KIMASTLE CORPORATION SUPPLIER TERMS AND CONDITIONS FOR THE PURCHASE OF PRODUCTS, PARTS, GOODS, MATERIALS, AND/OR SERVICES

- 1. <u>General.</u> These Supplier Terms and Conditions for the Purchase of Parts, Good, Materials, and/or Services ("Supplier Terms") are issued on behalf of the Kimastle Corporation ('Kimastle") and are referenced in the applicable purchase order. These Supplier Terms apply to Kimastle's purchase of all products, parts, goods, materials and/or services (collectively, "Products") and apply to each purchase order issued by Kimastle and are incorporated by reference in each and every purchase order issued by Kimastle. By accepting Kimastle's purchase order or by supplying Products, you as a supplier ("Seller") agree you have read, understand, and are be bound by these Supplier Terms. No change, waiver, or consent with respect to Kimastle's purchase order and/or these Supplier Terms will be binding on Kimastle unless it is contained in a separate writing signed by a Kimastle officer.
- 2. Acceptance and Formation of Contract. Any purchase order Kimastle issues is its offer, and the Agreement ("Contract") is limited to the terms and conditions of Kimastle purchaser order and these Supplier Terms. Kimastle's issuance of a purchase order is not an acceptance of any offer to sell or quotation that the Seller has provided to Kimastle. Any conduct by Seller recognizing the existence of a contract pertaining to the subject matter of Kimastle's purchase order will constitute Seller's acceptance of Kimastle's purchase order and these Supplier Terms. Any terms or conditions proposed in Seller's acceptance of this offer that add to, vary from, or conflict with the terms of Kimastle's purchase order and/or with any of these Supplier Terms are deemed material and are hereby rejected. If Kimastle's purchase order is deemed an acceptance of Seller's prior offer, then Kimastle's issuance of a purchase order will constitute an acceptance of such offer subject to the express condition that Seller agrees to these Supplier Terms that are additional to or different from any terms and conditions in Seller's offer. Seller acknowledges that except as otherwise provided in these Supplier Terms, Kimastle's purchase order, together with these Supplier Terms, constitutes the entire Contract between Kimastle and Seller with respect to the subject matter of such purchase order. In the event of a conflict between these Supplier Terms and Kimastle's purchase order, the terms and conditions contained in Kimastle's purchase order shall control.
- 3. <u>Changes To Supplier Terms</u>. The Supplier Terms applicable to each Kimastle purchase order are the Supplier Terms that are in effect on the later of the date of the issuance of Kimastle's purchase order or any amendment to Kimastle's purchase order. Kimastle reserves the right to amend these Supplier Terms at any time in the future without notice or the consent of the supplier.

- 4. <u>Purchase and Sale.</u> Seller will provide the quantities of the Products as shown in Kimastle's purchase order. Kimastle may provide estimates, forecasts, or projections of its volume or quantity requirements for Products that are for informational and planning purposes only and are not binding on Kimastle. Kimastle makes no representation, warranty, guaranty or commitment of any kind or nature, express or implied, regarding any volume projections.
- 5. <u>Changes.</u> Kimastle may change its order for Products at any time without penalty, with written notice. Unless Seller promptly notifies Kimastle in writing of an objection to any change, Seller will make all changes Kimastle requests. Seller may not make any changes without first obtaining Kimastle's written consent. Seller will promptly notify Kimastle in writing if there is a proposed change in Products or manufacturing location with respect to the Products, any other change that can affect the form, fit, or function of the Products, or a change that will significantly affect cost or time for performance, and if Seller seeks any adjustments in cost or time for performance, Seller will provide written substantiation to Kimastle.
- 6. Prices/Payment Terms. Kimastle will not be invoiced at a price higher than stated in the Contract. The Contract will provide the applicable prices, which, unless otherwise stated, will be in U.S. currency and will include all value-added tax, excise tax, and other applicable taxes, duties, surcharges, and other charges for transportation, packaging, and storage. Seller warrants prices for Products are not less favorable than those Seller extends to any customer for like Products in equal or lower quantities. Kimastle will receive the benefit of (a) all discounts, rebates, and incentives Seller customarily offers to its customers and (b) Seller's established price for any Products on the date of delivery, if lower than provided in the Contract. If the Contract entitles Kimastle to a discount, the discount period will begin on the later of the date the invoice is received by Kimastle or the date Kimastle takes delivery of the Products. Unless otherwise provided in the Contract, Kimastle shall be the only company responsible for any obligations hereunder, including, without limitation, payment obligations.
- 7. <u>Delivery.</u> Kimastle has the right to specify the carrier and method of transportation for shipment of any Products. A packing slip will accompany each shipment. The Products must be packaged in a way to prevent damage. Time of rendering and quantity of Products are of the essence. Seller is required to achieve 100% on-time delivery (during regular business hours) and quantity performance. Whenever Seller has knowledge that delivery may be delayed, Seller must immediately give Kimastle written notice. Acceptance of any part of an order will not bind Kimastle to accept future shipments nor deprive Kimastle of the right to return Products already accepted. If Seller fails to meet our delivery requirements, Kimastle may require a more expeditious method of transportation than originally specified. Seller will then, at our sole option, (a) promptly reimburse Kimastle the difference in cost between the more expeditious method and the original method, (b) allow Kimastle to reduce payment of Seller's

