

Johnson Electric Group Suppliers Standard Terms & Conditions

1. SUPPLIERS STANDARD TERMS AND CONDITIONS

These Suppliers Standard Terms & Conditions shall be incorporated in and form an integral part of each contract between any member of the Johnson Electric Group of companies ("Buyer") and seller ("Seller") for the purchase by Buyer and sale by Seller of certain material and/or products ("Order", "Purchase Order", "PO", "Release", "Long Term Agreement" or other purchase contracts, generically referred to as Order below).

Any amendment, change, deviation or special or local terms shall be agreed to separately in writing and if they are contrary to these Suppliers Standard Terms & Conditions, they must be expressed in clear language to rank ahead of, or to prevail over these Suppliers Standard Terms & Conditions.

These Suppliers Standard Terms & Conditions will apply to the exclusion of any Seller's terms and conditions, and any Sellers' terms and conditions shall not form part of any Order even if they were not explicitly rejected.

These Suppliers Standard Terms & Conditions shall, with immediate effect, replace and supersede "Johnson Electric Group Holdings Standard Terms & Conditions (referenced as Standard terms and Conditions (Global) in Johnson Electric homepage" and "Johnson Electric Automotive, Inc./Johnson Electric North America, Inc. Standard Terms & Conditions (referenced as Additional Terms and Conditions for US Region in Johnson Electric homepage)", Johnson Electric Industrial Manufactory, Ltd. Standard Terms and Conditions (Global) and any previous versions of these Suppliers Standard Terms & Conditions. Any reference to the above documents since this version date shall instead be referred to these Suppliers Standard Terms & Conditions without further notice.

2. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meaning set forth in this Section 2:

- A) "Johnson Electric Group of Companies" shall mean Johnson Electric Holdings Limited and its subsidiaries.
- B) "Subsidiary" of Johnson Electric Holdings Limited shall mean any entity owned and/or controlled, either directly or indirectly, by Johnson Electric Holdings Limited.
- C) "Maker" shall mean the manufacturer of a product delivered to Buyer or requested by Buyer pursuant to an Order.

3. PRICE

Buyer shall not be billed at prices higher than that stated on the Order unless authorized by Buyer in writing in advance. Seller warrants that the prices charged for the products or services covered by the Order shall be no less favorable than those extended by Seller to any of its other customer for the same or similar products or services.

4. TAXES

Except as otherwise provided in the Order and unless prohibited by statute, Seller agrees to pay any federal, state or local sales or use tax, transportation tax or other value-added or excise tax which may be imposed in a result of this order upon the products or services ordered hereunder or by reason of their sale use or delivery.

5. DELIVERY

Time, quantity and delivery times of products and services are of the essence. If delivery of products or rendering of services is not completed by the time specified in the Order, Buyer reserves the right, without liability and in addition to its other rights and remedies: (a) to terminate the Order by written notice effective when received by Seller as to stated products not yet shipped or services not yet rendered; (b) to expedite shipment arrival at the sole expense of Seller; (c) to purchase substitute products or services elsewhere; and (d) to charge Seller with excess price difference between the cost of the products or services had they been supplied on time and the cost of obtaining the substitute products or services.

Seller shall not deliver any products or services in advance of the schedule set forth in the Order without Buyer's written permission. Buyer reserves the right to reject and return, at Seller's expense, all products received by Buyer in advance of the schedule shown in an Order. Seller may request Buyer's written consent to advance delivery.

6. EXPORT AND IMPORT LICENSES; PERMITS

Unless expressly agreed by Buyer, Seller shall be responsible for obtaining and paying for any permits, licenses or other governmental authorization(s) that are necessary for the export or import of the products into the designated country of importation or performance of the services at the location specified by Buyer, and it shall at its own cost comply with all laws and regulations thereof.

7. PACKAGING AND SHIPMENT

Seller agrees to (a) properly pack, label and ship products in accordance with the requirements of Buyer; (b) make only those charges for handling, packaging, storage or transportation of products as expressly permitted by the relevant Order; (c) promptly forward the full set of original copies of bills of lading and/or other shipping documents for each shipment to Buyer in accordance with Buyer's instructions. Such bills of lading or shipping documents shall include correct classification identification of the products shipped, in accordance with the applicable carrier's requirements, as well as Buyer's packaging and shipping instructions.

