Manual located at www.daycosupplier.com, and any additional requirements that both parties agree upon in writing (collectively the “Quality Requirements”). Purchaser may update, revise, and amend the Quality Requirements periodically, and Seller must comply with the current Quality Requirements at all times.

N. Recalls

1. If Purchaser, its customer, or the manufacturer of the vehicles (or any other end products) into which the Items, or products, components, or systems containing the Items, have been assembled performs a recall, any other field- or garage-action, or a customer-service campaign, either upon its own initiative or upon the decision of any public authority (a “Recall”), Seller is liable to Purchaser for all damages in connection with the Recall to the extent that the Recall results from Seller’s delivery of defective Items or any other breach of the Order.

O. Setoff

1. Purchaser or its affiliates may set off any claim, whether due or not due, present or future, that it has or may have against Seller or its affiliates or to offset against any claim that Seller or its affiliates may have against Purchaser or its affiliates.

P. Past-Model Service Requirements

1. Seller must supply Purchaser with 100% of its requirements for service and spare parts for 15 years after the end of production. During this 15-year period, the price will be the price on the most recent production Order, plus any additional costs for packaging and processing to which Purchaser agrees. At Purchaser’s request, Seller must provide servicing literature and other materials at no extra cost in order to support Purchaser’s spare-parts-sales activities.

Q. Intellectual Property, Confidential Information, and Advertising

1. Purchaser owns all designs, discoveries, creations, works, devices, masks, works in progress, deliverables, inventions, products, computer programs, procedures, improvements, developments, drawings, notes, business processes, models, patterns, tools, dies, jigs, gauges, and Specifications or other documents, information, materials, or other things that Purchaser provides or makes



accessible to Seller, regardless of whether they are protected or able to be protected by patent or copyright (“Purchaser’s Work Product and Intellectual Property Rights”). If the Order is terminated for any reason, Seller grants to Purchaser a nonexclusive, royalty-free, and irrevocable license to use any and all of Seller’s work-product and intellectual-property rights that it may have with respect to an Item (“Seller’s Work Product and Intellectual Property Rights”) to obtain the Items (or products and services that are the same or similar to the Items) from another supplier or manufacture them itself.

2. Seller’s Work Product and Intellectual Property Rights include all designs, discoveries, creations, works, devices, masks, models, work in progress, deliverables, inventions, products, computer programs, procedures, improvements, developments, drawings, notes, documents, business processes, information, and materials made, conceived, or developed by Seller alone or with others, including Purchaser, that result from or relate to the Items.
3. Purchaser has the sole right to determine the treatment of any of its Work Product and Intellectual Property Rights, including the right to keep each as a trade secret, execute and file patent applications on it, use and disclose it without prior patent application, or file registrations for copyright or trademark in its own name. Seller must:
 - (a) promptly disclose in writing to Purchaser all Purchaser’s Work Product and Intellectual Property Rights in Seller’s possession;
 - (b) assist Purchaser in every reasonable way, at Purchaser’s expense, to secure, perfect, register, apply for, maintain, and defend for Purchaser’s benefit all copyrights, patent rights, mask-work rights, trade-secret rights, and all other proprietary rights or statutory protections in and to Purchaser’s Work Product and Intellectual Property Rights as Purchaser deems appropriate; and
 - (c) otherwise treat all of Purchaser’s Work Product and Intellectual Property Rights as confidential and proprietary information. These obligations expiration or termination of the Order.
4. Seller grants Purchaser a nonexclusive, royalty-free, irrevocable license to use, repair, rebuild, install, maintain, and relocate the Items.
5. Purchaser’s Work Product and Intellectual Property Rights, trade secrets, Specifications, drawings, notes, instructions, engineering data and analyses, compositions of matter, financial data, and other technical and business data that



