OGURA CORPORATION ("Buyer") - GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Scope and Acceptance
   (a) These General Terms and Conditions of Purchase ("Terms") apply to all written and oral purchase orders and amendments thereto (collectively referred to as "Order") issued by the Buyer. All goods and services (whether or not ancillary to a sale of goods) to be provided under an Order are included in the term "Goods".

2. Prices
   All prices shall be FOB destination (place of delivery). The prices in an Order shall be complete, including but not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing and crating. No additional charges, whether or not ancillary to any delivery or transportation, shall be charged without Buyer’s written consent. All cash discounts shall be computed from the date of receipt by Buyer of a final invoice or receipt of the Goods, whichever occurs later. Duty drawback and similar rights of Seller and its suppliers are assigned to Buyer.

3. Blanket Order
   If an Order is identified as a blanket order, Seller shall not be responsible for any purchases by Buyer that are outside the scope of its blanket order. Any purchases by Buyer that are outside the scope of its blanket order shall be at Buyer’s risk and expense.

4. Delivery
   (a) Delivery must be on the date indicated, if any, and otherwise as requested by Buyer. If delivery is "A.S.A.P." with a date indicated therewith, delivery must be on or before that date. If an Order is a Blanket Order, deliveries are to be made only in quantities and at times specified in the delivery schedule in an Order or by Buyer in releases. Buyer shall have no liability for payment of Goods delivered to Buyer which are in excess of quantities specified in an Order or release. Buyer may, from time to time, change delivery schedules or direct temporary suspension of scheduled shipments.

5. Risk of Loss and Title to Goods
   (a) All shipments are at the risk of the Seller, regardless of the delivery point or transfer of title. If risk of loss is assumed by Buyer in writing, all risk casualty insurance for the full value of the Goods must be provided by Seller for the benefit of Buyer. The cost of any insurance must be paid by Seller or otherwise agreed to in writing by Buyer. Under no condition will the risk of loss be that of Buyer unless such insurance is provided.

6. Samples and Specifications
   (a) Seller, at its expense, shall fabricate from production tooling and processes and furnish to Buyer the number of samples specified on the face of the Order, or if none is specified, three samples of Goods identified in a writing signed by Buyer. Seller shall inspect such samples before delivery and shall certify inspection results in the manner requested by Buyer.

7. Electronic Data Interchange
   Seller shall, at Buyer’s request, connect to Buyer’s electronic data interchange or approved web-based application ("EDI"). All transactions initiated under EDI shall be governed by the terms contained in Buyer’s transmissions, except that standard terms and conditions of Seller shall not apply unless specifically incorporated by Buyer in an Order.

8. Inspection
   (a) All Goods shall be received subject to right of inspection and rejection by Buyer and its customer. Buyer and its customer shall have a reasonable time, but not less than 30 days, after delivery, to inspect delivered Goods prior to accepting the Goods. Non-conforming and defective Goods will be held for Seller’s instructions at Buyer’s risk and expense subject to Buyer’s other remedies. Goods returned as defective or non-conforming shall not be returned to Buyer without Buyer’s approval. Payment for the Goods shall not constitute an acceptance. Buyer may rely on Seller’s obligations and is not obligated to inspect goods prior to assembly or use. Acceptance shall not release Seller’s responsibility for non-conforming or defective Goods.

9. Marking
   Markings shall be in English, bar code, and such other form as requested by Buyer. Seller shall mark each package with the Order number.

10. Confidential Information
   (a) Seller shall keep confidential any technical, process or commercial information derived from drawings, specifications and other data furnished by Buyer and shall not use or divulge, directly or indirectly, such information for the benefit of any other party without obtaining Buyer’s prior written consent. Upon completion or termination of an Order, Seller shall promptly return to Buyer all materials incorporating any such information and any copies thereof.