Seller shall be liable for any loss or damage resulting from failure to comply with such instructions. Seller will reimburse Buyer upon receipt of a debit note issued by Buyer for any additional costs incurred due to Seller's non-compliance with the above-mentioned instructions.

Prepaid transportation charges on Seller's invoice must be supported by a paid freight bill or equivalent.

8. WARRANTIES

- 8.1 Seller warrants to Buyer, its successors and customers that all products delivered (including all replacement items or corrected components which Seller delivers) are new, free from defects in materials and workmanship, and conform to all applicable drawings, specifications, samples and other descriptions furnished or specified by Buyer, Seller or Maker, and all services furnished are free from defect and conform with applicable specifications and other descriptions furnished or specified by Buyer or Seller, as the case may be.
- 8.2 Seller further warrants that all products delivered and services furnished will be merchantable, suitable for the intended purposes, and free from all other defects, including, without limitation and in the case of a specification or design provided by Seller or Maker, defects in design.
- 8.3 Buyer's approval of Seller's samples or first articles shall not be construed as a waiver by Buyer of any requirements of the drawings, specifications, and/or other applicable descriptions or of any expressed or implied warranty.
- 8.4 The products must meet all relevant health and safety requirements applicable to purchase requirements in the form supplied by Buyer.
- 8.5 Supplier expressly warrants that all Products are free from defects in design, material, workmanship and conform to all required specifications for the duration of one of the following periods, whichever is longer: i) three years from the date of shipment by JE to its Customers; ii) the period as required by the applicable law and regulations, iii) the period offered by JE or its customers to end users, or iv) the period as set forth in the Master Business Award Letter issued by JE to the Supplier. The aforesaid time limits do not apply to product safety issues that mandate a safety recall. This warranty applies to all Products regardless of the country of deployment. Supplier is responsible for all costs related to any breach of this warranty. All warranties run to JE, and through JE, to its Customers. All warranties survive any inspection, acceptance, or payment by JE.

These warranties are in addition to and without prejudice to all other warranties, expressed or implied by law and otherwise, and shall survive acceptance of and payment for the products and services and shall run to Buyer, its successors, assigns, customers and the users of its products which have incorporated the products and/or services supplied by Seller to Buyer in fulfillment of an Order. Seller shall bear, on an indemnity basis, all direct and indirect costs and expenses incurred by Buyer (including but not limited to all costs arising from defective product sorting, field replacement, product recall and damages charged by Buyer's customers) to replace a defective product or service from Seller.

9. QUALITY ASSURANCE

- 9.1 Seller shall qualify as, and maintain its status as, an acceptable supplier under Buyer's approved supplier list, in compliance with Buyer's requirement.
- 9.2 Buyer reserves the right to reject and hold payment of any products supplied or services rendered where they fail to comply exactly with the specifications, or of poor quality, or the Order. When products are rejected, either in part or in total, such products will be at Buyer's discretion and agreed disposition.

- 9.3 If the products have a determined shelf life, Seller shall inform Buyer of the storage conditions recommended for the longest possible shelf life as well as the minimum and maximum anticipated duration thereof.
- 9.4 Buyer reserves the right at any time to inspect and/or test products and/or services and for that purpose shall be entitled to enter any manufacturing plant, warehouses or other premises under Seller's control to inspect process, tools or materials procured or used for the manufacture of the products or the supply of the Services (at Seller's expense) as is reasonable. Such inspection and/or testing shall not imply any acceptance of the products and/or services nor in any way relieve Seller of any obligation or duty under the Order or otherwise impose any obligations on Buyer.
- 9.5 Where the products or services are delivered for or in ancillary to automotive applications of Buyer, such products and services shall be provided in accordance with a quality management system that at least complies with the requirements of ISO 9001:2008 and agrees to continue to develop this system in accordance with the latest technology available to it.

10. PRODUCT SAFETY AND COMPLIANCE

Seller is responsible to ensure that the products delivered are rigorously tested and comply with all relevant product safety standards and regulations of the country of its manufacture and the importing country. Where applicable, all products shipped must be supplied with the applicable operation, installation, maintenance and safety manuals, along with properly displayed safety alert labels on the products in accordance with applicable local and international standards. Seller shall be responsible for any deficiencies or shortages of safety devices in the products, including their manuals or documentation.

