

## NHK SEATING OF AMERICA, INC.

### TERMS AND CONDITIONS OF PURCHASE

All orders placed by NHK Seating of America, Inc. (including but not limited to orders placed pursuant to a formal purchase order, an award letter, a release, or otherwise) are subject to the following terms and conditions. For purposes of these terms and conditions, "NHK" means NHK Seating of America, Inc., and "Seller" means the supplier or contractor providing goods and/or services to NHK.

1. Acceptance: Acceptance of the offer represented by this order is conditioned on accepting these terms and conditions. Signing and returning, or otherwise accepting or acknowledging, any NHK purchase order, award letter, release, or other request for products or services, or delivering (in whole or in part) any of the goods or services requested by NHK shall constitute acceptance of this order. NHK will notify Seller, in writing, of any future changes to these terms and conditions before they become binding on Seller. No changes proposed by Seller shall be binding on NHK unless they are in writing and signed by an authorized representative of NHK's purchasing department.
2. Terms: No invoice for goods or services shall be payable until the goods or services have been inspected and accepted by NHK. In the event NHK makes payment on an invoice within the period allowed for the purpose of obtaining any cash discount offered, such payment shall not prejudice the right of NHK to return goods found defective or which fail inspection and receive credit or reimbursement from Seller. Individual invoices showing order number and purchase item number must be issued for each shipment. NHK reserves right to return all invoices submitted incorrectly. Each delivered container must be labeled or marked to identify its contents without opening, and all boxes and packages must contain packing sheets listing their contents. NHK's purchase order number must appear on all packing sheets, delivery tickets and bills of lading. All goods and services provided by Seller shall comply with the requirements of NHK's Supplier Manual and NHK's Quality Manual, as in effect at the time of delivery of the goods or services.
3. Negotiated Pricing: Seller commits that agreed upon pricing will remain in effect for the life of the program. Seller will submit quotes that take into consideration possible variances in the market. Exceptions are an ECN issued by NHK that has a direct affect on pricing or any change in raw material pricing per the MPC agreement and approved by NHK Purchasing.
4. Advance Manufacture and Shipments: Seller shall not manufacture goods in advance of Seller's normal flow time or deliver any goods in advance of the schedule set forth in any release or order without NHK's written permission. NHK reserves the right to return, collect shipping charges, for all goods received in NHK's plant in advance of the scheduled delivery date.
5. Shipments: Seller shall not stop or threaten to stop shipments of product to NHK for any commercial items that are under negotiation, without providing a 120-day notice to NHK. This includes, but not limited to, price discrepancies, cost increases, open invoices, etc.

Stopping shipments to NHK is a breach of contract and could result in termination. See item 16 – Termination for Default below. Should seller stop shipments, any and all costs to NHK associated with this action will be debited back to the seller. NHK will provide seller with breakdown of costs and date the debit will occur.