is supplied or disclosed by Purchaser in connection with any Order or other agreement (“Confidential Information”) is confidential and proprietary to Purchaser and remains the property solely of Purchaser. For the Term and for five years after its expiration or termination, Seller must not disclose, nor make accessible, Confidential Information to anyone other than personnel having a need to know or use Confidential Information for any purpose other than as contemplated by the Order without, in each case, Purchaser’s prior written consent. Confidential Information does not include information that: (a) is or becomes generally available to the public other than as a result of a violation of this section Q by Seller; or (b) was obtained by Seller on a nonconfidential basis from a third party who had the right to disclose it without violating any confidentiality or fiduciary obligation. If Seller receives a demand to produce Confidential Information from a court or other government agency, if not prohibited by law from doing so, it must immediately inform Purchaser of the demand so that Purchaser can object to disclosure or seek an appropriate protective order or other appropriate remedy to protect the confidentiality of the Confidential Information. Seller must use at least the same degree of care (but not less than a reasonable degree of care) to safeguard Confidential Information that it uses to protect its own confidential information from unauthorized access or disclosure. At Purchaser’s request, Seller must promptly return or destroy the original and all copies of Confidential Information it received.

6. Seller must not advertise or otherwise disclose its relationship with Purchaser or Purchaser’s customers without Purchaser’s prior written consent, except as may be required to perform under the Order or as required by law. This prohibition survives the expiration or termination of the Order.

R. Restriction on Competition, Circumvention, and Solicitation

1. During the Term and for two years following its conclusion, Seller will not without Purchaser’s written consent (a) directly or indirectly contact any of the suppliers, customers, distributors, agents, or any other person disclosed to it by Purchaser that has an existing, prior, or prospective business relationship with Purchaser; or (b) hire, contract with, directly or indirectly solicit, or offer or aid others to offer employment to, any employees or other agents of Purchaser.



S. Ownership of Tooling, Bailed Property

1. All tools, parts, templates, matrices, measures, devices, jigs, gauges, fixtures, other appurtenances, and related drawings and forms (collectively, "Tooling"), equipment or material, if it:
 - (a) is provided to Seller by Purchaser, Purchaser's customer, or Purchaser's ultimate OEM end customer;
 - (b) has been paid for or is to be paid for directly or through amortization by Purchaser; or
 - (c) is Tooling identified on the face of any Order issued by Purchaser, as well as any and all replacements, additions, attachments, accessories, and maintenance (collectively "Provided Property"), are the property of Purchaser, its customer, or its ultimate OEM end customer, unless agreed otherwise, and are held by Seller on a bailment basis only.
2. Seller may use the Provided Property solely for the production of Items under a Order issued by Purchaser. Seller may not use the Provided Property for any other purpose or permit others to use it without the Purchaser's prior written consent.
3. Seller must register in its accounting books, when applicable, and clearly mark all Provided Property as property of Purchaser, Purchaser's customer, or Purchaser's ultimate OEM end customer. Seller must store all Provided Property safely and separately from Seller's property. Seller must maintain all Provided Property in good condition and replace it if necessary, all at Seller's cost. Seller bears the risk of loss of and damage to the Provided Property while the Provided Property is in its possession or control. Seller must insure the Provided Property in the event of loss to an amount equal to the replacement cost that would have to be paid to Purchaser, its customer, or its ultimate OEM end customer, all at Seller's cost. Seller assigns all claims for payment against the insurer to Purchaser, and Purchaser accepts this assignment. Seller must treat the Provided Property carefully and safely and must hold Purchaser harmless for any claim, liability, costs, or damages arising from or related to the assembly, use, safekeeping, repair, or replacement of the Provided Property. Purchaser, Purchaser's customer, or Purchaser's ultimate OEM end customer is entitled to enter Seller's



premises during regular business hours and to inspect the Provided Property and any records relating to it.