invoices by such difference, or (c) ship Products as expeditiously as possible at Seller's sole expense.

- 8. <u>Title/Risk of Loss.</u> Title and risk of loss will remain with Seller until it has delivered the Products in a completed state, and Kimastle has inspected and accepted the Products at the location specified in the Contract. Seller shall bear the costs of any return shipments. Delivery will not be complete until Kimastle receives and accepts the Products.
- 9. Nonconforming Products. Seller will deliver only Products that conform in all respects to the requirements of the Contract. Kimastle may inspect Products at any stage of manufacture, delivery, and/or completion and may reject Products for defects revealed thereby, even after Kimastle has accepted the same. If Products are nonconforming, Kimastle will inform Seller about the nonconformity as soon as reasonably practicable after Kimastle has discovered it, and may, at its sole option, (a) permit Seller to re-work, replace, or otherwise remedy a nonconformity in accordance with any deadline Kimastle shall establish. (b) reject nonconforming Products, return them to Seller and, at Kimastle's option, receive a credit or refund or request redelivery of conforming Products or (c) retain them and either repair them on its own or request Seller to do so. In any event, Seller will bear the risk of the expense of the remedial action undertaken. Seller also will be liable for all direct, incidental, and consequential damages, losses, costs, and expenses Kimastle incurs resulting from Seller's failure to deliver conforming Products or to comply with Kimastle's shipping, delivery or other requirements, even if Seller has cured such failure. Payment for nonconforming Products will not constitute acceptance of them, nor will it limit or affect any of Kimastle's rights.
- 10. Warranties. In addition to any other warranties that Seller provides, Seller warrants that Products will be (a) new and free from defects in material and workmanship, fully merchantable and of good quality, (b) in conformity with any requirements concerning chemical composition furnished by Kimastle to Seller and any other specifications, drawings, samples or descriptions furnished by either party and approved by Kimastle, (c) in compliance with all applicable laws of the countries in which such Products have been manufactured or assembled or are to be used, (d) free from defects in design to the extent furnished by Seller or its subcontractors even if the design has been approved by Kimastle and (e) in conformity with all other representations or warranties made by Seller or the manufacturer. Seller further warrants that (i) Seller knows of Kimastle's intended use and all Products will be fit and sufficient for the particular purposes that Kimastle intends, (ii) Seller has good title to all Products, free and clear of all liens and encumbrances, and will transfer such title to Kimastle and (iii) any services included in Products will be performed in a workmanlike and timely manner and will conform to the highest industry standards. Seller warrants that the sale and use of Products will not infringe or violate any patent, trade secret, trademark, service mark, copyright or other intellectual property, right or

entitlement of any third party in the United States, the country of manufacture of the Products or any other country where the Products are sold. Seller's warranties shall survive any delivery, acceptance, and/or payment by Kimastle. Acceptance of all or any part of the Products will not be deemed to be a waiver of Kimastle's right to cancel or return any Products or reject any services due to (A) failure to conform, (B) discovery of latent or patent defects, or (C) a breach of warranty. For Products that are components in Kimastle's products, the warranty period shall expire on the later of the date (1) on which the period of the warranty provided by Kimastle for such product ends or (2) Seller's warranty provided with such Products ends.

