

TI FLUID SYSTEMS
CAPITAL EQUIPMENT PURCHASE ORDER TERMS AND CONDITIONS

1. **CONTRACT:** The Purchase Order, Term Sheet, Global Supplier Requirements Manual together with these Terms and Conditions and any addendums or other documents incorporated or referred to in the Purchase Order or herein and any paper or electronic releases issued to Seller hereunder, (collectively, the “Order”) constitutes the entire contract between the TI Fluid Systems legal entity named on the Purchase Order (the “Buyer”) and Seller for the equipment ordered and any related services (collectively, “Equipment”), and supersedes any previous oral or written representations, including but not limited to provisions in Seller’s quotations, proposals, acknowledgments, invoices or other documents. These Terms and Conditions will apply to the Order except as expressly modified or waived on the face of the Order. Captions in these Terms and Conditions are for convenience only. Any references in the Order to Seller’s quotation or other Seller document(s) are for information only and Buyer hereby rejects all terms and conditions proposed by Seller therein.
2. **ACCEPTANCE:** A contract is formed on the date that Seller accepts the offer of Buyer. Each Order shall be deemed accepted upon the terms and conditions of such Order by Seller by shipment of goods, performance of services, commencement of work on goods, written acknowledgement, or any other conduct of Seller that recognizes the existence of a contract pertaining to the subject matter hereof. Additionally, each Order shall be deemed accepted five business days after Buyer delivers the Order to Seller, if Seller fails to object to the Order. Acceptance is expressly limited to these Terms and Conditions and such terms and conditions as are otherwise expressly referenced on the face of the Order. No purported acceptance of any Order on terms and conditions which modify, supersede, supplement or otherwise alter these Terms and Conditions shall be binding upon Buyer and such terms and conditions shall be deemed rejected and replaced by these Terms and Conditions unless Seller’s proffered terms or conditions are accepted in a physically-signed writing by an authorized representative of Buyer (a “Signed Writing”), notwithstanding Buyer’s acceptance of or payment for any shipment of goods or similar act of Buyer. In the event of a conflict between the Order and any prior or contemporaneous agreement or document exchanged between Buyer and Seller, the Order governs.
3. **SELLER’S STATUS:** Seller and Buyer are independent contracting parties and nothing in the 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.
4. **PRODUCTION SCHEDULE:** Seller and Buyer agree a manufacturing, runoff and delivery schedule as set forth as the Equipment Delivery Schedule in the Term Sheet. Thereafter, Seller will provide Buyer with progress reports on request.
5. **CHANGE REQUESTS:** If Buyer desires to change the Equipment Specifications or the Parts Specifications (as defined in the Term Sheet), it will propose such changes to Seller in writing and Seller will promptly respond in writing, stating the effect (if any) that the proposed change will have on the Purchase Price, Delivery Date or other provisions of the Order. If the Equipment cannot be made so as to accommodate the proposed change, Seller will explain the reason. If the change is feasible and Buyer elects to amend the Equipment Specifications or the Parts Specifications and agrees to the effects (if any) noted by Seller, Buyer will send Seller a written “Change Order” in evidence thereof, signed by Buyer's duly authorized representative. Upon Seller's written acceptance, such Change Order will amend the Order and any affected Schedule.
6. **DELIVERY:**
 - 6.1 The Equipment will be shipped in one shipment where feasible and will be delivered to Buyer's Facility in accordance with the Equipment Delivery Schedule stated in the Term Sheet. The Services will be completed on or before the Service Completion Date stated in the Term Sheet. **TIME IS OF THE ESSENCE FOR DELIVERY OF THE EQUIPMENT AND SERVICES.** No extension of the above dates will be effective unless set out in a written amendment to the Order which states the new mutually agreed date(s) and is signed by Buyer.

- 6.2 Seller will notify Buyer in writing of the impending shipment of the Equipment at least 10 calendar days prior to shipment. On the day of shipment, Seller will confirm the same in writing, including the carrier's name, bill lading number, number of pieces (boxes) and arrival date.
