



TERMS AND CONDITIONS *(revised May 17, 2019)*

HARADA INDUSTRY OF AMERICA, INC.

1. **ACCEPTANCE:** This purchase order constitutes Buyer's offer to purchase the designated products and related services ("Products") from Seller. Seller's acceptance of this order is limited to acceptance of the terms and conditions set forth herein. Seller will be deemed to have accepted this order when Seller acknowledges this order in writing or begins performance under this order. If Seller proposes additional or different terms (or attempts to delete any terms and conditions in this order) which relate to the description, quantity, price or delivery schedule of the Products (goods) covered by this order, Seller's proposal will operate as a rejection of Buyer's offer. In all other cases, Seller's proposal will be deemed a material alteration of Buyer's terms, and Buyer's terms will be deemed accepted by Seller without Seller's additional or different terms. If this purchase order shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms and conditions contained in this order, additional or different terms or any attempt by Seller to vary in any degree any of the terms of this order shall be deemed material and are objected to and rejected, but this order shall not operate as a rejection of the Seller's offer unless it contains variance in the terms of the description, quantity, price or delivery schedule of the Products.

2. **CHANGES:** Buyer at time by written notice to Seller (and without written notice to sureties or assignees) may make changes in this order. If any such change increases or decreases the cost or time required for Seller's performance, an equitable adjustment will be made and this order will be modified in writing accordingly. Any claim by Seller for any adjustment hereunder must be submitted in writing to Buyer within ten (10) days from the date Seller is first notified of the change. Buyer will have the right to verify all claims hereunder by auditing relevant records, facilities, work or materials of Seller. Pending the resolution of any dispute regarding any such adjustment. Seller agrees to proceed with the order as changed.

3. **DELIVERY & PACKAGING:** (a) Time is of the essence under this order. Deliveries shall be made in the quantities and at times specified herein or in releases issued hereunder. If Seller's deliveries fail to meet schedule, Buyer, in addition to its other rights, may direct expedited routing at Seller's expense. (b) Buyer shall not be required to make payment for Products delivered to Buyer which are in excess of quantities specified in Buyers delivery schedules. Buyer shall not be liable for Seller's commitments or production arrangements in excess of the amount or in advance of the time required under Buyer's delivery schedule. (c) All Product shipments must be packaged and properly marked in accordance with the packaging specifications provided and if no specifications are so contained, then the Seller shall pack all Products in a manner that will provide for efficient handling and preclude the possibility of damage. All packing must conform to the requirements of the carriers' tariffs and applicable law.

4. **PRICE PAYMENT:** (a) The purchase price set forth on the first page of this purchase order includes all applicable federal, state and local taxes, tariffs and duties. Except as otherwise specified provided in this purchase order, Seller shall be responsible for the payment of any taxes, tariffs and duties and for all freight, transportation, insurance, shipping storage, handling, demurrage and similar charges all of which have been reflected in the purchase price. (b) Buyer will pay Seller for Products delivered and accepted, less deductions, if any, as herein provided, but only upon submission of an invoice by Seller. Unless otherwise specified in writing,

Buyer will not be obligated to pay for Product received until such time as the firm current month balance due contained on the blanket purchase order (if applicable) is satisfied.

5. **QUALITY:** Seller will maintain an inspection and quality system acceptable to Buyer. Products purchased hereunder shall be manufactured in conformity with any drawings, specifications and other data which are part of this purchase order and with any quality program of Buyer described in materials referenced in this purchase order and incorporated herein by such reference. Seller will maintain adequate authenticated inspection and test reports, affidavits and certifications relating to the work performed under this purchase order, retain such records for a period of five years after completion of this purchase order or as otherwise specified by Buyer, and make such records available to Buyer upon request. Seller acknowledges that Buyer may reduce its incoming inspection procedures in reliance upon Seller's maintenance of quality system as required hereunder.

6. **INSPECTION:** Seller agrees that Buyer shall have the right to enter Seller facility at reasonable times to inspect the facility, goods, materials and any property of Buyer covered by this order. Buyer's inspection of Products whether during manufacture, prior to delivery or after delivery, shall not constitute acceptance of any work-in-process or finished Products.