11. Patents, Trademarks and Copyrights
   Seller shall defend and indemnify Buyer, its successors, assigns, customers and users of its products, against all suits at law or in equity and from all damages, claims and demands for actual or alleged infringement of any domestic or foreign patent, trademark, copyright or other intellectual property by reason of the use or sale of the Goods. Seller grants to Buyer, its subsidiaries and affiliates an irrevocable, assignable, paid-up worldwide license to use, make and sell under each patent, trademark, copyright and other intellectual property of Seller furnished to Buyer in connection with an Order and to any developments made by Seller in work for hire or performance of an Order which create or improve the Goods or Seller’s products shall be work for hire and belong to Buyer. Seller shall execute all documents requested by Buyer to transfer title.

12. Service and Replacement Parts
   Seller shall sell to Buyer Goods and components thereof as ordered by Buyer for production and service parts at the price(s) set forth in the Order for the 15-year period after Seller’s last purchase of production or capital Goods. The price(s) during the first three years of this period shall be those in effect at the beginning of the period and then at prices reflecting increased costs. For the remainder of this period, the price(s) shall be increased to reflect increased direct costs.

13. Warranty
   (a) Seller warrants to Buyer and its customer that all Goods shall be: (i) merchantable; (ii) free from all defects in design, workmanship and materials; (iii) fit for the particular purposes for which they are purchased; (iv) in strict compliance with the specifications and other data furnished by Buyer, and (v) conforming to any other terms which results in similar goods of equal quality.

14. Continuous Improvement and Competitiveness
   Seller shall participate in Buyer’s value added/value engineering and warranty reduction programs to lower the price of Goods. Seller shall promptly advise Buyer in writing of any possible changes to the Goods which would result in cost savings or quality improvement. Seller shall remain competitive with respect to the Goods in terms of quality, technology, price and delivery with any supplier of the same or similar goods during the term of an Order. Should another supplier demonstrate technology and/or offer other terms which results in similar goods of equal quality, price, and/or delivery to Buyer during the term of an Order, Buyer may notify Seller in writing of such event and request that Seller replicate such technology and/or terms to the advantage of Buyer, provided that such replication and/or terms would not violate any proprietary rights of any other person. Written notification to Seller will be accompanied by whatever relevant information is available to Buyer regarding such technology and/or terms which is not
propository to Buyer or any other person and which Buyer is not prohibited from disclosing. Seller shall have an appropriate period of time as determined by Buyer after Seller’s receipt of notice (not less than 30 days) to make the Goods competitive and available for delivery. If Seller cannot make the Goods competitive and available for delivery within such period or without violating the proprietary rights of others, Buyer may immediately terminate an Order and/or Releases.

15. Liability, Indemnity, and Insurance.

(a) Seller shall indemnify and protect Buyer against all liabilities, claims or demands for injuries or damages to any person or property arising out of the performance of an Order, by Seller, its servants, employees, contractors, agents, or representatives. Seller shall furnish an insurance certificate showing that Seller has statutory workers compensation insurance and liability insurance, including automobile and products and completed operations; for injury and damage with an aggregate limit of $5,000,000 and be prior to any insurance of Buyer. The certificate must certify that the required insurance not be canceled or materially changed until 30 days after written notice to Buyer.

(b) If Seller’s work under an Order involves operations by Seller on the premises of Buyer or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to persons or damage to property during the progress of such work, and except to the extent that any such injury or damage is due solely and directly to Buyer’s negligence, shall defend and indemnify Buyer against any claim which may result in any way from any act or omission of Seller, its agents, or subcontractors.

(c) Seller shall indemnify Buyer for any and all damages and reasonable expenses (including reasonable attorney fees) incurred because of property damages, personal injury, or other claims arising out of the condition, labeling, engineering, use, sale, storage, design, safety, etc. of the Goods whether or not incorporated in another product, if the damages claimed were not caused solely by negligence of Buyer. Seller waives the application of the doctrine of comparative negligence.