4. Purchaser may remove the Provided Property or demand its surrender at any time and without any reason and without any payment, regardless whether Purchaser has terminated any Order with Seller. Upon a demand by Purchaser that Seller surrender any Provided Property, Seller must immediately surrender the Provided Property and prepare it for shipping (in accordance with the requires of the carrier and Purchaser) or deliver it to Purchaser or elsewhere, as directed by Purchaser. If Purchaser chooses to remove the Provided Property from Seller's premises itself, Seller will fully cooperate with that removal. If Purchaser directs that Seller deliver the Provided Property to Purchaser or elsewhere, Purchaser will reimburse Seller for reasonable delivery costs. Seller may not retain the Provided Property, either from outstanding payment demands or for any other reason, and its cooperation with delivery and removal of Purchaser's property is not contingent on final payment.
5. Seller affirmatively waives any lien, whether based in statute or common law, that it might otherwise have on any Items or Provided Property for any work done on the Items or Provided Property or for any other reason. Seller assigns to Purchaser any claims Seller has against any third party relating to any Provided Property.
6. If the Provided Property is in the possession of any third party, including any subsupplier or service provider such as a repair shop, Seller's obligation to cooperate with Purchaser's removal of the Provided Property or to surrender the Provided Property under this section S includes an obligation to secure the Provided Property's release by the third party. Seller's obligation to secure the Provided Property's release includes the immediate payment of any claims made by the third party and the immediate payment of any amounts necessary to remove, at its own cost, any lien asserted by the third party for any reason. In other words, Seller will immediately take all steps, including the payment of any amount, necessary to place the Provided Property in Purchaser's possession.
7. Seller's Property: Seller owns all Property that is not Purchaser's Property and is paid for by Seller ("Seller's Property"). Seller must at its expense furnish, maintain in good condition, and replace when necessary Seller's Property needed to perform the Order. While the Order covering the Items remains in effect, Purchaser shall have an irrevocable option to purchase Seller's Property used to produce the Items, if no longer needed by Seller to produce Items or products for



other customers, for a purchase price equal to the greater of fair market value or Seller's unamortized acquisition cost.

T. Force Majeure

1. Any delay or failure of either party to perform its obligations under the Purchase Order will be excused to the extent that Seller is unable to produce, sell, or deliver, or Purchaser is unable to accept delivery, buy, or use, the Items, directly as the result of fires, floods, windstorms, explosions, riots, natural disasters, wars, and sabotage (excluding all labor issues) (collectively, a "Force Majeure Event"). Written notice of the Force Majeure Event (including the anticipated duration of the delay) must be given by the affected party to the other party as soon as possible (but in no event more than ten business days after the Force Majeure Event occurs).
2. During any Force Majeure Event affecting Seller's performance, Purchaser may, at its option, purchase the Items from other sources and reduce its delivery schedules to Seller by those quantities, without liability to Seller, or require Seller to provide Items from other sources in quantities and at times requested by Purchaser at the price in the Order. If Purchaser requires Seller to provide Items from other sources, those Items will be treated as if they had been purchased directly from Seller for purposes of any volume- or revenue-related rebate (or other economic calculation) and for any capacity-allocation calculation.
3. Seller will use all diligent efforts to ensure that the effects of any Force Majeure Event are minimized and, as promptly as possible, resume full performance under the Order. If requested by Purchaser in writing, Seller will, within five business days after Purchaser's request, provide adequate assurances that the delay in Seller's performance resulting from the event will not exceed 30 days. If the delay lasts more than 30 days or Seller does not provide those adequate assurances, Purchaser may immediately terminate the Order without liability to Seller.

U. Labor Contracts

1. At least six months before the expiration of a current labor contract that has not been extended or replaced, Seller must notify Purchaser of such contract expiration date. Purchaser may thereafter direct Seller in writing to manufacture up to 30 days of additional inventory of Items, specifying the quantities of Items



required and any packaging and storage requirements. Seller must use commercially reasonable efforts to comply with Purchaser's written directions prior to expiration of the current labor contract and until the current labor contract has been extended or a new contract completed. By authorizing the additional inventory, Purchaser commits to buy the entire quantity of conforming Items requested and produced. Seller is responsible for carrying costs and any additional costs of manufacture.

V. Assignment and Subcontracting

1. Seller may not assign subcontract any of its obligations under an Order without the express written consent of Purchaser. Any assignment or subcontract made by Seller that is contrary to this section is void.
2. Regardless of whether Seller subcontracts any of its obligations under the Order, Seller remains directly responsible to Purchaser for the performance of those obligations.
3. Purchaser may assign its rights and obligations under the Order to its affiliates or subsidiaries, or to any corporation into which it is merged, consolidated, or by which all or substantially all of its assets are acquired.

W. Audit Rights

1. Seller must maintain records as necessary to support all amounts charged to Purchaser. Purchaser and its representatives may audit Seller's records of transactions completed within one year before the audit date to the extent needed to verify the quantities shipped and that the prices charged match the agreed-upon prices. Any audit will be conducted at Purchaser's expense (but must be reimbursed by Seller if the audit uncovers material errors in the amounts charged), at reasonable times, and at Seller's usual place of business.