- 6.3 Except as otherwise provided in the Term Sheet, Buyer will be responsible for preparing Buyer's Facility for installation of the Equipment (including, without limitation, providing necessary electrical and other connections specified by Seller) and for unloading, placing, leveling and connecting the Equipment.
7. TITLE, RISK OF LOSS, SECURITY INTEREST:
- 7.1 Title to the Equipment will remain in and with Seller until Buyer's acceptance of the Equipment as provided in Section 10 below, and will vest in Buyer at the time of acceptance. Risk of damage to or Loss of the Equipment will remain in and with Seller until delivery of the Equipment to Buyer's Facility.
- 7.2 In consideration of and to the extent to which any installments of the Purchase Price are paid prior to delivery and acceptance of the Equipment, Seller hereby grants Buyer a security interest in the Equipment and all accessories, attachments, substitutes, replacements, and proceeds therefrom, and authorizes Buyer and its agents to prepare, sign on Seller's behalf as its attorney-in-fact, and file such disclosure or other security documents as required in any jurisdiction (including amendments thereto) as Buyer may deem necessary to perfect its security interest in the Equipment.
- 7.3 Buyer Material to be provided to Seller under the Order shall remain under Buyer's sole ownership. When in Seller's possession, the risk of accidental loss or deterioration of such material shall lie with the Seller.
- 7.4 Buyer Material shall not be given to any third parties as collateral or as security for any obligations of Seller. Seller shall use Buyer Material exclusively for the purposes relating to the Order specified above. Should any third party take Buyer Material in pledge, Seller shall notify Buyer in writing and without delay. In the event of rescission or cancellation of this Order, Seller agrees that at that point in time, Buyer may upon prior written notice enter the Seller's premises and collect Buyer Material.
8. SELLER'S WARRANTIES:
- 8.1 Seller warrants that the Equipment will be delivered to Buyer free and clear of all liens, encumbrances and claims. After Buyer's acceptance of the Equipment and upon Buyer's request, Seller will provide Buyer with a clean bill of sale in form satisfactory to Buyer as a condition precedent to Buyer's obligation to pay the Purchase Price.
- 8.2 Seller warrants that the Equipment will conform to the Equipment Specifications as stated in the Term Sheet. Seller further warrants that the Equipment will be of good material and workmanship, free from defects, and fit and sufficient for the Intended Purpose expressly stated in the Term Sheet. This warranty will be valid for each unit of Equipment and all components as set forth in the Term Sheet, commencing on the Acceptance Date.
- 8.3 During the Warranty Period set forth in the Term Sheet, Seller will promptly repair, replace or modify the Equipment or any component thereof which is defective or fails to comply with these warranties at no cost to Buyer. Buyer will give Seller prompt written notice of any such defect or failure. Upon receipt of such notice, Seller will promptly notify Buyer in writing of its schedule to correct the problem. In the event of a latent defect, the Warranty Period shall commence upon discovery of such defect.
- 8.4 Buyer shall also be entitled to have necessary remedial action hereunder carried out at its own initiative and at Seller's expense as provided under applicable law where Seller has failed to promptly react to Buyer's defect notification and provide a appropriate corrective action within reasonable time. Seller will promptly reimburse Buyer for any costs actually and reasonably incurred (upon receipt of Buyer's invoice therefore). Buyer's actions to cure any warranty breach will not relieve Seller of any of its obligations hereunder.

- 8.5 Seller warrants that the Equipment shall fulfill all relevant regulations valid in the country where the Buyer facility is located. The required risk-analysis, covering the Equipment has or will be provided by the Seller and is one of the requirements to be allowed to place the CE level on a production cell. Seller agrees to indemnify and hold Buyer harmless from any loss, damage, fine or penalty which Buyer may incur due to a breach of this Section 8.5.
