

CLARION

Supplier Purchase Order Terms and Conditions

Contract Formation:

Any outstanding prior offers which may have been made by the Seller to Buyer with respect to the subject matter of this order are hereby rejected by the Buyer. This order is an offer by Buyer and may be revoked or changed at any time before acceptance. No different or additional terms included by Seller in accepting or acknowledging this order shall be effective unless agreed to in writing by Buyer. Neither acceptance of delivery of the goods nor payment therefore shall constitute acceptance by Buyer of any such different or additional terms even if Seller states that its acceptance is conditioned on Buyer's assent to such terms. The commencement of any work delivery of any goods shall be acceptance by Seller of all the terms of this purchase order, whether or not Seller has assented in writing to all such terms.

Terms:

As stated on face of Purchase Order. However, invoice not payable until shipment inspected and accepted by Buyer. In the event Buyer makes payment of invoice within the period allowed for the purpose of obtaining any cash discount offered, such payment shall not prejudice the right of the Buyer to return goods found defective or which fail inspection and receive credit or reimbursement from Seller. Individual invoices showing order number and purchase item number must be issued for each shipment applying against this order. Buyer reserves right to return all invoices submitted incorrectly. Each delivered container must be labeled or marked to identify contents without opening, and all boxes and packages must contain packing sheets listing contents. Buyer's purchase order number must appear on all packing sheets, deliver tickets, bills of lading and invoices.

Delivery and Performance:

Time is hereby expressly declared to be of the essence, and Seller is notified that failure to deliver goods or perform the services on time may result in substantial damage to Buyer. If Seller shall fail to make timely delivery or performance of any part of the goods or services, or if timely delivery or performance is endangered for any reason, Buyer shall have the right, at its option, to terminate any part or the whole of this order, reject untimely deliveries, purchase substitute goods elsewhere, and charge Seller with any loss incurred.

Warranties:

All specifications, drawings and other data submitted by Buyer, including performance data, are incorporated by reference into this order, and Seller expressly warrants that the goods or services shall conform to such data. In addition, goods delivered are expressly warranted by Seller to be merchantable, of good material and workmanship, free from any defect in material, labor or fabrication, and fit for the particular purpose of Buyer. Seller further warrants that all work and services performed hereunder will be free from defect in workmanship. All warranties shall

extend to future performance of goods, shall survive inspection, tests acceptance and payment for the goods, and shall pass to buyer, its employees, successors, assigns, and other users.

Indemnity:

Seller shall indemnify and hold harmless and at Buyer's option shall defend Buyer and its employees and agents from any claims, losses or damages arising out of or alleged to arise out of any breach by Seller of any warranty or agreement of Seller contained herein. Except to the extent that the goods supplied hereunder are manufactured to design supplied by Buyer, Seller also agrees to indemnify and at Buyer's option, defend Buyer, its agents and employees, from any claims, losses, or damages based on any actual or alleged unfair competition or infringement of any patent, trademark, copyright or other proprietary rights relating to the good's.

Buyer's Remedies:

In the event of Seller's breach of any warranty or agreement of Seller contained herein, Buyer shall have all of rights and remedies provided to buyers by all applicable statutes, or by common law, including but not limited to the right to recover consequential or incidental damages.

Packaging:

All items shall be packed by Seller in suitable containers for protection to permit safe transportation and handling and shipped to secure the lowest transportation cost. Seller shall make no charge for packing unless provided for on reverse side.

Changes:

Buyer may, at any time and from time to time, by purchase order amendment issued to Seller: (a) increase or decrease the quantity of products ordered; (b) change the drawings or specifications; (c) issue a suspension of work order; (d) make changes in the delivery schedule. If such changes cause an increase or decrease in the amount of work hereunder, or in the cost of performance, and equitable adjustment shall be made in the contract price and/or the delivery schedule and the purchase order shall be amended in writing accordingly. Any claims for adjustment under this clause not asserted within thirty (30) days from the date of this purchase order amendment shall be deemed waived.

Termination:

Buyer may terminate work under this purchase order in whole or in part at any time by notice to Seller in writing. Seller with thereupon immediately stop work on this purchase order or the terminated portion thereof and notify it subcontractors to do likewise. Except where termination is caused by a default or delay of Seller, Seller shall be entitled to reimbursement for its actual costs incurred up to and including the date of termination, applicable to the termination and in accordance with recognized accounting practices. Seller shall also be entitled to a reasonable profit on the work done prior to such termination at a rate not exceeding the rate used in establishing the original purchase price. The total of such claim shall not exceed the canceled commitment value of this purchase order.

Law Governing:

This purchase order shall be governed by and construed according to the laws of the state of Michigan.

General:

Any waiver of strict compliance with the terms hereof by Buyer shall not constitute a waiver of Buyer's rights to insist upon strict compliance with the terms of this order hereafter.

Sales and Use Taxes:

Buyer shall not be liable for any federal, state, or local taxes unless separately stated and billed. Unless otherwise specified, these goods are purchased for resale and Seller shall not include in its price not otherwise charge to Buyer, Federal, State, or local taxes or use taxes.

Compliance with Laws:

Seller warrants, certified, and agrees that the goods or services have been or will be manufactured, distributed, shipped, packaged, delivered, and performed in compliance with all applicable federal, state, and local laws, regulations and standards in effect thereunder at time of sale. Seller agrees to furnish upon request further certifications of such compliance, inform satisfactory to Buyer.

Correspondence/Amendments:

All correspondence concerning this order must be directed to the Clarion Technologies Purchasing Department. No alteration, change, addition to or other modification of this purchase order or the terms thereof is valid and binding on Buyer unless in writing and signed by an authorized person.

Assignment:

Performance of this purchase order is hereby declared to be particular to the Seller, and no right, duty or obligation arising under this purchase order may be assigned or otherwise transferred by Seller without the written consent of Buyer.

Delays:

Seller shall be liable for failure to perform unless said failure arises from causes or events beyond its reasonable control and without its fault or negligence.

Supplier Canceling of Clarion Technologies:

Supplier must give Clarion Technologies written notification for termination of supply to Clarion Technologies for any items subcontracted. Notification period must be adequate for the supplier to build Clarion Technologies specified product banks of materials to support a supplier change and obtain customer approvals. Receipt of all product and tooling by Clarion Technologies would be required prior to final payment given to ensure product quality and acceptable tooling conditions exist.