7. **NONCONFORMING PRODUCTS:** To the extent Buyer rejects Products as nonconforming, the quantities under this order will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without a new order or schedule from Buyer. Nonconforming Products will be held by Buyer for disposition in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within ten (10) days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling, or to dispose of the Products, without liability to Seller. Payment for nonconforming Products shall not constitute an acceptance thereof, limit or impair Buyer's right to assert any legal or equitable remedy or relieve Seller's responsibility for latent or other defects.

8. **WARRANTY:** Seller expressly warrants that all goods or services covered by this order will conform to the specifications, drawings, samples, and descriptions furnished to or by Buyer, and will be merchantable, of good material and workmanship, and free from defect, including without limitation defects in workmanship, materials and (where the design has been provided in whole or in part by Seller) design. In the event Buyer incurs any warranty charges by their customer due to non-conforming product supplied by Seller, the associated costs will be transferred to Seller for payment and/or reimbursement to Buyer. These costs include, but are not limited to: sorting; replacement of product; and Buyer's customer(s) down-time charges. Seller warrants that all goods and services covered by this order will be produced in accordance with, and will comply in all respects with, any requirements of applicable laws and regulations and with industry standards. Where Seller knows of Buyer's intended use, Seller expressly warrants that all Products covered by this order which have been selected, designed, manufactured or assembled by Seller based upon Buyer's started use, will be fit and sufficient for the particular purposes intended by Buyer. Seller warrants that on delivery, Buyer will receive good title to the Products, free and clear of all liens and encumbrances. The foregoing remedies are in addition to any remedies implied in law or otherwise maybe by Seller, will survive Buyer's acceptance, use and/or payment, and run to Buyer and its customers. Buyer's review or approval of any samples, drawings, specifications or other data received from or developed by Seller in connection with this order will not limit Seller's responsibility for the warranties contained herein.

9. **TERMINATION FOR CONVENIENCE:** Buyer, for Buyer's convenience, may terminate or cancel this purchase order in whole or in part by notice in writing at any time. Such notice shall state the extent and effective date of termination and, upon receipt by Seller of such notice, Seller will terminate work to the extent prescribed by Buyer and will take any necessary action to protect the property in the Seller's possession in which the Buyer may have or has acquired an interest. Buyer will not pay for any work done after receipt of notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could have reasonably avoided.

10. **TERMINATION FOR CAUSE:** Buyer, upon written notice, may terminate and cancel this purchase order in whole or part, upon any failure of Seller to perform or to comply with any of the terms or conditions of this purchase order, or in the event of Seller's failure to give Buyer, upon request, reasonable assurance of Seller's future performance, or upon the occurrence of any event which causes reasonable doubt as to Seller's ability to render performance due hereunder. The remedies herein reserved by Buyer shall be cumulative and in addition to any other remedies available to it at law or in equity.

11. **TERMINATION WITHOUT CAUSE BY SELLER:** In the event the Seller desires to terminate the agreement, without cause, to supply the Buyer with delivery of Products, the Seller must submit the request to the Buyer, in writing, at least one hundred eighty (180) calendar days in advance of the requested termination effective date. Seller will work in good faith with the Buyer to deliver the supply of Products and provide support in accordance with all currently outlined terms and conditions, until the Buyer is able to locate an alternative source to supply the same or acceptable level, per Buyer, of Products; or an alternative source option to meet the customer needs of the Buyer. If the Buyer has not yet procured an alternative Products source or option within the aforementioned one hundred eighty (180) days period, the Seller will provide the Buyer with reasonable support beyond that said period on mutually agreed upon terms.

12. **INSOLVENCY:** Buyer may immediately cancel this order without liability to Seller in the event of the happening of any of the following or any other comparable event (a) insolvency of the Seller, (b) filing of a voluntary petition in bankruptcy by Seller, (c) filing of any involuntary petition in bankruptcy against Seller, (d) appointment of a receiver or trustee for Seller, or (e) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment, or assignment is not vacated or nullified within fifteen (15) days of such event.

13. **FORCE MAJEURE:** Buyer may delay delivery or acceptance due to forces beyond its control. Seller will hold any delayed Products at the direction of Buyer and will deliver them when the cause of the delay has been removed. Buyer will not be responsible for Seller's direct additional costs incurred in holding the Products or delaying performance at Buyer's request. Either party will be excused from performance which has been made impossible by the occurrence of an event of force majeure but only to the extent and for duration necessarily resulting from such cause.

