

UNITED STATES
K&K Stamping Company – Terms and Conditions of Purchase

"Buyer" means the (ORGANIZATION) "Buyers Terms" means the terms and conditions contained within this document in addition to conditions on the face of Buyer purchase orders and any other terms and conditions specifically incorporated herein by reference; "Seller" means the supplier shown on the face of Buyers order; and "Goods" means the products of Seller shown on the face of Buyer purchase order and all raw materials, components, tooling, equipment and supplies to be delivered by and all services to be provided by Seller hereunder.

1) ACCEPTANCE: (a) Seller will be deemed to have accepted this order when Seller acknowledges this order or begins performance under this order. Seller's acceptance is limited to acceptance of buyer's terms. Buyer hereby objects to and rejects any proposal by Seller for additional or different terms. If Seller proposes additional or different terms which relate to the description, quantity, price or delivery schedule of the goods, Seller's proposal will operate as a rejection of Buyer's terms. And Buyers' terms will be deemed accepted by Seller without Seller's additional or different terms if this order is deemed an acceptance of Seller's prior offer. Buyer's acceptance expressly conditional on Seller's assent to Buyer's terms.

(b) Buyer and Seller agree that, notwithstanding the prior or subsequent use by Seller of any order form, invoice or other document containing printed terms or conditions, they are contracting solely on the basis of this order, which contains the entire understanding of the parties and is intended as a final expression of their agreement and a complete statement of amendments, modifications or supplements are in writing and signed by Buyer's authorized representative. A provision contained in any order form, invoice or other document used by Seller (whether prior or subsequent to the date hereof) which is inconsistent with the subparagraph will have no force or effect and will not be binding on the Buyer unless such provision is contained in an order form invoice or other document dated subsequent to the date hereof and is specifically initialed by Buyer's authorized representative.

2) DELIVERY: (a) Time is of the essence in this order. Seller will make deliveries in the quantities and at the times specified herein or in releases issued hereunder. If Seller's deliveries fail to meet Buyer's delivery schedule, Buyer, in addition to its other rights, (i) may direct expedited routing and charge Seller for any excess costs incurred as a result and (ii) may charge Seller for any cost incurred by Buyer and/or Buyer's customers for production delays caused by Seller's failure to meet such schedules.

(b) Buyer will 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. If Seller delivers Goods in advance of Buyer's delivery schedule, buyer may either (i) return such Goods at Seller's expense for proper delivery; or (ii) withhold payment for such Goods until the scheduled delivery date and place such Goods in storage for Seller's account until the scheduled delivery date; While the Goods are being returned in accordance with (i) of the preceding sentence or being retained in accordance with (ii) of such sentence, the Good will be at Seller's risk.

3) QUALITY: Seller will maintain an inspection and quality system acceptable to Buyer and in conformity with any drawings, specifications and data which are part of this order and with any quality program of Buyer described in materials referenced on the face of Buyer's 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 order, retain such records for a period of time of ten (10) years after completion of this 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 a quality system as required hereunder.

4) INSPECTION AND ACCEPTANCE OF GOODS: (a) Buyer may inspect all Goods ordered hereunder at all times and places, including during the period of manufacture. Such inspection may at Buyer's option include confirmation of Seller's facilities at all reasonable times and will provide all tools, facilities and assistance reasonably necessary for such inspection and/or confirmation at no additional cost to Buyer. All Goods are subject to that inspection and acceptance anytime after delivery to Buyer.

(b) Notwithstanding any acts of Buyer which may be deemed under applicable law to constitute acceptance of the Goods, payment for delivery Goods will not constitute acceptance thereof. Buyer may reject any Goods which do not meet the specifications set forth in this order. Buyer may return any such Goods to Seller for reimbursement, credit, replacement or correction as Buyer may direct, or buyer may correct and/or replace such Goods at Seller's cost. Any Goods rejected by Buyer will be at Seller's risk and expense and Seller will reimburse Buyer for any packaging, handling and transportation cost Buyer incurs with respect to the rejected Goods.

(c) Buyer may revoke its acceptance of Goods at any time whether or not a substantial modification to the Goods had been made, if a defect in the Goods which could not have been discovered during Buyer's normal inspection procedures or which is not normally discoverable until the Goods are used substantially impairs the value of the Goods to Buyer.

(d) Relieve the Seller from responsibility for such goods as are not in accordance with the order requirements or impose liability on buyer thereafter.