6. Inspection and Audit: Items ordered are subject to final inspection and acceptance at NHK's plant. Lots that fail to pass inspection may be 100% inspected by NHK (or a third party selected by NHK), in which case Seller shall be charged for inspection time and expense. Alternatively, at NHK's option, lots that fail to pass inspection may be returned to Seller at Seller's expense (including packaging and shipping) for sorting, correction, replacement, or credit, as NHK elects. Seller agrees that its production and quality records, and its plant, shall be subject to inspection and audit by NHK and its authorized representatives during normal business hours.
7. Warranty: Seller warrants that all goods and services will be free from defects in materials and workmanship, and will conform to applicable specifications, drawings, samples or other descriptions given, and that if the goods were designed by Seller, that they will also be free from defects in design. Seller further expressly warrants that all work and all services performed for NHK (including but not limited to design, testing, sewing, plating, coating, sorting, and fabricating services) will be free from defects in workmanship. These express warranties shall remain in effect, as to each good and as to each article assembled, furnished, services and/or repaired by Seller for the duration of the automobile warranty that the automobile manufacturer purchasing from NHK (e.g., Subaru, Toyota or Nissan) provides to its customer/end-user (i.e., the purchaser of the vehicle). All warranties shall be construed as conditions as well as warranties, and shall not be deemed to be exclusive. This warranty shall run to NHK, its successors, assigns, customers and other users of the goods. Goods and services ordered to government specifications, if any, shall comply with such specifications. Seller shall be responsible for all costs and damages resulting from goods and/or services that fail to comply with this warranty, including but not limited to recall, sorting, shutdown, replacement and other costs.
8. Items furnished to Seller by NHK: All designs, tools, patterns drawings and other data, as well as materials and equipment supplied by NHK (directly or indirectly) to Seller, shall remain the sole property of NHK. Tools supplied (directly or indirectly) by NHK, or purchased, or fabricated, by Seller for NHK unless otherwise specified by NHK, shall be assigned the tool number as indicated on the reverse side and marked "Property of NHK Seating" and shall be used by Seller only to make parts for NHK. Upon request by NHK, all tools and other items not incorporated into goods furnished to NHK by Seller hereunder shall be prepared and packaged for shipment and returned to NHK in good condition at Seller's expense. Seller assumes all responsibility for the accuracy, quality and condition of tooling used in the production of the items ordered hereunder whether such tooling is fabricated by the Seller or furnished by NHK (directly or indirectly) hereunder. Unless otherwise agreed in writing, all special dies, tools, jigs, fixtures, equipment, patterns and other items furnished by NHK (directly or indirectly) to the Seller or specifically paid for by NHK shall be the property of NHK and shall: (a) be used only to fill orders from NHK; (b) be insured against loss or damage by the Seller while in Seller's custody or control, for

an amount equal to the replacement cost thereof; (c) be subject to withdrawal at NHK's request.

9. Intellectual Property: To the extent that any goods and/or services provided by Seller to NHK are not manufactured pursuant to a design provided by NHK, Seller agrees to indemnify NHK and its customers for all losses, expenses, and damages arising out of claims (whether those claims are made in a formal lawsuit suit or otherwise) of patent and/or trademark infringement resulting from NHK's or its customer's use, or sale of goods supplied by Seller.
10. Information Security: Subcontractors that have/or will have access to our Information Systems must complete the following: All contractors will be provided with a copy of NHKI's Information Security User Policy and sign the agreement. All contractors will be presented with a Confidentiality Agreement prior to gaining access to NHKI systems. A request for contractor access will have to be submitted by the corresponding department manager. Contractor User Ids will be assigned and controlled by the IT department designee.
11. Engineering Information: Seller agrees that all designs, construction arrangements, disclosures and devices shown, referenced or described in any order, and all drawings, specifications and documents forming a part thereof by reference or otherwise, are the property of NHK and are submitted in confidence with the understanding and agreement by Seller that such designs, construction arrangements, disclosures and devices shall not be disclosed to any third party or utilized, in whole or in part, by Seller either for the Seller or for the benefit or of any other person, company or entity without written permission of NHK.
12. Packaging: Seller shall pack all goods in suitable containers for protection to permit safe transportation and handling. Seller shall not charge NHK for packaging unless NHK has expressly agreed to such charge in writing. If NHK supplies packaging, Seller will be responsible for the cost of replacing any lost or damaged packaging.
13. Assignment: Seller may not assign any order (or any portion of any order) without the prior written consent of NHK. Claims for monies due or to become due under an order may be assigned by Seller provided that Seller shall supply NHK promptly with two copies of any such assignment. Payment to an assignee of any such claim shall be subject to setoff or recoupment for any present or future claim or claims which NHK may have against Seller. NHK reserves the right to make direct settlements and/or adjustments in price with Seller under the terms of this order notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignees.
14. Changes: NHK may, at any time and from time to time by purchase order amendment issued to Seller: (a) make changes in shipping and packing instructions; (b) increase or decrease the quantity of goods or services ordered; (c) change the drawings or specifications; (d) issue a suspension of work order; and/or (e) make changes in the delivery schedule. If such changes cause an increase or decrease in the amount of work required, the cost of performance, or in the time required for performance, an equitable

adjustment shall be made in the contract price and/or the delivery schedule and the purchase order shall be amended in writing accordingly. Any claims for adjustment under this clause must be asserted within thirty (30) days from the date of the applicable purchase order amendment. Failure of Seller to give written notice thereof shall, upon expiration of the thirtieth (30) day, be construed as a waiver for any such adjustment.