14. **TOOLS:** Unless otherwise agreed to by Buyer, Seller at its own expense shall furnish, keep in good condition, and replace when necessary all tools, jigs, dies, gauges, fixtures, molds and patterns ("Tools") necessary for the production of the goods. The cost of changes to the Tools necessary to make design and specification changes authorized by Buyer shall be paid for by Buyer. Seller shall insure the Tools with full fire and extended coverage insurance for the replacement value thereof. Seller grants Buyer an irrevocable option to take possession of and title to the Tools that are special for the production of the goods upon payment to Seller of

the book value thereof less any amounts which Buyer has previously paid to Seller for the cost of such Tools, provided, however, that this option shall not apply if such Tools are used to produce goods that are standard stock of Seller or if a substantial quantity of like goods are being sold by Seller to others.

15. **PROPRIETARY INFORMATION-CONFIDENTIALITY-ADVERTISING:** (a) Seller will consider all information furnished by Buyer hereunder including drawings, specifications, or other documents prepared by Seller for Buyer in connection with this purchase order to be confidential and proprietary to Buyer and shall not disclose any such information to any other person or use such information itself for any purpose other than performing this purchase order, unless Seller obtains Buyer's prior written permission. Seller will not advertise the fact that Buyer has contracted to purchase Products from Seller, and will not disclose any information relating to this purchase order without Buyer's written permission.

16. **ASSIGNMENTS AND SUBCONTRACTING:** No part of this purchase order may be assigned or subcontracted without prior written approval of Buyer. Any attempted assignment or delegation which is contrary to the foregoing sentence shall be void.

17. **EQUAL EMPLOYMENT OPPORTUNITY:** Seller represents that it is an equal opportunity employer. No employee or applicant for employment will be discriminated against because of race, color, religion, national origin, sex, handicap or veteran status.

18. **BAILED PROPERTY:** All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller to perform this order, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer. Seller shall bear the risk of loss of and damage to Buyer's property. Buyer's property shall at all times be property housed and maintained by Seller, shall not be used by Seller for any purpose other than the performance of this order, shall be deemed to be personally (rather than real property or fixtures), shall be conspicuously marked "Property of Harada Industry of America, Incorporated" by Seller, shall not be commingled with the property of Seller or with that of a third person, and shall not be moved from Seller's premises without Buyer's prior approval. Upon the request of Buyer such property shall be immediately released to Buyer or delivered to Buyer by Seller either (i) F.O.B. transport equipment at Seller's plant, property packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer shall pay Seller the reasonable cost of delivering such property to such location. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect property and Seller's records with respect thereto and/or to remove such property.

19. **INSURANCE INDEMNIFICATION:** Seller will purchase and maintain worker's compensation, comprehensive general liability, automobile, public liability, property damage and product liability insurance in amounts and coverage sufficient to cover all claims hereunder. Such policies will name Buyer as an additional named insured thereunder and shall contain endorsements stating that the policies are primary and not excess over or contributory with any other valid, applicable and collectible insurance in force for Buyer. Buyer may require Seller to furnish evidence of the foregoing insurance but failure to comply with these insurance requirements will not relieve Seller of its liability or obligations under this clause. At Buyer's request, Seller shall furnish to Buyer certificates of insurance naming Buyer as an additional insured and setting forth the amount(s) of coverage, policy number(s) and dates of expiration for insurance maintained by Seller. Additionally, such certificates will provide that Buyer shall receive thirty (30) days prior written notification from the insurer of any termination or

reduction in the amount or scope of coverages. Buyer's action or inaction will not act as a waiver of any of Buyer's rights under this clause. (b) Seller will defend, indemnify and hold harmless Buyer, and Buyer's distributors, dealers and customers, from and against all claims, liabilities, losses, damages, and settlement expenses in connection with any breach by Seller of these general terms and conditions or for any injury or death of any person and damage or loss of any property allegedly or actually resulting from or arising out of any act, omission or negligent work of Seller or its employees, agents, or subcontractors in connection with performing this order, either on Buyer's property or in the course of their employment.