11. SUBSTANCE USE RESTRICTIONS

Seller also warrants and represents that the proper use, storage, or disposal of Seller's products by Buyer will not result in any claim against Buyer for environmental damage or remedial actions by third parties.

- (A) Seller agrees to timely respond, following a reasonable due diligence inquiry, to any requests made by, or on behalf of, Buyer for information on the source and chain of custody of any Conflict Minerals (as defined below) necessary to the functionality or production of the Goods supplied by Seller to Buyer. In order to comply with this Section, Seller must complete the Electronic Industry Citizenship Coalition® and Global e-Sustainability Initiative (EICC-GeSI) template at: <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/> (the "Template") and submit all requested information to the requesting party in Buyer's supplier quality organization. If Seller is a smelter, Seller also agrees to comply with the Conflict-Free Smelter Program protocols developed by EICC-GeSI. As used above, the term "Conflict Minerals" means columbite-tantalite, cassiterite, wolframite and gold ores – which are refined into tantalum, tin, tungsten and gold, respectively, or other minerals or compounds that may be designated in the future by the U.S. Secretary of State. Thereafter, Seller shall complete the Template and submit it to Buyer on not less than an annual basis.
- (B) Seller understands and acknowledges that any information provided pursuant to this Section may be provided by Buyer to its customers and may be used by Buyer's customers to comply with their reporting obligations under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), including filing a Form SD and

Conflict Minerals Report with the U.S. Securities and Exchange Commission, and Seller will (i) ensure that the information provided in this regard is current, accurate and complete, to the best of its knowledge and belief, as of the date of submission, (ii) update such information in a timely manner if the status of any Product supplied by Seller to Buyer changes during Seller's performance of the Contract, and (iii) retain all necessary documentation to support the information provided in response to Buyer's request.

- (C) If Seller fails to comply with this Section, then Buyer may terminate the Contract in whole or in part pursuant to its rights contained in these Terms.
- (D) Seller agrees to include substantially the same requirements set forth in (a) – (c) above in each contract with any of its sub-suppliers that provide any material or sub-component incorporated into Goods supplied to Buyer.

If the products supplied contain a substance or substances that are governed by regional or national rules or regulations (for example, REACH) and features dangerous or hazardous characteristics, or if such dangerous or hazardous characteristics emerge when handling such substance, Seller shall, on its own initiative, promptly notify Buyer and proceed to classify, pack and label the products in accordance with the prevailing rules and regulations at the time of their delivery.

Prior to and with the shipment of any products purchased by Buyer from time to time, Seller shall furnish Buyer with sufficient written notice, including appropriate labels on products, containers and packing, of any hazardous material that is an ingredient or a part of any of such products. Seller shall also provide any special handling instructions necessary or desirable prevent bodily injury or illness or property damage in the handling, transportation, processing, use or disposal of the products, containers and packing shipped to Buyer.

Seller represents and warrants that all of its obligations under this section, in particular all information requirements therein, have been and will be fulfilled. This includes in particular the provision of a comprehensive safety data sheet in accordance with REACH. Seller shall immediately inform Buyer of any changes affecting REACH compliance.

12. CONTENT REPORTING

Seller shall provide to Buyer such content information as Buyer reasonably requests for the purpose of assisting Buyer and Buyer's customers in complying with all applicable content reporting requirements. Such report may also be required for assisting Buyer's custom declaration for importation or transshipment.

13. SUSPENSION OF WORK

Buyer shall have the right to direct Seller by written notice (including but not limited to letter, email), or verbal notice confirmed in writing, to suspend all or any part of the work being done pursuant to an Order for a period of time not exceeding ninety (90) days.

- A) If the work is suspended pursuant to this paragraph, an equitable adjustment shall be made for any increase in the time and the cost (exclusive of loss of profit, loss of revenue, loss of goodwill, loss of savings, production downtime costs or any other indirect, consequential or pure

economic loss) for performing the Order necessarily caused by such suspension, and the Order will be modified in writing accordingly.

- B) No claim will be allowed under this paragraph unless the claim in an amount stated is asserted in writing within ten (10) days after the termination of the suspension. When the suspension has been lifted, Seller shall immediately commence performance, notwithstanding the fact that the amount of the adjustment in price, or if any of the Order has not been agreed to.