16. Termination for Convenience. Buyer may immediately terminate all or any part of an Order or release for Buyer’s convenience, at any time and for any or no reason, by giving written notice to Seller. Upon such termination, Buyer shall pay to Seller in full satisfaction of any claim the following amounts without duplication: (i) an Order price for all Goods which have been completed in accordance with an Order or release not previously paid; and (ii) Seller’s direct costs of work in process and raw materials incurred in furnishing the custom Goods to the extent such costs are reasonable in amount; less the reasonable value or cost (whichever is higher) of any Goods or materials furnished by Buyer or its customer to Seller or its customer and the cost of any damaged or destroyed Goods or materials. Seller shall not pay for finished Goods, work in process or raw materials fabricated or processed in excess of those in releases (if releases are used in performance of an Order), for undelivered Goods which are Seller’s standard stock or which are readily marketable, or which are not promptly delivered to Buyer after request. Buyer shall not pay for lost profit, unabsorbed overhead, interest, development and engineering costs, facilities and equipment, rearrangement cost or rental, unamortized depreciation, and general administrative burden. Within 60 days after termination, Seller must submit a written claim to Buyer with sufficient supporting data to permit Buyer’s audit and shall promptly furnish such supplemental and supporting information as Buyer shall request or Seller’s claim is deemed waived. Buyer or its agent shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any claim.

17. Default and Remedies.

(a) Seller shall be in material default: (1) if Seller fails to perform any obligation within the time specified or any extension thereof or upon Buyer’s demand if no time has been specified; or (2) if Seller fails to perform any of the other provisions of an Order, or fails to make progress so as to make Buyer reasonably apprehensive of Seller’s ability or willingness to perform its obligations; and if in either of these two circumstances Seller does not cure such failure within a period of two days or such longer period as Buyer may authorize in writing after receipt of notice from Buyer specifying such failure. Upon such default, Buyer may by written notice of default to Seller (i) terminate the whole or any part of an Order; and (ii) procure alternative goods or services from others at Seller’s expense and continue performance of an Order to the extent not terminated and shall be liable to Buyer for any excess costs for such similar supplies or services and other direct, incidental, and consequential damages. As an alternative remedy, and in lieu of termination for default, Buyer, at its sole discretion, may elect (1) to extend the delivery schedule and/or (2) to waive other deficiencies in Seller’s performance in which case an equitable reduction in an Order price shall be established by Buyer to compensate Buyer for its damages. Also, if Seller anticipates difficulty in complying with the required delivery date, or in meeting any of the other requirements of an Order, Seller shall promptly notify Buyer in writing. The rights and remedies of Buyer provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under an Order. Time is of the essence as to Seller’s performance.

(b) If any of the Goods ordered are found at any time to be defective in design, material or workmanship, or otherwise not in conformity with the requirements of an Order, Buyer, in addition to such other rights, remedies and choices as it may have under an Order or by law, at its option and sole discretion may: (i) reject and return such Goods at Seller’s expense; or (ii) require Seller to inspect the Goods and remove and replace non-conforming Goods with Goods that conform to an Order. If Buyer elects option (ii) above and Seller fails to promptly make such necessary inspection, removal and replacement, Buyer may at its option and Seller’s cost, inspect and repair or replace the Goods.

(c) Seller grants Buyer a security interest in the Goods to secure Seller’s performance and return of deposits, and grants Buyer an irrevocable power of attorney to execute, perform and enforce such security interest.

(d) Buyer may set-off against amounts payable to Seller any indebtedness or claim which Buyer or its affiliates may have against Seller or its affiliates.

18. Property Furnished by Buyer and its Customer.

Unless otherwise agreed in writing, all tooling, equipment or materials of every description furnished to Seller by Buyer or its customer or paid for by Buyer, and any replacement thereof, or any materials affixed or attached thereto (“Furnished Property”), shall be and remain the personal property of Buyer or its customer and held in trust for the benefit of Buyer or its customer, for Buyer’s and Buyer’s customer’s use, and shall be kept insured by Buyer at Buyer’s expense and available for delivery within such period or without violating the proprietary rights of others, Buyer may immediately terminate an Order and/or Releases.


