



CGC -TERMS AND CONDITIONS OF PURCHASE

The following terms and conditions and those specified on the face of this Purchase Order shall exclusively govern the purchase of all Material or Services covered by this Purchase Order, except for Purchase Orders written under the terms of a master CGC Purchase Agreement.

1. **OFFER AND ACCEPTANCE:** This Purchase Order constitutes an offer to Seller expressly limited to the terms herein. Buyer reserves the right to revoke this offer at any time prior to its acceptance. This offer shall expire fifteen (15) days after its issue date unless accepted by Seller or extended in writing by Buyer. Acceptance shall be accompanied by written acknowledgment of this Purchase Order within five (5) days after receipt. If Seller fails to return it within such time period, Seller will have accepted the Purchase Order. Acceptance by Seller is limited to the provisions of this Purchase Order. No additional of different provisions proposed by Seller shall apply.

2. **CONFLICTING TERMS:** In the event of a conflict, the order of priority is as follows: (1) typed or handwritten provisions on the face hereof; (2) attachments or exhibits; and (3) these preprinted terms and conditions.

3. **PACKAGING AND PACKING:** Seller shall properly package and pack Material. Each container shall be labeled clearly to indicate Buyer's applicable Purchase Order number(s), part number(s) and quantities. A packing list for each Purchase Order, itemized by container, shall accompany each delivery.

4. **DELIVERY TIME AND RATE OF DELIVERY ARE ESSENCE OF PURCHASES MADE HEREUNDER.** Seller shall notify Buyer immediately when Seller has knowledge of any potential delay in delivery. Buyer may refuse delivery of Material made more than three days in advance of delivery schedule specified herein and may return such Material at Seller's expense or retain such Material and postpone payment until it would have been due if Seller had delivered Material as scheduled. Unless otherwise indicated on the face hereof, delivery shall be F.O.B. Buyer's facility. Buyer reserves the right to reschedule deliveries to future dates so long as such reschedules are communicated to the Seller in writing at least fourteen (14) days before original delivery date.

5. **PRICING:** Prices specified in the Purchase Order shall remain fixed for all schedule deliveries unless otherwise agreed in writing by both parties. Prices include all charges such as packaging, packing, customs duties imposed before passage of title, and all taxes except sales, use, and other taxes imposed upon the sale or transfer of Material for which Buyer is solely responsible under applicable law and for which Buyer is properly invoiced by Seller.

6. **PAYMENT AND SET-OFF**

- a) Payment shall not become due until Buyer has received a correct packing list, correct Invoice, and conforming Material, Goods or Services.
- b) Amounts owed to Buyer due to rejections of Material of Services, or discrepancies on paid invoices will be, at Buyer's option, fully credited against future invoices payable by Buyer, or paid by Seller within thirty (30) days from Seller's receipt of a debit memo or other written request for payment from Buyer.
- c) Buyer shall have the right at any time to set off any amount owing from Seller to Buyer or its subsidiaries or affiliates against any amount payable buy Buyer, pursuant to this Purchase Order.
- d) Under no circumstances shall Buyer pay restocking, or late fees.

7. **INSPECTIONS AND ACCEPTANCE**

- a) Buyer, or its designee if the destination for Material is other than the buyer's site, may inspect Material at its destination. Buyer may return non-conforming Materials to Seller for credit, refund or purchase price or replacement at buyer's option, with Seller bearing all costs and risk of loss. Material shall be deemed non-conforming if it fails to conform in any way with the requirements of this Agreement. Seller shall authorize return on non-conforming Material within twenty-four (24) hours of notification of rejection.
- b) Seller authorizes Buyer to perform source inspection and process control audits at Seller's manufacturing facilities, but this shall in no way retrieve Seller of its obligation to deliver conforming Material or waive Buyer's right of rejection at its destination.

8. **WARRANTY**

- a) Seller warrants for twenty four (24) months from date of acceptance of Material by Buyer that all Material shall be free from defects in material workmanship and design, shall conform to applicable specifications, drawings, samples and descriptions referred to in this Purchase Order and shall be suitable for the purpose for which intended. Seller warrants it has the right to convey the Material and that the Material is free of all liens and encumbrances, and that the Material does not infringe any intellectual property interest. Seller warrants for twelve (12) months from the date of acceptance of services by Buyer that all Services shall have been performed in a workmanlike manner and in accordance with industry standards. These warranties shall survive any inspections, delivery, payment, and termination of this Purchase Order and shall run to Buyer, its customers, successors and assigns.
- b) Seller shall correct defects in Material at its facility. At Buyer's option, Seller shall repair or replace all defective Material within thirty (30) days of receipt of such Material. Seller shall bear all warranty costs such as labor, material, inspection and shipping to and from Buyer's or Buyer's designees' facilities. If Buyer incurs any such costs, it may either recover them directly from Seller or deduct them from any amounts due Seller.

9. **TERMINATION & CANCELLATION**

- a) The occurrence of any of the following constitutes a breach and is cause for Buyer's termination of this Purchase Order.
 1. Seller fails to deliver Material or Services on time.
 2. Material or Services do not conform to the applicable descriptions or specifications.
 3. Seller fails to perform any material provision of this Purchase Order.
 4. Seller assigns this Purchase Order, or any obligation or right under it (the word "assign" to include, without limitation, a transfer of major interest in Seller), or merges with a third party, not a parent or subsidiary company.
 5. Seller becomes insolvent or makes an assignment for the benefit of creditors, or a receiver or similar officer is appointed to take charge of all or part of Seller's assets.
- b) Seller must cure any of the above branches, except late delivery pursuant to Section A. Paragraph I above, for which there shall be no cure period, and notify Buyer of such cure within fifteen (15) days from receipt of a notice to cure from Buyer. If Seller fails to so cure, Buyer may terminate this Purchase Order by giving Seller written notice. Buyer shall have no liability except for payment of any balance due for conforming Material or Services delivered before the date of Buyer's notice to cure.
- c) Cancellation of this purchase order requires written notice to Seller thirty (30) days or more prior to the scheduled ship date.

10. **INTELLECTUAL PROPERTY INDEMNITY:** Seller shall defend, at its expense, any claim against Buyer alleging that Services or Material, or any part thereof infringes any patent, copyright, trademark, trade secret, mask work, or other intellectual property interest in any country and shall pay all costs and damages awarded, if Seller is notified promptly in writing of such a claim. If an injunction against Buyer's or Buyer's customer's use, sale, lease license.

11. **APPLICABLE LAW:** This Purchase Agreement shall be construed and governed by the laws of the State of Michigan.