14. CHANGES IN INGREDIENTS AND PROCESS DISCLOSURE AND SPECIAL INSTRUCTIONS

Seller shall not make any change in ingredients, process or manufacturing methodology without obtaining Buyer's prior written approval. Before any approved changes are implemented, Seller shall furnish in advance of the following: (a) a list of all ingredients in the products that may be purchased by Seller from time to time, (b) the amount of one or more ingredients; (c) information concerning any changes in or addition to such ingredients or changes in Seller's processes; and/or (d) Material Safety Data Sheets for all such ingredients.

15. CHANGES

Buyer may, at any time, by a written order, make changes in any one or more of the following: (a) drawings, designs or specifications, where the products to be furnished are to be specially manufactured for Buyer in accordance with the Order; (b) method of shipment and packing; (c) place or time of inspection, delivery or acceptance; and (d) the amount of any Buyer furnished property.

If any of such changes causes an increase or decrease in the cost of and/or time required for performance of the Order, an equitable adjustment shall be made in the price or delivery schedule or both. No claim by Seller for adjustment hereunder shall be allowed unless made in writing to Buyer within fourteen (14) days from the date of notice of any such change is received by Seller. Where the cost of property rendered obsolete or excess as the result of a change is included in Seller's claim for adjustment, Buyer will have the right to take title thereto and prescribe the manner of disposition thereof. Nothing in this Section 15 shall excuse Seller from proceeding with performance of the Order as changed. Price increase or extension of time for delivery shall not be binding on Buyer unless evidenced by a Purchase Order Change Notice issued and signed by Buyer.

During performance of this order, Seller shall not make any changes in the design of items to be furnished by Seller under this order without advance notification to and approval of Buyer.

16. TOOLING AND BUYER'S PROPERTY

Unless otherwise specified in an Order, all tooling and/or all other articles required for the performance hereof shall, at Seller's expense, be (a) furnished by Seller, (b) maintained in good and tenable condition and (c) replaced, modified or updated when necessary. Seller shall also keep maintenance records of the tooling for Buyer to review on request. Title to all tooling and other property furnished to Seller by Buyer or paid for by Buyer, shall remain with Buyer. Seller shall not alter or use such tooling and other property for any purpose (including but not limited to create encumbrance charge or mortgage) other

than that specified by Buyer or for any other person without the prior written consent of Buyer. Seller shall not duplicate the tooling without prior consent from Buyer, for purposes not intended in an Order.

Buyer's materials, tooling and equipment, shall be identifiably kept separate, apart from Seller's, and free of liens and encumbrances at Seller's sole cost and expense. Seller shall not move or relocate such materials, tooling or equipment outside Seller's production site without written consent or instruction from Buyer. Seller shall keep adequate records of such tooling and other property and such records shall be made available to Buyer upon request, and shall store, protect, preserve, repair and maintain such tooling and other property in accordance with sound industrial practice all at Seller's expense.

In the event that Buyer's tooling and other property become lost or damaged to any extent while in Seller's possession, Seller agrees to indemnify Buyer or replace such tooling and other property at Seller's expense.

Subject to Buyer's approval, Seller may move the tooling. At the completion or termination of an Order, Seller shall return the materials, tooling and equipment to Buyer or request disposition instructions from Buyer.

17. CUSTOMER REQUIREMENTS; SERVICE PARTS

To the extent that an Order covers products which are parts, components, items, tooling and services being supplied to or for the benefit of any customer of Purchaser, Seller acknowledges and agrees that such products and services must be in compliance with all of the applicable requirements, specifications, standards, pricing requirements (even if such pricing differs from the purchase order or older price), audit standards, and terms and conditions for such products and services which are set forth in the customer's purchase documents. Seller shall provide service parts to Purchaser and/or its customer(s) for any products and parts furnished under any purchase order based upon the customer's service requirements.