5) PRODUCT WARRANTIES: (a) Seller warrants that the Goods (i) will be fit and sufficient for the purpose intended (if Seller knows or has reason to know the particular purpose for which Buyer intends to use the Goods); (ii) will be merchantable quality and free from all defects, including defects in material and workmanship, and if not of Buyer's detailed written design, defects in design; and (iii) will conform with all representations, descriptions, samples, drawings, plans, specifications, design and other data supplied by Seller or listed on Buyer's order. The foregoing warranties are in addition to those available to Buyer by law.

(b) All warranties hereunder will survive buyer's acceptance, use and/or payment and will run to Buyer and its customers.

(c) Buyer's review or approval of samples, drawings, specifications or other data developed by Seller in connection with this order will not limit Seller's responsibility under the warranties contained herein or alter the cost, rate of output or delivery requirements of this order.

(d) Buyer's specifications and requirements take precedence over industry standards. Seller will advise Buyer in writing if Buyer's specifications or requirements are not as extensive as industry standards.

6) PRODUCT INDEMNIFICATION: Seller will indemnify and hold harmless Buyer, its officers, employees, agents, successors, assigns, customers, and users of its products from and against any and all losses, expenses, damages, claims, suits and liabilities (including recall, repair and replacement expenses and other incidental and consequential damages; court costs and attorneys' fees) arising under any strict tort or negligence claims premised on either an actual or alleged defect in the Goods. At Buyer's request, Seller will assume promptly full responsibility for the defense of any action described in this paragraph which may be brought or threatened by a third party against Seller and/or Buyer.

7) INFRINGEMENT INDEMNIFICATION: Seller will indemnify and hold harmless buyer, its officers, employees, agents, successors, assigns, customers, and users of its products from and against any and all losses, expenses, damages, claims, suits and liabilities (including incidental and consequential damages, court costs and attorneys fees) arising as a result of any claim that the manufacture, use, sale or resale of any Goods infringes any patent, utility model, industrial design, copyright, or other intellectual property right in any county and/or country. Seller will, when requested by Buyer, defend any action or claim of such infringement at its own expense. Seller's obligation under the preceding two sentences will apply even though buyer furnishes all or any portion of the design of or specifies all or any portion of the processing for the Goods. If the sale and/or use of the Goods is enjoined or in Buyer's sole judgment, is likely to be enjoined, Seller will, at Buyer's election and Seller's sole expense, either procure for buyer the right to continue using such Goods or replace same with equivalent non-infringing goods or modify such Goods so they become non-infringing or remove same and refund the purchase price, including transportation, installation, removal and other charges incidental thereto.

8) CHANGES: Buyer may at any time by a written order without notice to sureties change drawings, designs, specifications, materials, packing, time and place of delivery or method of transportation. If any such change increases or decreases the cost or time required for Seller's performance hereunder, and equitable adjustment will be made and the order will be modified in writing accordingly. Any claim by Seller for any adjustment hereunder must be made within ten (10) working days of the date Seller is first notified of the change. If Seller's claim includes any cost for property made obsolete as a result of the change, the claim must be supported by releases (or other forms of authorization) provided by buyer authorizing Seller to procure or manufacture the property and buyer may prescribe the manner in which such property will be disposed. Pending the resolution of any dispute regarding any such adjustment, Seller will diligently pursue the order as changed. No change to design, material, process, procedures or practice is to be made by Seller without written authorization by Buyer.

9) FORCE MAJEURE: If due to forces beyond its control, Buyer determines to alter Buyer's delivery schedule to delay delivery, the provisions of this paragraph (rather than the preceding paragraph) will control. Seller will hold any such delayed Goods at the direction of Buyer and will deliver additional costs (excluding interest on the purchase price) incurred in holding the Goods or delaying performance at buyer's request. Any delay or failure of either Buyer or Seller to perform its obligations hereunder shall be excused if, and to the extent that it is caused by an event or occurrence beyond the reasonable control of "the party" and without its fault or negligence, such as by way of example and not by way of limitation, acts of God, actions by a governmental authority (whether valid or invalid), fire, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slow downs); inability to obtain power, material, labor, equipment or transportation, or court injunction or order. During the period of such delay or failure to perform by Seller, Seller shall provide Buyer with prompt written notice of such delay and a statement regarding the remedial steps that are being undertaken to resume performance and seller's interim allocation plans, if any, for the supply of Goods during the delay. During such quantities, without liability to Seller, or have Seller provide the goods from other sources in the quantities and at the delivery times requested by Buyer and at the price set forth in this order. If requested by Buyer, Seller shall, within ten (10) days of the request provided adequate 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, Buyer may immediately cancel the order without liability.