- 8.6 Seller warrants that the Equipment, does not infringe the valid claims of any patent, patent application, copyright, trade secret or any other property right of any third party, except where Buyer used the Equipment together with other products not delivered by Seller or modified the Equipment such that infringement would not occur but for such combined use or such modification. For the avoidance of doubt, Seller shall not be liable for the infringement of third party rights with reference to the design or functionality of the items produced by Buyer with the Equipment delivered by Seller hereunder. If Seller breaches the foregoing warranty and an infringement claim is made against Buyer arising from a breach or alleged breach of this warranty, Seller will, at its own expense, either procure for Buyer the right to continue to use the Equipment or replace or modify the Equipment or affected components with functionally equivalent non-infringing equipment or components. If neither of these alternatives is reasonably available, Seller will remove the Equipment and refund the Purchase Price to Buyer. Seller will also defend any suit or proceeding brought against Buyer arising from such claim and indemnify and will hold Buyer harmless from any liability, cost, recovery, or expense resulting there from; provided, that Buyer gives Seller prompt written notice of the claim and full authority, information and assistance, at Seller's expense, for the defense of such claim.
- 8.7 Seller agrees to defend and indemnify Buyer from and against all claims, losses, damages or costs arising from Seller's breach of this warranty, regardless of any limitations of remedies contained elsewhere in these Terms and Conditions or in any other agreement between the parties. This provision will survive the expiration or termination of the Order. Seller's indemnification and defense obligation herein is conditioned upon (a) Buyer providing prompt notice of any indemnifiable claim to Seller, (b) Buyer permitting Seller to assume sole control of the defense and settlement of such claim or action provided that Seller does not prejudice Buyer's position by admitting liability for Buyer for which Seller has no obligation to indemnify Buyer or cause Buyer to incur any costs for which Seller has no obligation to indemnify Buyer (in such case, Buyer must provide consent for the settlement, such consent not to be unreasonably withheld or delayed), and (c) Buyer reasonably cooperating (at Buyer's expense) in the defense and settlement thereof. The statutory limitation period that would ordinarily apply in respect of cause of actions initiated by third parties shall not be extended under the foregoing indemnities. With respect to Seller's indemnification or defense obligations stated above, Buyer must use its commercially reasonable best efforts to mitigate claims and losses.
- 8.8 Seller shall, within the scope of applicable legislation, be liable to Buyer and to any third parties, for any bodily injury or property damage as may be caused by breach of these Terms and Conditions or in case of any acts constituting an offense against the law. Seller shall also be liable for any acts and omissions on the part of its vicarious agents. Seller's responsibility and obligations with respect to warranty and liability are not diminished or annulled, even in the case of Buyer or a third party's participation in design layout, selection of materials or their machining, treatment or processing.
9. PRE-SHIPMENT RUNOFF: A Pre-shipment Runoff will be performed at Seller's Facility in accordance with the procedures and criteria stated in the Term Sheet. If the Equipment successfully completes this runoff, Seller will arrange to ship the Equipment to Buyer. For this purpose, Seller will advise Buyer of the start of such tests or trials each time two weeks in advance. Should any defects be found during runoffs as above said or should the manufactured machinery/equipment not conform to the conditions of the Order, then Seller shall promptly remedy such defects or non-conformities at its expense, without being entitled on this account to extend the delivery deadlines provided for in the Term Sheet. Following such remedial action, the machinery/equipment concerned shall undergo renewed checking, if Buyer so requests. Tests, trials or checks conducted as herein provided shall not be deemed to constitute acceptance of the Equipment involved and have no influence whatsoever on Seller's warranty obligations; regardless of Buyer's presence during such tests, trials or checks. In order to comply with this clause, the results from the Pre-shipment Runoff should be documented and approved and signed by Buyer.
10. ACCEPTANCE RUNOFF: An Acceptance Runoff will be performed by Seller at Buyer's Facility in accordance with the procedures and criteria stated in the Term Sheet. If the Equipment successfully completes this runoff, Buyer will provide

written notice of acceptance to Seller; the date of the notice will be the "Acceptance Date." Minor deficiencies, with no influence to the general functions of the Equipment, shall not affect the Equipment passing the Acceptance. Buyer's acceptance of the Equipment will not release Seller from any of its warranty or other obligations under the Order. Should any defects be found during runoffs as above said or should the manufactured machinery/equipment not conform to the conditions of the Order, then Seller shall promptly remedy such defects or non-conformities at its expense, without being entitled on this account to extend the delivery deadlines provided for in the Term Sheet. Following such remedial action, the machinery/equipment concerned shall undergo renewed checking, if Buyer so requests. If this is not accomplished within 30 days after the Equipment Delivery Date, Buyer will be entitled to cancel the Order immediately by written notice to Seller with no further obligation hereunder and to elect from the remedies provided for in these Terms and Conditions. In order to comply with this clause, the results from the Acceptance Runoff should be documented and approved and signed by Buyer.