18. SPARE PARTS SUPPORT

Seller warrants that items of the type purchased under an Order, including the sub-assemblies and spare parts, shall be made available by Seller to Buyer and its customers during the operational life of the items purchased, but at least for fifteen (15) years after the date of final shipment under an Order. Further, during the said period Seller shall continue to provide technical support and service at the same level as presently provided. In the event Seller discontinues manufacture of the aforementioned items, sub-assemblies or spare parts or does not provide any of them in a timely manner for Buyer's requirements, Seller shall make available to Buyer all drawings, specifications, data, tooling and know-how and grant to Buyer a royalty-free, irrevocable and sub-licensable licence to all applicable intellectual property rights which will enable and facilitate Buyer, its suppliers or its customers to manufacture or procure and use and sell said items, sub-assemblies and spare parts for the remainder of the fifteen (15) year period.

19. INSURANCE

Unless otherwise agreed to by Buyer in writing, Seller shall maintain insurance in such amounts acceptable to Buyer and at

Seller's expense, sufficient to cover (a) Buyer's interest in such tooling and other property against loss or damage by reason of fire, flood, accident, theft, riot or civil commotion; (b) Seller's obligations under the Indemnification provisions contained herein; (c) risk of loss of the products prior to acceptance by Buyer. Seller shall provide a copy of the insurance certificate or receipt and their renewal document(s) to Buyer upon request.

20. WORK ON PREMISES

If Seller's work under this order involves operation by Seller on the premises of Buyer or one of Buyer's customers, Seller shall take all necessary precautions to prevent injury to any person or property during the progress of such work. Seller shall indemnify Buyer against all loss arising from such work, which may result in any way from any act or omission of Seller, its agents, employees, or subcontractors unless such is caused by willful misconduct or gross negligence on the part of Buyer. Seller shall maintain such public liability, property damage and employee's liability and compensation insurance as will protect Buyer from said risk and from any claims under applicable worker's compensation and occupational disease act.

21. RESALE CERTIFICATION

If an Order is marked "Resale" the items purchased under it are purchased for purpose of resale.

22. CERTIFICATION OF ORIGIN

Prior to the delivery of a product, Seller shall provide to Buyer an up-to-date and legally binding certificate of origin pursuant to the relevant local laws, regulations or order including but not limited to the North American Free Trade Agreement and those required under EU regulations and directives, and shall inform Buyer of any change in the origin features of the delivered products.

23. INTELLECTUAL PROPERTY

Seller represents and warrants that the goods and services which are supplied to the Buyer pursuant to the Order shall not infringe upon any third party's patent, industrial design, copyright, trade secret or any other intellectual property or proprietary rights. Seller further represents and warrants that it has the right via ownership or license, to offer for sale, to use and to sell the goods and services provided hereunder and that in the event such right is via license, that Seller has ensured that the rights obtained by Seller shall extend to cover each and every member of the Johnson Electric Group of Companies, its successors, assigns and their customers.

24. COMPLIANCE WITH LAWS

Seller represents and warrants to Buyer its compliance of all applicable country of manufacture, federal state and local laws, executive orders, rules and regulations. In particular, this would include (but is not limited to):

- A) in relation to the United States of America, the Occupational Safety and Health Act of 1970 as amended ("OSHA"); Toxic Substance Control Act as amended ("TOSCA"); the Equal Employment Opportunity Act and the Regulations and Standards issued pursuant thereto ("EEOC"); and the Fair Labor Standards Act of 1938 as amended ("FLSA"). If the products supplied by Seller are

incorporated by Buyer into products sold under a US federal contract or subcontract, those applicable procurement regulations that are required by law to be inserted in contracts or subcontracts shall be incorporated into these Suppliers Standard Terms and Conditions by reference. Additionally, Seller represents and warrants that it shall supply Buyer with such information as may be necessary to permit Buyer to comply with, among other things, the Federal Hazard Communication Standard as set forth in 29 CFR 1920.1200. Further, Seller warrants that the products furnished by it will be in compliance with the Consumer Product Safety Act ("CPSA"), National Highway Safety Act ("NHTSA"); and regulations issued pursuant thereto;