20. **DUTY DRAWBACK RIGHTS:** This order includes all related customs duty and import drawback rights (including rights developed by substitution and rights which may be acquired from Seller's suppliers), if any, which Seller can transfer to Buyer. Seller agrees to inform Buyer of the existence of any such rights and upon request to supply such documents as may be required to obtain such drawback.

21. **INFRINGEMENT INDEMNIFICATION:** Seller shall indemnify, hold harmless and defend Buyer and Buyer's distributors, dealers and users of goods or services provided by Seller hereunder from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorney's fees incident to any infringement or claimed infringement of any patent, trademark, design, copyright or any other intellectual property right now existing or hereafter issued by the United States or any foreign country, which infringement or claimed infringement results from the normal use and/or resale of such goods or services, and Seller shall defend or settle at its own expense any suit, action or proceeding in which Buyer, any of Buyer's distributors, dealers or users of any such goods or services are made defendant for such infringement. Seller further agrees to pay and discharge any and all judgments and decrees which may be rendered in any such suit, action or proceeding against such defendants.

22. **LICENSE TO REPAIR: USE OF COPYRIGHTED MATERIALS:** Seller hereby grants to Buyer a nonexclusive, royalty-free, irrevocable license to repair, rebuild and relocate the Products. Seller also grants to Buyer a nonexclusive, paid-up, irrevocable license to use all copyrighted materials of Seller the authorship of which is fixed in any tangible medium of expression, which are furnished to Buyer during the course of Seller's performance hereunder and which relate to any goods or services. Without limiting the generality of the foregoing, Buyer's use of such copyrighted materials pursuant of such license may include reproduction, distribution to customers and others and public display.

23. **CLAIMS ADJUSTMENT:** Buyer may at any time and without notice deduct or set-off Seller's claims for money due or to become due from Buyer against any claims that Buyer has or may have arising out of this or any other transaction between Buyer and Seller.

24. **COMPLIANCE WITH LAW:** In providing goods and services hereunder, Seller will comply with any and all applicable federal, state and local laws (including Canadian and other foreign laws), and regulations promulgated thereunder. Seller will indemnify and hold Harada harmless, from and against any and all claims, losses, damages, costs and expenses resulting from or arising out of any failure of Seller or Seller's employees, agents and subcontractors to comply with any applicable government regulations or statutes.

25. **CONFLICT MINERALS:** Seller is required to comply with the requirements of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the U.S. Securities and Exchange Commission ("SEC") rules and regulations. Seller must perform due diligence on, and make disclosures

concerning, its use of conflict minerals originating in the Democratic Republic of the Congo (DRC) and adjoining countries.

26. ENVIRONMENT: Seller is required to understand and comply with the ISO 14001 standard and Buyer's Environmental Management System (EMS). This encompasses the Buyer and Seller working together to protect the environment and interested parties, whenever product is supplied from Seller to Buyer; and whenever work or services are being performed for Buyer – either remotely or on the Buyer's premises.

27. GOVERNING LAW: This order and all transactions between Buyer and Seller will be governed by and construed in accordance with the laws of Michigan as if entirely performed therein. The 1980 United Nations Convention on Contracts for the International Sale of Goods, to the extent it may be deemed to apply, shall not, pursuant to Article 6 thereof, apply to this order or any transaction pursuant hereto.

28. MISCELLANEOUS PROVISIONS:

- a) This purchase order supersedes any prior oral or written correspondence, quotations or agreements relating to the subject matter hereof. In the event that provisions on the first page of the purchase order differ from provisions otherwise contained herein, the provisions set forth on the first page of this purchase order shall prevail.
- b) If any term or condition or part of this purchase order is held invalid, the remaining terms and conditions shall not be affected thereby.
- c) This purchase order and the contract arising by reason of Seller's acceptance hereof may be modified or rescinded only by a writing signed by a duty authorized agent of Buyer.
- d) No claim arising out of a breach of this purchase order may be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is in writing, signed by the aggrieved party.
- e) If Buyer commences an action against Seller to enforce its rights hereunder or for the recovery of any amounts paid hereunder, Seller shall pay to Buyer Buyer's reasonable attorney's fees and Buyer's costs and expenses incurred with respect to any such action.