11. **CONFIDENTIALITY:** In connection with the Order, Buyer has disclosed or may disclose to Seller certain confidential and proprietary information with respect to Buyer parts, including, without limitation, specifications, know-how and technical drawings. Such information will be deemed "Confidential Information" hereunder when marked "Confidential" or "Proprietary" (if disclosed in written form) or when identified as such (if disclosed in oral form) and thereafter reduced to writing, marked as "Confidential" or "Proprietary" and delivered to Seller. Seller acknowledges and agrees that the Confidential Information is Buyer's sole property and that the Order does not convey or grant to Seller any title or rights to or any interest in same, or any license with respect to same under any intellectual property including, but not limited to, patents and trade secrets, now or hereafter owned by Buyer. Seller agrees and warrants that it will disclose the Confidential Information only to those of its officers, employees and subcontractors who have a need to know it and who have agreed to maintain its confidentiality and to adhere to the provisions of this section; will take all steps necessary to prevent any unauthorized disclosure of the Confidential Information; will not produce, sell, offer for sale or otherwise commercially exploit or make any use of the Confidential Information without Buyer's prior written consent; and will promptly deliver the Confidential Information and all copies thereof to Buyer upon the completion, termination or cancellation of the Order. The confidentiality obligations will survive the completion, termination or cancellation of the Order.
12. **SPARE PARTS:** During the period stated in the Term Sheet, Seller will make available to Buyer all spare parts required for the operation and maintenance of the Equipment, at prevailing catalog prices and delivery and payment terms. Furthermore, Seller commits itself to provide a service technician for the execution of repairs within 24 hour after notification by Buyer (except Sundays and bank-holidays). Beyond this, Seller shall provide a telephone hotline which will be available 24 hours a day and seven days a week free of charge. If Seller ceases or fails to support the Equipment during this period, Seller will supply Buyer with all manufacturing drawings and software source codes so that Buyer can operate and maintain the Equipment. Seller warrants a general spare parts availability of at least 10 years.
13. **INSURANCE:** During any period when Seller's employees or agents are working on or about Buyer's facility, Seller will maintain workmen's compensation and employer's liability insurance as required by law; comprehensive public liability insurance (bodily injury and property damage) in amounts of not less than \$5 million per person and occurrence (of which, \$1 million may be primary and \$4 million may be excess coverage); and automotive liability insurance (bodily injury and property damage) in amounts of not less than \$5 million per person and occurrence (of which, \$1 million may be primary and \$4 million may be excess coverage). Such insurance will be secured with a reputable insurance carrier reasonably acceptable to Buyer and Seller will provide Buyer with certificates of insurance evidencing the coverage. Such certificates will name Buyer as an additional insured. In the event of any material change in or cancellation of the coverage, Seller will give to Buyer at least 15 days' prior written notice.
14. **COMPLIANCE WITH LAWS:** The parties will perform their obligations hereunder in accordance with all applicable laws, regulations and orders now and hereafter in effect, including, but not limited to, applicable import and export laws.
15. **CANCELLATION AND TERMINATION:**
 - 15.1 Except as otherwise provided in these Terms and Conditions, if Seller fails to deliver the Equipment and/or complete any services by the dates stated in the Term Sheet or otherwise agreed with Buyer, Buyer may, as liquidated damages for such delay(s), withhold and offset against any sums due to Seller under the Order the liquidated damages stated in the Term Sheet.

- 15.2 Except as otherwise provided in these Terms and Conditions, either party may cancel the Order upon 30 days' written notice to the other party in the event of any material breach of the Order by the other party, unless the breaching party corrects the breach or takes satisfactory steps to correct or prevent the breach prior to the expiration of the notice period.