- B) in relation to Europe, Directive 2011/65/EU on the Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment ("RoHS EEE"), Directive No. 2000/53/EC End of Life Vehicles ("ELV"), Regulation EC No. 1907/2006 ("REACH") and Regulation No. 1272/2008 ("CLP"), together with any of their national implementations of these directives and regulations, and including their revisions or amendments from time to time. In addition, if the product supplied contain more than 0.1% by weight of substances of very high concern ("SVHC"), which are published in accordance with Article 59(1) of REACH, Seller shall provide all information according to Article 33 of REACH together with any deliveries made by it without further request;
- C) in relation to China, the Administrative Measure on the Control of Pollution Caused by Electronic Information Products, the Requirements for concentration limits for certain hazardous substances in electronic information products (SJ/T 11363-2006); and
- D) globally, compliance by itself and its supply chain with the principles / conventions / directives set by the International Labor Organization (ILO) and the United Nations (UN), including without limitation the Directives of UN "Global Compact" initiative, the "UN Guiding Principles on Business and Human Rights", and the "ILO Declaration on Fundamental Principles and Rights at Work". In particular, Seller shall adhere to the principles of the freedom of association and the right of collective bargaining, the abolition of child labor, and the elimination of all forms of forced or compulsory labor or discrimination at work.

Seller shall supply free of charge such data (MSDS) to Buyer and receiving facility at the time of making its first delivery pursuant to the relevant order, and shall revise or amend such data as necessary during the course of fulfilling this offer. Failure of Seller to supply such data shall be conclusively presumed to mean that such data is not required for the product supplied. Supplier will promptly notify Buyer of any changes that affect its compliance with the above requirements, and shall take all steps to ensure its re-compliance with the above requirements.

25. ANTI-CORRUPTION AND BRIBERY

Seller represents and warrants that it will comply with all applicable local and national laws and regulations pertaining to its performance of its obligations under this purchase order. In particular and without limitation, Seller shall not act in any fashion or take any action that will render Buyer liable for a violation of any applicable anti-bribery legislation (including without limitation, The U.S. Foreign Corrupt Practices Act, the UK Bribery Act 2010 and the Criminal Law of the PRC), which prohibits the offering, giving or promising to offer or give, or

receiving, directly or indirectly, money or anything of value to any third party to assist in retaining or obtaining business or in performing the Work. Seller's failure to comply with this provision shall constitute a material breach of an Order.

26. BREACH OF ORDER

In the event of any breach by Seller of any provision of an Order (which, for the avoidance of doubt, always include these Suppliers Standard Terms & Conditions), or in the event of the assertion by any third parties of any claim or lien against Buyer on its property arising out of Seller's performance or non-performance under an Order, Buyer shall have the right to terminate the Order, claim for its losses damages and costs, and without prejudice to its above or other rights to retain out of any payments due to Seller or that become due to Seller an amount sufficient to protect Buyer completely from any loss, damage or expense therefore, until the situation has been remedied or clarified by Seller to Buyer's satisfaction.

27. ENDORSEMENT

Seller shall not, without the prior written consent of Buyer, make any release of information concerning any Order (other than to Seller's employees with a need to know in order to perform their duties) and shall not use the name of Buyer in any advertising or publicity.

28. INDEMNIFICATION

Seller will indemnify (on an after-tax basis), defend and hold each and every member of the Johnson Electric Group of Companies, including Buyer, and its employees, directors and officers, harmless from and against any and all losses, costs, incidental or consequential damages, liabilities, claims (including but not limited to third party claims and penalty), expenses (including reasonable legal fees) and the payment of all sums of money owing or incurred (a) by reason of accidents, injuries or damages to persons or property directly or indirectly resulting from Seller's performance or non-performance under the Order or Seller's breach of Sections 4 (Taxes), 6 (Export and Import Licenses, Permits), 8 (Warranties), 9 (Quality Assurance), 10 (Product Safety And Compliance), 11 (Substance Use Restrictions), 23 (Intellectual Property), 24 (Compliance with Laws), 25 (Anti- corruption and Bribery), 36 (Confidentiality) and 37 (Non- disclosure of Information); or (b) by reason of a claim by a third party of infringement, including contributory infringement associated with any act performed by a member of the Johnson Electric Group of Companies subsequent to receipt of the products or services.

If the use or sale of any product or service with respect to which Seller indemnifies Buyer in accordance with this Section is enjoined as a result of such action or proceeding, Seller at no expense to Buyer, shall obtain for Buyer and its customers, the right to use and sell said products or services or shall substitute an equivalent product or service acceptable to Buyer, and shall reimburse Buyer for any costs associated with the substitution and extend the property rights indemnity with respect to such equivalent product or service.