- 11. Compliance with Laws; Business Practices. In connection with the manufacturing of Products, Seller shall comply with all applicable regulations and provisions of the country of origin. The Products, and Seller in connection with the manufacturing of Products, further shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances, and standards of or in the country(ies) of destination, including but not limited to those relating to the manufacture, labeling, transportation, importation, exportation, licensing or approval of Products, environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety, and motor vehicle safety. Seller further represents that neither it nor its subcontractors will utilize child, slave, prisoner, or any other form of forced or involuntary labor or engage in abusive employment or corrupt business practices (including without limitation practices that violate the U.S. Foreign Corrupt Practices Act or any similar law of any other country). At Kimastle's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify Kimastle and hold Kimastle harmless from and against any Claims (as defined below) arising from or relating to Seller's noncompliance.
- 12. <u>Materials.</u> Upon Kimastle's request, Seller will promptly provide Kimastle with copies of any data, materials, or other information that relate to Products, their composition, or any component, materials, or substances used in Products or in connection with their production. Seller will notify Kimastle of any inherent hazard related to any material incorporated in Products that could expose anyone to hazard during handling, transportation, storage, use, resale, disposal, or scrap.
- 13. <u>Proprietary Information/Intellectual Property.</u> All specifications, drawings, notes, instructions, engineering notices, technical data, and equipment referred to or supplied by Kimastle in connection with the Contract are incorporated into the Contract by reference. Seller agree that this, together with all information (whether disclosed directly or indirectly, orally, in writing or by inspection of tangible objects and whether or not labeled confidential, including without limitation technical design, manufacturing and application information, financial information and business plans, information concerning customers, sales and marketing, know-how, background intellectual property and/or trade secrets)

Kimastle disclose to Seller or information or work product created by Seller in providing the Products, is Kimastle's confidential and proprietary information ("Proprietary Information"), and Seller will not reproduce, extract, use or disclose it to others without our prior written consent of Kimastle. Seller will take responsible steps to safeguard Proprietary Information from unauthorized access and disclosure. Absent written consent between the parties, Seller will not make use of any of our Proprietary Information in connection with preparing or filing a patent application, including any application containing information that is delivered from our Proprietary Information without our written consent. Seller will not challenge any application for or subsequent registration of a patent containing information that is derived from Proprietary Information. Seller hereby assigns to Kimastle any information, writings, or inventions derived by Seller or its agents from Kimastle's Proprietary Information.

- 14. Excuse of Performance. Neither party will be liable for a delay or inability to perform directly due to an excusable event. The following events shall be excusable events: acts of terrorism, war, riots, insurrection, civil commotion, fire, flood, earthquakes, storms, pandemics, and embargos. Excusable events do not include delays or nonperformance of Seller's subcontractors or suppliers, shutdowns for equipment maintenance, equipment breakdown, or the inability to acquire raw materials, energy, parts, or any other item required to manufacture or provide Products at the prices prevailing before the occurrence and its termination as soon as practicable. The party claiming an excusable event will provide the other party with written notice of both its occurrence and its termination as soon as practicable. In the event of an excusable event, Kimastle may, at its sole option, acquire all finished Products, work-in-progress and raw materials produced or acquired for Products under the Contract, and Kimastle will also have the option to cancel the affected purchase order in whole or in part or delay the delivery of any Products covered by such purchase order without liability.
- 15. Termination for Cause. Kimastle reserves the right to cancel all or any part of a purchase order, effective on the date specified in Kimastle written notice of termination, without liability, if Seller: (a) repudiates or breaches any of the terms of such purchase order, including Seller's warranties, (b) fails to perform as specified by Kimastle, (c) fails to make progress so as to endanger timely and proper delivery of Products, and, if capable of cure on a timely basis, does no correct such failure or breach within five (5) business days, (d) experiences a change of control or a sale of a substantial portion of Seller's assets or (e) become insolvent, or if a petition under any chapter of the bankruptcy law is filed by or against Seller, or if Seller makes a general assignment for the benefit of creditors, or a receiver is appointed for Seller, and, in each such case, Kimastle may take possession of Products in whatever stage of completion they may be, immediately obtain custody of all Proprietary Information and contract with or employ any other person(s) to finish such Products. In the event of termination under this Section 15, Seller will further be liable for all direct, incidental, and

consequential losses, costs, and expenses incurred by Kimastle (including reasonable fees of attorneys and other professionals) relating thereto. In the event of termination under this Section 15, Kimastle will pay Seller, subject to any claims Kimastle has hereunder, for any unpaid Products previously delivered and accepted that fully conform to the requirements of the purchase order and any undelivered finished Products Kimastle chooses to purchase in its sole discretion.