- 15.3 If Buyer cancels the Order for cause, it will have no further obligation to Seller hereunder and may elect either (a) to receive a refund from Seller of all installments of the Purchase Price that were previously paid (subject to Seller's right to remove the Equipment from Buyer's facility promptly and at Seller's cost if the Equipment has already been delivered), or (b) to take or retain possession of and title to the Equipment as and where it is located at the time of cancellation in consideration of the installments of the Purchase Price that were previously paid, which the parties hereby agree will, in such circumstances, constitute full and final payment for the Equipment.
- 15.4 Buyer may also terminate the Order for convenience at any time, upon written notice to Seller. In such event, Seller will submit an invoice or credit memo, as the case may be, to Buyer within 30 days after receipt of the notice. Seller's invoice or memo will itemize the payments received from Buyer prior to the date of termination, the costs of labor and materials incurred by Seller with respect to the Order prior to the date of termination, and the costs of non-cancelable material commitments existing at the date of termination, and will show the net amount due to Seller or Buyer, as the case may be. Any payment due to Buyer will accompany the memo. Any payment that Buyer confirms is due to Seller, will be made by Buyer within 30 days of receipt of the invoice.
16. **INSPECTION:** Subject to a reasonable notification period of at least 48 hours Buyer may inspect and/or test the Equipment at any time at its own expense and Seller, at no charge, will make its premises available for this purpose and provide any necessary assistance to make the procedures safe and convenient. No inspections and/or tests by Buyer will relieve Seller of its obligations to inspect and test the Equipment.
17. **FORCE MAJEURE:** Neither party will be liable for any delay of less than 30 days in the performance of its obligations under this Order which is due to unforeseeable causes beyond its control (including, without limitation, war, strike or lockout, embargo, national emergency, insurrection or riot, acts of the public enemy, fire, flood, or other natural disaster) ("Force Majeure Delay"); provided, that said party has notified the other in writing of the nature and anticipated duration of the delay. The foregoing notwithstanding, a failure of Seller's subcontractors or Seller's inability to obtain materials will not be considered as a Force Majeure Delay.
18. **PROMOTION LIMITATION:** Neither party will use the other party's name in its advertising or promotional materials without the other's written consent.
19. **NOTICES:** All notices, reports, documents and communications called for in the Order must be in writing and provided to the parties named in the Term Sheet.
20. **ASSIGNMENT:** Neither party may assign the Order or any of its rights or obligations thereunder to any other third party without the other party's prior written consent. If either party consents to such assignment, unless otherwise expressly stated in the consent, the assignee will be bound by all applicable terms and conditions of the Order and the assignor will remain fully liable to the other party for the performance of any obligations so assigned in the event of nonperformance by the assignee.
21. **AMENDMENTS:** No amendment to this Order will be effective unless it is in writing and signed by the authorized representatives of both parties.
22. **SURVIVAL OF WARRANTIES:** All of Seller's representations and warranties in the Order will survive the delivery of the Equipment, the completion of the Services, and the payment of the Purchase Price.
23. **HEADINGS:** The headings used in these Terms and Conditions are for reference only and will not be deemed to be a part of the Order.

24. **WAIVERS:** No term or provision of this Order will be deemed waived and no breach will be deemed excused unless the waiver or consent is in writing and signed by the party alleged to have waived or consented. Any such waiver or consent will apply only to the specific term waived or the specific breach consented to, and will not constitute a continuing waiver or consent.
25. **SEVERABILITY:** If any term or provision of the Order is found to be illegal or unenforceable, it will be deemed stricken and the remainder of this Order will remain in full force and effect.
26. **GOVERNING LAW; FORUM:** This Order will be interpreted and enforced under the laws of the country (and state/province, if applicable) where Buyer is situated, without recourse to the conflicts of laws provisions thereof. In no event will the provisions of the U.N. Convention on the International Sale of Goods apply to this Order. All disputes involving this Order shall be adjudicated exclusively in the courts in the country (and state/province, if applicable) where the Buyer is situated or, at the discretion of the Buyer only, in the courts where the Seller is situated.