X. Default and Remedies for Default

1. "Default" means:
 - (a) Seller's repudiation, breach, or threatened breach of any of the terms of any Order, including any of Seller's warranties or delivery obligations (e.g., Purchaser may terminate any or all of its Orders with Seller if Seller breaches any one of its Orders with Purchaser);



- (b) Seller's failure to provide Purchaser with adequate assurance of Seller's ability to perform timely any of Seller's obligations under an Order or Release; or
 - (c) Seller's failure, after being provided with 30 days' notice, to remain competitive with respect to price, quality, delivery, technology, payment terms, or customer support.
2. In the event of a Default, Purchaser may, in its sole discretion:
- (a) waive all or any part of the Default;
 - (b) agree in writing to any modification of the Order;
 - (c) terminate the Order for cause in whole or in part;
 - (d) purchase goods in substitution for those to be supplied by Seller under the Purchase Order and charge Seller for any excess costs resulting from that purchase; and
 - (e) exercise any other legal or equitable rights or remedies it has.

Y. Seller May Not Stop Deliveries

1. Under no circumstances may Seller cease deliveries to Purchaser that are required by the Order. Seller acknowledges that its failure to deliver as required by the Order will cause irreparable harm to Purchaser, and that if it does stop deliveries, preliminary and permanent injunctive relief should be granted in Purchaser's favor, compelling Seller to resume and continue deliveries as required by the Order.

Z. Transition of Supply

1. In connection with the expiration, cancellation, or termination of the Order by either Purchaser or Seller, in whole or in part, Seller must cooperate in the transition of supply. This obligation exists even if Purchaser has decided to transition the supply of the Items to a new supplier, including Purchaser itself. Seller must continue production and delivery of the Items at the prices and under the terms of the Order without premium or other condition. Seller must do so during the entire period reasonably needed by Purchaser to complete the transition, including any search for a new supplier. Subject to Seller's reasonable capacity constraints, Seller will provide special overtime production, storage, and



management of extra inventory of the Items, extraordinary packaging and transportation and other special services (collectively, “Transition Support”) as expressly requested by Purchaser in writing. If the transition occurs for reasons other than Seller’s termination or breach, Purchaser will, at the end of the transition period, pay the reasonable, actual cost of Transition Support as requested and incurred, provided that, upon request, Seller has advised Purchaser prior to incurring such amounts of its estimate of such costs. If the parties disagree on the cost of Transition Support, Purchaser will pay the agreed portion to Seller and pay the disputed portion into third-party escrow for disbursement after the dispute has been resolved.

AA. Termination

1. Termination for convenience: Purchaser may terminate all or any part of a Order, immediately or with notice, at any time and for any reason by giving written notice to Seller.
2. Termination due to customer termination: If Purchaser’s customer terminates all or any part of its order with Purchaser for any reason, Purchaser may terminate all or any part of an Order by giving written notice to Seller. A notice period of 30 days or of any other length is not required—the termination may be immediate.
3. Termination for cause: Purchaser may immediately terminate all or any part of an Order without any liability to Seller in the event of any Default by Seller. If, after termination for cause, it is determined that Seller was not in Default, the rights and obligations of the parties will be the same as if the termination were for convenience under section X.1.
4. Termination for change in control: In addition to its other remedies, Purchaser may, at its option, terminate the Order without any liability to Seller if there is a change of control of Seller.
5. Termination in event of a Seller Insolvency: Purchaser may immediately terminate each Order without any liability to Seller in the event of a Seller Insolvency. A “Seller Insolvency” includes: Seller’s insolvency; Seller’s inability to promptly provide Purchaser with adequate assurance of Seller’s financial capability to timely perform any of Seller’s obligations under any Order; the filing of a voluntary petition in bankruptcy by Seller; the filing of an involuntary petition in bankruptcy against Seller; the appointment of a receiver or trustee for Seller; or the execution of an assignment for the benefit of creditors of Seller.