15. Termination: NHK may terminate work under this purchase order in whole or in part at any time by giving notice to Seller in writing. Upon receipt of such notice, Seller will immediately stop work on the terminated items and notify its suppliers and subcontractors (if any) to do likewise. Except where such termination is caused by a default or delay of Seller, Seller shall be entitled to reimbursement for its actual costs incurred up to and including the date of termination, applicable to the termination and in accordance with the recognized accounting practices. Seller shall also be entitled to a reasonable profit on the work done prior to such termination at a rate not exceeding the rate used in establishing the original purchase price. The total of such claim shall not exceed the cancelled commitment value of the purchase order.
16. Termination for Default: NHK may terminate the purchase order, or any part thereof by written notice of default to Seller signed by NHK under any of the following circumstances:
  - a. If Seller refuses or fails to make deliveries or perform the services within the time specified or extensions thereof agreed to in writing by NHK.
  - b. If Seller fails to comply with any of the other provisions of a purchase order, or so fails to make progress as to endanger performance of a purchase order in accordance with its terms, and does not cure any such failure within a period of ten (10) days (or such longer period as NHK may authorize by written notice signed by NHK after receipt of notice from NHK specifying such failure.)
  - c. If, in the course of conducting a quality assessment or financial assessment of Supplier, NHK reasonably determines that Supplier is, or is likely to become, unable to reliably fulfill its supply obligations to NHK on a going-forward basis.
  - d. If Seller becomes insolvent or is subject to proceedings under any law relating to bankruptcy, insolvency, or the relief of debtors.

In the event of such termination, NHK may purchase similar goods or services elsewhere or secure the manufacture and delivery of the goods or services by contract or otherwise, and Seller shall be liable to NHK for any excess cost to NHK provided, however, Seller shall not be liable to NHK for such excess cost when the default of the Seller is due to causes beyond Seller's control, i.e., acts of God, strikes, or national emergency. Provided further, Seller shall not be excused from liability unless Seller has notified NHK in writing of the existence of such cause within ten (10) days from the beginning thereof.

17. Governing Law: The purchase order shall be governed by and construed according to the laws of the State of Indiana (other than Indiana's choice of law rules), and any disputes

arising hereunder must be brought in a state or federal court of competent jurisdiction located in Indiana.

18. Waiver. Any waiver of strict compliance with these terms and conditions by NHK shall not constitute a waiver of NHK's right to insist upon strict compliance thereafter.
19. Taxes: NHK shall not liable for any federal, state, local or foreign taxes on Seller's income, employment or workers compensation taxes for Seller' employees, or for any sales, use, GST, VAT, or other taxes (including Customs duties) related to the goods or Seller's sales of the goods to NHK unless separately stated and expressly agreed to by NHK.
20. Compliance with Laws: Seller represents and warrants that materials and products herein ordered have been and will be manufactured and furnished by Seller in accordance with all applicable laws and regulations, including but not limited to Section 202 of Executive Order 11246 dated September 24, 1965 and/or text of Title VII of the Civil Rights Act of 1964, and implementing rules and regulations issued by the Secretary of Labor and/or the Equal Employment Opportunity Commission created by Title VII.
21. Regulatory Requirements: All goods and services provided to NHK, as well as all parts and materials used in making the goods, will comply with current regulatory requirements, including those related to proper marking with respect to country of manufacture, environmental requirements, electrical requirements, labeling, and safety.
22. Confidentiality: Seller shall not advertise, publish or disclose any terms, details, pricing or specifications of this order.
23. On Time Delivery: 100% on time delivery and quantity is a requirement of this order. Unless otherwise specified, delivery times specified are the times of delivery of the goods at NHK's designated place of delivery.