Seller, at its own expense, shall furnish, keep in good condition, and replace when necessary all tooling, jigs, dies, gages, fixtures, molds, and patterns (“ Seller’s Tooling”) necessary for the production of the Goods. The cost of changes to Seller’s Tooling necessary to make design changes and specification changes authorized by Buyer shall be paid for by Buyer. Buyer may inspect Seller’s Tooling and production facilities during normal working hours upon reasonable notice to Seller. Seller shall insure Seller’s Tooling with full fire and extended coverage insurance for the replacement thereof. Seller grants Buyer an irrevocable option to take possession of and title to Seller’s Tooling that is special for the production of Goods upon payment to Seller of the book value of such Tooling less any amounts the Buyer has previously paid to Seller for the cost of Seller’s Tooling; provided, however, that this option shall not apply if Seller’s Tooling is used to produce products that are standard stock of Seller. Seller grants Buyer a security interest in Seller’s Tooling to secure Buyer’s rights in Seller’s Tooling.

20. Compliance with Laws.

(a) Seller shall promptly furnish to Buyer (i) upon written request a list of all the materials in the Goods and, as necessary, the quantities of such and (ii) thereafter information concerning any change in composition of Goods.

(b) Seller warrants that each chemical substance constituting or contained in the Goods sold is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended, and that the Goods are not hazardous under any state or federal law except as clearly stated on the shipping and storage containers. Seller shall provide Material Safety Data Sheets upon their delivery. Seller shall defend and indemnify Buyer from claims alleging improper dispositions of the Goods except for grossly negligent dispositions.

(c) Seller warrants that the Goods shall be in compliance with applicable sections of the Federal Consumer Product Safety Act, the Federal Hazardous Substances Act, the National Highway Transportation Safety Act, and regulations thereunder.

(d) Seller warrants that the Goods shall be produced in compliance with the Fair Labor Standards Act, as amended, including Section 12(a) and Seller shall insert a certificate to that effect on all invoices.

(e) Seller warrants that its performance and the Goods shall comply with all applicable general and automotive industry standards, (e.g., TATP 16049) federal, and state or local laws, rules, regulations and ordinances.

(f) Upon request, Seller shall furnish promptly certificates of local value added in accordance with applicable government regulations. Each January, Seller shall provide NAFTA certifications for Goods shipped and to be shipped, including Certificates of Origin.


Seller shall not assign or subcontract any right or obligation under an Order without the prior written consent of Buyer.

22. Applicable Law.

An Order is to be construed and enforced under the laws of Michigan. The Convention on the International Sale of Goods shall not apply. The parties hereby consent to the exclusive jurisdiction and convenience of the courts of Michigan, including Macomb Circuit Court. Any declaration of unenforceability of a provision hereof shall be as narrow as possible and shall not void an Order or any other provision.

23. Entire Agreement.

An Order (including these Terms) is a complete and exclusive statement of the terms of the parties’ agreement. No course of performance or prior dealings between the parties or usage of the trade may be used by Seller to waive, modify or otherwise adversely affect any right of Buyer or to add or increase any obligation of Buyer under an Order. All modifications and waivers must be in a writing signed by Seller and Buyer, except as otherwise provided in an Order.


Seller and Buyer are independent contracting parties only. There are no third party beneficiaries to an Order.

25. Advertising and Ethical Standards.

Seller shall not in any manner advertise or publish the fact that Seller has contracted to furnish Goods to Buyer (or Buyer’s customers) or place Seller’s identification on the Goods. Seller shall not give or offer to give any direct or indirect gift or benefit to Buyer’s employees, or enter into any outside business relationship with Buyer’s employees. (3/22/18) (Purchase Orders and RFQ’s) (943874.6)