- 16. Termination for Convenience. Because of the commitments, Kimastle has to its customers, Seller may not terminate Kimastle's purchase order at its option. In addition to any other rights Kimastle has to cancel or terminate any purchase order or the Contract, Kimastle may at its option immediately terminate all or any part of a purchase order, at any time and with or without any reason, effective on the date specified in Kimastle's written notice to Seller. Upon such termination, Kimastle will pay Seller the following amounts without duplication: (a) the order price for all Products that have been completed in accordance with a purchase order and not previously paid for; and (b) the actual cost of work-in-progress, parts and materials incurred by Seller in furnishing such Products to the extent such costs are reasonable in amount; less, however, the reasonable value or cost (whichever is higher) of any Products, parts or materials usable or salable by Seller with Kimastle's written consent and the cost of any nonconforming, damaged or destroyed Products, parts or materials. Payments made under this Section will not exceed the aggregate price Kimastle would have paid for finished Products that would be produced by Seller under delivery schedules outstanding at the date of termination. Except as provided in this Section, Kimastle will not be liable for, directly or on account of claims by Seller's subcontractors, loss of anticipated profit, unabsorbed overhead, interest on claims, development, and engineering costs, facilities and equipment rearrangement costs, or rental, unamortized depreciation costs and general and administrative burden charges from termination of any order. Seller will furnish Kimastle within thirty (30) days after the effective date of any termination under this Section 16, Seller's termination claim. Seller's claim must include sufficient supporting data to permit Kimastle to verify and substantiate the claim. Kimastle may audit Seller's records, before or subsequent to payment, to verify amounts requested in Seller's termination claim.
- 17. <u>Indemnification.</u> To the fullest extent permitted by law, Seller shall indemnify, defend and hold harmless Kimastle and each of its affiliates, subsidiaries, customers, directors, officers, employees and agents (collectively, the "Indemnified Persons") against and from any and all claims, lawsuits, judgments, losses, recalls, penalties or actions, costs, liabilities, damages and expenses (including attorneys' fees) incurred or to be incurred (collectively, "Claims") (a) for Seller's breach of the Contract or these Supplier Terms; (b) to the extent it is alleged that Products or the use of Products caused or will cause: (i) the death of or injury to any person or damage to any property which resulted or is alleged to have resulted from any acts or omissions by Seller, its employees,

subcontractors or agents or from Products or their use; (ii) Seller's or Products' failure or alleged failure to comply with any of Seller's warranties, guarantees or representations contained in Kimastle's purchase order, these Supplier Terms, the Contract or otherwise; (iii) a Claim in connection with any promotional or advertising matter, guarantees, warranties, labels or instructions furnished by Seller or submitted to Seller by Kimastle to the extent they were approved by Seller or (iv) infringement of any patent, design, trade name, trademark, copyright, trade secret or other IP right or entitlement of any third party or (c) otherwise arising or alleged to have arisen out of the sale or use of Products. Kimastle will give Seller reasonable prior notice of any claim and permit Seller to control the defense thereof. If Seller should fail to assume Seller's obligations hereunder within 14 days of receipt of such notice, including Seller's obligation to pursue and pay for the defense thereof, Kimastle will have the right, but not the obligation, to defend itself and require from Seller reimbursement for any and all reasonable costs and expenses (including attorneys' fees). Seller will provide Kimastle with written notice within 14 days of the receipt of any evidence that an alleged act by Kimastle may have been the proximate cause of the claim. Kimastle shall have the right, but not the obligation, to participate as Kimastle deems necessary in defense of any such claim at its own expense. Neither Kimastle or Seller shall enter into any settlement or compromise of a Claim for the benefit of the other without the express written consent of the other.