10) TERMINATION FOR CONVENIENCE: Buyer may terminate this order or any part of it for its convenience by written notice to Seller. Upon receipt of notice of termination, Seller will immediately stop all work hereunder and cause any of its suppliers or subcontractors to cease such work. Buyer will pay Seller for all goods which are (i) ready for shipment in accordance with this order's delivery schedule prior to Seller's receipt of the termination notice, (ii) conform to all requirements of this order, and (iii) are free and clear of all encumbrances. Notwithstanding the foregoing, in the event that this order relates to Buyer's purchase of equipment (as that term is defined under Article 9 of the Uniform Commercial Code), Buyer's obligation to pay Seller will be limited to:

(a) The lesser of: (i) Seller's actual cost for direct labor and other expenses directly and reasonably incurred pursuant to this order prior to receipt of notice of termination or (ii) the percentage of the original purchase price as the work done by Seller prior to receipt of notice of termination bears to the entire work covered by this order.

(b) Less any previous payments.

In no event will Buyer be liable for amounts in respect of anticipated profits, lost profits, interest expense or other consequential damages. Buyer will not pay for any work done after Seller's receipt of notice of termination or for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided.

11) TERMINATION FOR CAUSE: Buyer may terminate this order or any part hereof for cause in the event of a Default of Seller. "Default" means (i) Seller's failure to comply with any of the terms and conditions of this order; (ii) Seller's failure to give Buyer, upon request, reasonable assurances of Seller's future performance; (iii) insolvency, bankruptcy, liquidation or dissolution of Seller; or (iv) any other event which causes reasonable doubt as to Seller's ability to render due performance hereunder. If, after termination for Default it is determined that Seller was not in Default, the rights and obligations of the parties will be the same as if the termination was for the Buyer's convenience.

12) DEFAULT-CANCELLATION: In the event of Default, Buyer may, upon written notice to Seller but without further liability to Seller, (i) waive all or any part of the Default; (ii) agree in writing to any change in or modification of this order as Buyer may in its judgment deem advisable; (iii) cancel this order in whole or in part; (iv) purchase goods in substitution for those to be supplied by Seller hereunder and charge Seller for any excess cost resulting there from; and/or (v) exercise any other rights or remedies Buyer may have under applicable law. Seller liability for Default will include Buyer's incidental and consequential damages.

13) 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 order) to be confidential and will not disclose any such information to any other person, or use such information itself for any purpose other than performing this order, unless Seller obtains Buyer's prior written permission. Seller will not advertise or publish the fact that Buyer has contracted to purchase Goods from Seller, or disclose any information relating to the order without Buyer's written permission.

(b) Unless otherwise agreed in writing, no information disclosed in any matter or at any time by Seller to Buyer will be deemed secret or confidential and Seller will have no rights against Buyer with respect thereto except such rights as may exist under patent laws.

14) LICENSE TO REPAIR; USE OF COPYRIGHT MATERIALS: Seller hereby grants to Buyer a nonexclusive, royalty-free, irrevocable, worldwide license to repair, rebuild, reconstruct and relocate the Goods. Seller also grants to Buyer a nonexclusive, paid-up, irrevocable, worldwide license to use all copyright materials of Seller which are furnished by Buyer during the course of Seller's performance hereunder and which relate to any Goods. Without limiting the generality of the foregoing, Buyer's use of such copyrighted materials pursuant to such license may include reproduction, distribution to customers and others and public display.

15) INDEMNITY/INSURANCE: To the extent Seller's agents, employees or subcontractors enter upon premises occupied by or under the control of Buyer's or any of its customers or suppliers in the course of the performance of this order, Seller will take reasonable steps to prevent any injury to persons or property arising out of acts or omissions of such agents, employees or subcontractors. Except to the extent that any such injury or damage is due solely and directly to Buyer's negligence, Seller will indemnify, defend and hold buyer's indemnity,

defend and hold Buyer, its officers, employees and agents, harmless from and against any and all losses, expenses, damages, claims, suits or any liability whatsoever (including incidental and consequential damages, court costs and attorneys fees) arising out of facts or omission of Seller, its agents, employees or subcontractors. Seller will maintain and require its subcontractors to maintain (i) public liability and property damage insurance, including contractual liability (both general and vehicle) in amounts sufficient to cover obligations set forth above, and (ii) workers compensation and employer's liability insurance covering all employees engaged in the performance of this order for claims arising under any applicable workers compensation, occupation disease or health and safety laws and/or regulations. Seller will furnish certificates evidencing such insurance which will expressly provide that no expiration, termination or modification will take place without thirty (30) days written notice to Buyer. Any property of buyer used by Seller in the performance of this order will be deemed to have been under the sole custody and control of Seller during the period of such use by Seller.