Seller's indemnification obligations under this section shall survive completion, termination or expiry of the Order.

29. TERMINATION / CANCELLATION

Buyer may, at any time, terminate an Order in whole or in part by written notice or verbal notice confirmed in writing to Seller. If an Order is terminated by Buyer for convenience, any claim of Seller shall be settled on the basis of actual costs (excluding anticipated profits and other pure economic, indirect and consequential losses) it has already incurred in the performance of the Order. Upon receipt of such notice of termination, Seller shall, unless otherwise directed by Buyer, (a) immediately terminate all work under the applicable Order; (b) transfer title and deliver to Buyer (i) all completed work which conforms to the requirements of Buyer's Order and (ii) all reasonable quantities of work in process and materials produced or acquired in respect of the performance of the work terminated which are of a type and quality suitable for producing supplies in conformance to the requirements; (c) take all action necessary to protect property in Seller's possession in which Buyer has or may acquire an interest; and (d) submit to Buyer promptly, but not later than twenty (20) days from the effective date of such termination its termination claim, otherwise the claim will be time-barred.

Seller shall not manufacture in advance of Seller's normal material lead-time and production flow time. Any preparation in violation of this prohibition shall be done at Seller's risk and costs, and if Buyer terminates an Order in accordance with this Section 19, the advanced commitment in materials and work done by Seller shall not be claimed in this respect against Buyer.

Buyer will make no payments for finished products, works-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in an Order nor for any undelivered products which are in Seller's standard stock or which are readily marketable.

Notwithstanding the foregoing, if termination is occasioned by Seller's breach of any conditions hereof, including breach of warranty, or by Seller's delay, Seller shall not be entitled to any costs, and Buyer shall claim against Seller all remedies provided by law and equity. Further, in the event Seller shall become insolvent or in a petition for bankruptcy, Buyer may, without further obligation to Seller, terminate all Order(s) associated herewith in whole or in part upon giving written notice to Seller without any remedy, and Buyer shall have the right of first refusal to purchase any tools, and materials of Seller that should allow Buyer to rebuild the tool and produce the products, to manufacture or procure and use and sell said items, sub-assemblies and spare parts under a royalty-free license which is hereby granted.

30. NOTICE OF LABOR DISPUTE OR MATERIAL SHORTAGES

Whenever Seller has knowledge that any actual or potential labor dispute or material shortages or other production difficulties may delay or threatens to delay its timely performance under an Order, Seller will immediately give notice thereof to Buyer, specifying the nature and extent of such delay, and use its best endeavor to resolve the impasse or delay.

31. SET OFF

Buyer shall have the right at any time to set-off any amount owed by Seller, or its parent or affiliated companies, to Buyer or to Buyer's parent or affiliated companies against any amount due and owed to Seller on this order. Seller shall not have the right of set off, and Seller shall not have any right to assign any

claims it may have against Buyer to third parties or allow third parties to collect any amounts due from Buyer without first seeking the prior written consent of Buyer (such consent not to be unreasonably withheld).

32. FORCE MAJEURE

Neither party shall be liable for defaults due to acts of God or the public enemy, acts or demands of any government or any government agency, strikes, fires, floods, accidents, or other unforeseeable causes beyond its control and not due to its fault or negligence ("Force Majeure"); provided, however, Force Majeure shall not include any labor problems or strikes relating to the workforce of Seller or its suppliers or subcontractors or any commercial circumstances affecting pricing or availability of any products or raw materials furnished by Seller or its suppliers or subcontractors. Each party shall notify the other in writing of the cause of such delay within five (5) days after the beginning thereof and provide ample written evidence. During the period of such delay or failure to perform by Seller, Purchaser, at its option may purchase products and services from other sources and reduce its schedules to Seller by such quantities, without liability to Seller or have Seller provide the products and services from other sources in quantities and at times requested by Purchaser and at the price set forth in this purchase order, if requested by the Purchaser. Seller shall within ten (10) days of Purchaser's request for adequate assurances provide Seller's assurances that the delay shall not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurance that the delay will cease within thirty (30) days, the Purchaser shall have option to terminate any Long Term Agreement / Purchase Order / Release issued by Buyer without compensation to Seller. Existing or accrued rights of the parties before such termination shall not be affected. If a Force Majeure event affects the production capacity of Seller, Seller shall treat Buyer at least equal with other affected Buyer and not prejudiced, or biased in terms of performance of any Order.