- 18. <u>Certifications and Certificates of Compliance</u>. When required by the Contract, the Seller will provide certificates of compliance and/or certifications as specified. The information to be provided by Seller to Kimastle will contain the specifications as applicable to the Products and will identify the revision version. When required by the Contract, the original manufacture will be identified along with the manufacturing lot number, serial number, and testing requirements. Confirmation that all the requirements of the applicable specification(s) have been met must be provided by Seller to Kimastle.
- 19. <u>Right of Entry</u>. The Seller shall allow Kimastle, Kimastle's customer(s), and all regulatory agencies the right to have access to and to inspect Seller's facility and/or its sub-suppliers' facility from time to time. This right shall be applicable to any facility or place necessary to determine and verify the quality of Products and any records related thereto.
- 20. <u>Controlled Processes</u>. When required in the Contract, the Seller must use sources approved by one or more of Kimastle's customer(s) and/or flow down Kimastle's customer(s)' approved source requirements to Seller's sub-suppliers. The term "flow down" means that Seller must incorporate in Seller's contractual requirements with Seller's sub-suppliers all the contractual requirements from Kimastle and/or Kimastle's customer(s) in its contracts with Seller's sub-supplier(s), including those standards, certifications, sources, materials, specifications and other characteristics required by Kimastle and/or Kimastle's customer(s).

- 21. <u>Characteristic Flow Down</u>. As required by the Contract, and as stated in Section 20, the Seller must flow down all contractual requirements contained in the Contract between Kimastle and Seller to Seller's suppliers, including, but not limited to, the key characteristics.
- 22. <u>Setoff.</u> In addition to any right of setoff provided by law, all amounts due to Seller will be considered net of indebtedness and other obligations of Seller and its subsidiaries and affiliates to Kimastle and all of its subsidiaries and affiliates. Kimastle may deduct such amounts without any other prior notice.
- 23. <u>Remedies.</u> The rights and remedies reserved by Kimastle in its purchase order and these Supplier Terms will be cumulative and in addition to any other rights or remedies provided by law or equity. Kimastle shall be entitled to recover costs and reasonable attorneys and other professional fees in the enforcement or defense of any rights under the Contract.
- 24. <u>Limitation of Liability.</u> Under no circumstances will Kimastle or its affiliates be liable for consequential, incidental, indirect, special, punitive, or similar damages, whether foreseeable or not. Any attempt by Seller to (a) disclaim any theory or grounds of recovery or kinds or classes of damages recoverable or (b) to establish contractual time limitations periods, in each case, concerning a Claim by Kimastle or its customers hereunder are hereby rejected by Kimastle and will not be effective. Any claim for relief by Seller must be commenced within one year after the cause of action accrues.
- 25. <u>Waiver.</u> Kimastle's waiver of any right or remedy will not affect any right or remedy subsequently arising under the same or similar clauses. A waiver of nonperformance under a purchase order must be in writing and will apply only to the specific instance addressed in the waiver and to no other past or future nonperformance.
- 26. <u>Assignment.</u> Kimastle may assign any benefit or obligation under any purchase order upon written notice to Seller. Seller agrees not to assign a purchase order or delegate the performance of any obligations without Kimastle's written consent. Any such assignment or delegation will, at Kimastle's sole option, be deemed a cancellation of the purchase order.
- 27. <u>Continuing Obligations/Severability</u>. The obligations of each party under the following sections shall survive the expiration, non-renewal, or termination of the Contract: Sections 9, 10, 14, 15 21, 28, and 29. Any term or condition that is declared unlawful or unenforceable by a court of competent jurisdiction will not apply. The unenforceability of such term or condition will not affect the enforceability of any other term or condition.

- 28. Dispute Resolution. If any dispute, claim or controversy arising out of or related to Kimastle purchase order, these Supplier Terms or the Contract cannot be resolved by Kimastle and Seller, then such matter shall be submitted to mediation and, if the matter is not resolved through mediation, it shall be submitted for binding arbitration. Any mediation and/or binding arbitration shall take place in the State of Michigan, Macomb County, and shall be administered by, and pursuant to the rules of, the American Arbitration Association. The language of the arbitration proceeding shall be English. The provisions of this Section may be enforced in a court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees, and expenses (including reasonable attorney fees), to be paid by the party against whom enforcement is ordered. The arbitration award shall be final, binding on the parties, not subject to appeal, and enforceable by any court having jurisdiction over the necessary party or its assets. Neither party shall initiate any action in a court of law except for Kimastle's enforcement of its right to indemnification from Seller pursuant to Section 17 above and enforcement of a settlement or arbitration award, provided that either party may apply to any court of competent jurisdiction for injunctive or other equitable relief as may be necessary to protect such party's intellectual property rights and confidential information.
- 29. <u>Governing Law/Jurisdiction.</u> Kimastle purchase order, these Supplier Terms, and the Contract will be construed and interpreted according to the laws of the State of Michigan, without regard to the laws regarding conflicts of laws. The United Nations Convention on Contract for the International Sale of Goods shall not apply.

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