16) BUYER'S PROPERTY: (a) Buyer will retain title to any property Buyer's furnish to Seller. Seller will not alter such property for any purpose other than that specified by Buyer or for any other person without the prior written consent of Buyer. Seller will keep adequate records of such property, which records will be made available to Buyer upon request and will store, protect, preserve, repair and maintain such property in accordance with sound industrial practice, all at Seller's expense.

(b) If buyer's property becomes lost or damaged while in Seller's possession, Seller will indemnify Buyer or replace such property at Seller's expense in accordance with Buyer's request. At the completion, cancellation or termination of this order for which Buyer's property was required, Seller will request disposition instructions for all such property, or the remainder thereof, whether in its original form or in semi-processed form. Seller will make such property available to Buyer at Buyer's request, in the manner directed by Buyer, including preparation, packaging and shipping as directed. Expenses for preparation for shipment will be for Seller's account and shipment will be made FOB Seller's plant.

17) TOOLING: (a) Unless otherwise specified in this order, all tooling and/or all other articles required for the performance hereof will be furnished by Seller, who will maintain such articles in good conditions and replace them when necessary at Seller's expense.

(b) Tooling purchased by Buyer under this order shall be property of buyer and shall be marked and tagged by Seller as such. Seller shall bear all risk of loss and damage to Buyer's tooling and shall maintain such tooling in first class condition and replace worn out tooling at Seller's expense to the extent necessary to produce acceptable parts. Such repaired or replaced tooling shall also be the property of Buyer. Buyer's tooling shall not be (i) commingled with Seller's property or that of a third person (ii) used except for the manufacture of parts for Buyer or (iii) moved from Seller's premises without prior authority from Buyer. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect Buyer's tooling and Seller's records pertaining to such tooling.

(c) At Buyer's request, Seller shall promptly deliver Buyer's tooling to buyer at any location designated by Buyer. Seller's obligations to delivery Buyer's tooling shall not be subject to any set off or counterclaim arising from this or any other transaction with Seller. Buyer will reimburse Seller for any packaging and transportation costs incurred by Seller in delivering the tooling.

18) COMPLIANCE WITH LAWS: In the performance of this order, Seller will fully comply with all applicable laws and will hold Buyer harmless from any liability resulting from Seller's failure to comply.

19) TAXES: Seller's prices will be exclusive of any federal, state or local sales use or excise taxes levied upon, or measured by the sale, the sales price, or use of the Goods. Seller will list separately on its invoice any such tax lawfully applicable to the Goods and payable by Buyer with respect to which Buyer does not furnish to Seller lawful evidence of exemption.

20) SET OFF: All claims for money due or to become due from buyer will be subject to deduction or set off by Buyer for any counterclaim arising from this or any other transaction with Seller.

21) PAYMENTS: Buyer will pay the price stipulated on this order for Goods delivered and accepted, less deductions, if any, as herein provided, but only (i) upon submission by Seller of an invoice, or (ii) pursuant to other mutually agreed-upon arrangements. The prices for Goods will not be subject to any variation without the prior written consent of Buyer. Unless otherwise specified, Buyer will pay for partial deliveries accepted by the Buyer.

22) REMEDIES: The rights and remedies provided buyer herein will be cumulative and in addition to any other remedies provided by law or equity. Buyer's waiver of a breach of any provision hereof will not constitute a waiver of any other breach.

23) SEVERABILITY: Any provision of this order which is finally determined to be unlawful will be deemed severed from this order and every other lawful provision of this order will remain in full force and effect.

24) ASSIGNMENTS AND SUBCONTRACTING: No part of this order may be assigned or subcontracted without the prior written approval of Buyer, if Seller is authorized to use subcontractors, Seller will obtain from each such subcontractor rights and obligations no less favorable to Buyer than the provisions of this order.

25) GOVERNMENT CONTRACTS: If the Buyer's order specifies, or if Seller is otherwise aware that this order is issued under a government contract, (i) the terms and conditions on form GC-1 (Rev. 6/91) are herein incorporated by this reference and will govern over any inconsistent terms herein and (ii) all references to Buyer herein will be deemed to include a reference to the United States Government.

26) FAIR LABOR STANDARDS: Seller warrants that the Goods will be made in compliance with the Fair Labor Standards Act of 1938, as amended.

27) GOVERNING LAW: This order will be governed by the laws of the state shown in Buyer's address on the Buyer's order and the Convention of Contracts for the International Sale of goods shall not apply. The parties hereby stipulate irrevocably that they hereby submit to the personal jurisdiction of the courts of the above-referenced state purposes hereby waive all challenges to the personal jurisdiction of such courts.