33. SEVERABILITY

If any part of this Suppliers Terms & Conditions, or any terms of an associated Order or other contracts incorporating this Suppliers Terms & Conditions, is held by a court of competent jurisdiction to be invalid or unenforceable under any statute, regulation, ordinance, executive order, or other rule of law, such part or terms shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, executive order or other rule of law. The remaining provisions of these terms and conditions, or any associated Long Term Agreement / Purchase Order / Release, shall remain in full force.

34. ASSIGNMENTS AND SUBCONTRACTS

Seller shall not assign or subcontract any process, part of the Order or right or obligation hereunder without the prior written consent of Buyer.

35. RELATIONSHIP OF PARTIES

Seller and Buyer are independent contracting parties and nothing in an Order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other party.

36. CONFIDENTIALITY

Seller agrees not to disclose to third parties any information regarding Buyer or its business or its customers, including the existence and terms of any Order, or use such information itself for any purpose other than performing this order, without Buyer's written prior approval. This paragraph shall apply, including but not limited to drawings, specifications, samples, correspondence pertaining to Buyer's Order and any other documents prepared by Buyer, or by Seller for Purchaser in connection with any Order. Seller warrants and shall ensure its officers, employees, affiliates, consultants and sub-contractors to maintain the said confidentiality.

Buyer accept that damages may not be sufficient compensation to Seller and despite the default or agreed dispute resolution process, Buyer shall be entitled to commence any action in any court of competent jurisdiction to protect its confidential information without notice.

This section shall survive the termination of any Order.

37. NON-DISCLOSURE OF INFORMATION

Seller shall hold in strict confidence all information, drawings, specifications, processes, reports, technical and business data submitted by Buyer to Seller pursuant to, or in connection with the Order or Buyer's business or Buyer's customers. Seller shall upon request return all documents furnished by Buyer. Seller shall not disclose or use such information, drawings, specifications, or data for the benefits of itself or any other party.

Seller shall not sell, or dispose of as scrap or otherwise, any completed or partially completed or defective products embodying or comprised of Buyer's confidential or proprietary information without Buyer's written consent. Buyer shall have the right to audit all of Seller's pertinent books and records in order to verify compliance with these terms and conditions.

Seller waives all claims regarding Buyer's use of all data disclosed to Buyer in connection with the products or services covered by the Order unless, prior to disclosure by Seller to Buyer, such data is the subject of a written confidentiality agreement signed by Buyer. Seller hereby assigns to Buyer all right, title and interest in and to all data, processes, inventions (whether or not patentable), trademarks, copyrights and mask work rights in any products created by Seller for Buyer under the Purchase Order / Release.

If incidental to the performance of an Order, Seller shall disclose to Buyer any unpatented information concerning Seller's products, manufacturing methods or processes, then, unless otherwise expressly agreed in writing, Buyer shall have the right to use such information for any purpose.

38. GOVERNING LAW AND DISPUTE RESOLUTION

The interpretation and enforcement of these Suppliers Standard Terms and Conditions are governed by the laws of the following: if a PO is issued by a Buyer's entity in Europe, the local and domestic laws of the jurisdiction where Buyer's entity issuing the PO is registered shall govern; if a PO is issued by a Buyer's entity in the United States of America, the local and domestic laws of the State of Michigan shall govern; if a PO is issued by a Buyer's entity outside of Europe or the United States

of America, the local and domestic laws of Hong Kong SAR, PRC shall govern. Any litigation on contractual claims arising from a PO may be brought by Buyer in any court having jurisdiction over Seller or, at Buyer's option, in any court having jurisdiction over any Seller's location specified in the purchase order, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any claim or proceeding by Seller against Buyer may be brought by Buyer only in the court having jurisdiction over the location of Buyer at which the PO is issued. Seller irrevocably waives and agrees not to raise any objection it might now or hereafter have to any such claim or proceeding in any such court, including any objection that the place where such court is located in an inconvenient forum or that there is any other claim or proceeding in any other place relating in whole or in part to the same subject matter.