6. Seller may not terminate the Order.

BB. Termination Claims and Obligations

1. Once it receives notice of termination, Seller, unless otherwise directed in writing by Purchaser, must:
 - (a) immediately terminate all work under the Order or Release, unless Purchaser requests that Seller cooperate to transition supply under section Z;
 - (b) transfer title and deliver to Purchaser the usable and merchantable finished Items, work in process, and raw materials and components that Seller produced or acquired in accordance with firm Release amounts under the Order and that Seller cannot use in producing Items for itself or for others;
 - (c) settle all claims by subcontractors approved by Purchaser on the face of a Order or in a signed writing, if any, for reasonable actual costs that are rendered unrecoverable by such termination; and
 - (d) take actions reasonably necessary to protect all property in Seller's possession in which Purchaser has an interest.
2. If the termination is for convenience or for change in control under section AA, Purchaser will pay to Seller the following amounts without duplication:
 - (a) the Order price for all finished and completed Items that conform to the requirements of the Order and were not previously paid for;
 - (b) Seller's reasonable actual cost of the usable and merchantable work in process and raw materials and components transferred to Purchaser in accordance with section BB.1 and within firm release amounts;
 - (c) Seller's reasonable actual cost of settling claims for Seller's obligations (in the absence of termination) to the subcontractors so long as those costs were approved by Purchaser on the face of an Order or in a signed writing; and
 - (d) Seller's reasonable actual costs of carrying out its obligations to Purchaser under this section.
3. If the termination is for cause or a Seller Insolvency, Seller is not entitled to any payments by Purchaser.



4. Except as stated in this section BB, Purchaser is not be liable for and is not required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for any alleged losses or costs, including loss of anticipated profit, unabsorbed overhead, interest on claims, product-development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, ancillary exit charges (including costs of riggers, warehousing, premium manufacturing costs, loading of trucks, or other standard business procedures related to transitioning production to an alternative supplier), obsolescence costs, or general and administrative burden charges resulting from termination of the Order or otherwise. Notwithstanding anything to the contrary, Purchaser's obligation to Seller upon termination will not exceed the obligation Purchaser would have had to Seller in the absence of termination.
5. Within 30 days after the effective date of termination for convenience or for change in control, Seller must furnish to Purchaser its termination claim, together with all supporting data (which will consist exclusively of the items of Purchaser's obligation to Seller that are listed in section BB.2). Seller waives any claim it does not furnish to Purchaser within that 30-day period. Purchaser may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

CC. General Provisions

1. **No Waiver:** No action by Purchaser, including the payment for Items or acceptance of a later delivery, is a waiver of any of Purchaser's rights under the Order, including its rights to pursue any claim against Seller.
2. **Remedies Not Exclusive:** Any rights or remedies granted to Purchaser in any part of the Order shall not be exclusive of, but shall be in addition to, any other rights or remedies granted in any other part of the Order or that Purchaser may have at law or in equity.
3. **Entire Agreement:** The Order and the documents referred to on the face of the Order, including but not limited to these Global Terms and the Additional Purchase Order Terms and Conditions and any Country Specific Addendums, as defined herein and set forth on Purchaser's website at www.daycosupplier.com, contain the entire agreement between Purchaser and Seller and constitute the complete and exclusive expression of the terms of the Order. All prior or contemporaneous written or oral agreements or negotiations between the Purchaser and the Seller about the purchase of the Items is superseded by the



terms and conditions of the Order and the documents referred to on the face of the Order.

4. Interpretation: As used in these Terms, *including* and its variants means *including but not limited to* and its variants. The singular includes the plural and the plural includes the singular.
5. Severability: If any court holds that any word, phrase, clause, sentence, or other provision of the Order violates any applicable statute, ordinance, or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of the Order.
6. Governing Law, Jurisdiction, and Venue if the location of the Purchaser stated on the Order is in the United States:
 - (a) The Order, including these incorporated Terms, is governed by the laws of the state of Michigan. The provisions of the United Nations Convention on Contracts for the International Sale of Goods do not apply. Any conflict-of-laws or choice-of-law provisions or principles that would require application of the laws of a jurisdiction other than those of the state of Michigan are excluded.
 - (b) Jurisdiction: Any action arising under or relating to the Order is subject to the exclusive jurisdiction of the state and federal courts sitting in Michigan, without giving effect to any principles relating to conflicts or choice of law. These courts include the Oakland County Circuit Court and the United States District Court for the Eastern District of Michigan. The parties consent to the jurisdiction of these courts, and Seller must stipulate to dismiss any lawsuit brought in any court other than these courts.
 - (c) Exclusive Venues: The exclusive venues in which any dispute arising under or relating to the Purchase Order may be litigated are the Oakland County (Michigan) Circuit Court and the United States District Court for the Eastern District of Michigan, and the appellate courts having jurisdiction over either of them. Any lawsuit brought in any court other than these courts may be dismissed as improperly venued. The remainder of this section notwithstanding, Purchaser may bring a lawsuit in any court with jurisdiction over Seller.
7. Governing Law, Jurisdiction, and Venue if the location of the Purchaser stated on the Order is outside the United States:



- (a) The Order, including these incorporated Terms, is governed by the laws applicable to the location of the Purchaser stated on the Order. The provisions of the United Nations Convention on Contracts for the International Sale of Goods do not apply. Any conflict-of-laws or choice-of-law provisions or principles that would require application of the laws of a different jurisdiction are excluded.
- (b) Jurisdiction: Any action arising under or relating to the Order is subject to the exclusive jurisdiction of the courts having jurisdiction over the location of the Purchaser stated on the Order, without giving effect to any principles relating to conflicts or choice of law. The parties consent to the jurisdiction of these courts, and Seller must stipulate to dismiss any lawsuit brought in any court other than these courts.
- (c) Exclusive Venues: The exclusive venues in which any dispute arising under or relating to the Purchase Order may be litigated are the courts having jurisdiction over the location of the Purchaser stated on the Order. Any lawsuit brought in any court other than these courts may be dismissed as improperly venued. The remainder of this section notwithstanding, Purchaser may bring a lawsuit in any court with jurisdiction over Seller.
8. Compliance with Laws: Seller warrants that the Items and their production, completion, or sale shall not violate or cause Purchaser to be in violation of any rights of third parties or of any laws, rules, regulations, or orders applicable in the countries in which the Items are manufactured and to which they are destined. Seller represents and warrants that Seller, Seller's employees, Seller's representatives and Seller's subcontractors will not make any payments or provide any benefit to a Government Official to induce such Government Official to make any governmental act or decision to help Purchaser or the Items and will not make a payment or offer any item or benefit, regardless of value, as an improper inducement for such Government Official to facilitate or approve any proposal and project related to Purchaser or the Items, or otherwise improperly to benefit Purchaser's business activities or the Items. Purchaser may terminate the Order immediately if Seller, on behalf of Purchaser or any other company, has made or is making any improper payment or benefit to a government official. Seller must bear all the damage and loss incurred in such event.
9. Equal Employment Opportunity / Affirmative Action: If the Seller's delivery of the Items relates in any way to the United States government (including if that government is the ultimate customer), then the Seller warrants that it complies



with all applicable Federal Acquisition Regulations, including 52.222-21, Certification on Nonsegregated Facilities; 52.272-22, Previous Contracts and Compliance Reports; 52.222-25, Affirmative Action Compliance; 52.222-26, Equal Opportunity; 52.222-35, Affirmative Action for Special Disabled and Vietnam Era Veterans; 52.222-36, Affirmative Action for Handicapped Workers; and 52.222-37, Employment Reports on Special Disabled Veterans of the Vietnam Era.

10. Licenses: Seller must obtain and pay for any licenses, permits, and inspections by public bodies required in connection with the manufacture, construction, sale, and delivery of the Items; in all cases in strict compliance with all applicable anti-corruption laws.
11. Electronic Communication: Seller must comply with the method of electronic communication specified by Purchaser in Purchaser's request for quotation and confirmed in the Order, including requirements for electronic funds transfer, purchase-order transmission, electronic signature, and communication. Seller must also comply with any modification to Purchaser's specified method of electronic communication after the date of the Order.
12. Code of Conduct: Seller represents that it is aware of the contents of and must comply with the Code of Conduct applied by the Purchaser, a copy of which is available at www.daycosupplier.com. Seller must ensure that its sub-suppliers, officers, and employees will comply with that Code of Conduct.
13. Waiver: No waiver of any breach or of any provision of these Terms is effective against Purchaser unless Purchaser expressly waives that breach or provision in a signed writing.
14. Language: If the Global Terms or any documents referred to in or related to them are provided to the Seller in a language other than English and there are conflicts or discrepancies between the versions, the English-language versions control.