**TERMS AND CONDITIONS OF PURCHASE**

1. **Offer and Acceptance.** Each purchase order that Asahi Kasei Plastics North America, Inc. (“Buyer”) issues, and each acceptance of any offer by Seller associated with these Terms and Conditions of Purchase, is Buyer’s offer to purchase the goods (“Goods”) and services (“Services”) identified in that Purchase Order. Each Purchase Order, together with these Terms and Conditions of Purchase (these “Terms”), and any other documents specifically incorporated into the Purchase Order by reference or otherwise, specify all rejected Goods or Services and all rejected Goods or Services and Seller’s invoice price plus all transportation charges and handling expenses. Buyer may, or may cause a third party to, rework, repair, or correct, any Goods or Services that fail to conform to the warranties contained in these Terms and Seller shall bear all costs of any such repair, correction, or rework, and either the Goods or Services shall conform to the warranties contained in these Terms and Buyer will have no obligation to reject only commercial units of the Goods or Services.

2. **Prices.** The prices contained in each Purchase Order are firm prices that are not subject to change, regardless of materials prices, the prices of labor, or any other cause. Prices are F.O.B. (UCC Code Sec. 2-519) Buyer’s plant for orders shipped internationally. Buyer will pay all undisputed amounts under Seller’s properly issued invoices within 60 days after receipt of the Goods and/or Services to which the invoice applies.

3. **Packing.** Seller shall pack all containers, crates, boxes, and packages with Buyer’s order number and include packing lists with all shipments. The packing shall be suitable for the purpose of its carriage. Seller shall, at its own cost and risk, conspicuously bear the notation “Order Completed” or another notation to that effect. Failure to properly mark purchased Goods will delay payment until Buyer receives proper documentation.

4. **Taxes.** Buyer will not be liable to Seller for, and Seller may not collect from Buyer, any taxes associated with the provision or receipt of the Goods and/or Services other than taxes imposed by a governmental unit that expressly requires Seller to collect such taxes from Buyer. Whenever federal, state, or local taxes are charged or collected, Buyer must list taxes separately on each invoice.

5. **Shipping Terms.** Unless otherwise expressly stated in a Purchase Order, all prices are F.O.B. Buyer’s plant for orders shipped internationally.

6. **Quality Programs.** Seller will participate in Buyer’s supplier quality and development program(s) and comply with all quality requirements and procedures that Buyer specifies from time to time, including, but not limited to, Asahi’s then-current Supplier Quality Assurance Guidelines. Quality Programs.

7. **Inspection.** Acceptance. All Goods and Services, and the facilities at which Seller manufactures, processes, or provides the same, are subject to inspection and/or test at any reasonable time or place, and in any quantity by Buyer or Buyer’s direct or indirect customer(s). If any such inspection and/or test is made on Seller’s premises or the premises of Seller’s subcontractor(s), Seller will furnish, without additional charge, all reasonable facilities and assistance required by the inspectors. Such inspections and/or tests shall not relieve Seller of the obligation to make full and adequate inspections and tests. Receipt of, and/or payment for, Goods and Services will not itself constitute acceptance by Buyer of any Goods or Services. If a Good or Service is defective, the Buyer or its customers may reject such Goods and/or Services or require their replacement. Seller will, at Buyer’s option, either repair, replace, or refund all rejected Goods or Services. Buyer may require Seller to pay all transportation charges and handling expenses. Buyer may, or may cause a third party to, rework, repair, or correct, any Goods or Services that fail to conform to the warranties contained in these Terms and Seller shall bear all costs of any such repair, correction, or rework, and either the Goods or Services shall conform to the warranties contained in these Terms and Buyer will have no obligation to reject only commercial units of the Goods or Services.

8. **Warranties.** Seller represents and warrants to Buyer and to each of Buyer’s direct and indirect customers and users (a) that the Goods and Services will conform strictly to the specifications, drawings, samples or descriptions furnished to or by Buyer; (b) that the Goods and Services and new and good quality and workmanship; (c) that the Goods and Services will be free of defects in design (unless, and then only to the extent that, Buyer provided the design), materials, or manufacture; (d) that the Goods and Services will be merchantable; (e) that the Goods and Services will be for the particular purposes intended by Buyer and/or Buyer’s direct or indirect customers and users; (f) that the Goods and Services will comply with all applicable environmental, occupational, health and other laws, regulations applicable to the design, function, or use of the Goods and/or Services in any jurisdiction of which Buyer or Buyer’s direct or indirect customers and users are subject; (g) that, for the avoidance of doubt, nothing in this Section 8 shall bear all costs of any such repair, correction, or rework, and either the Goods or Services shall conform to the warranties contained in these Terms and Buyer will have no obligation to reject only commercial units of the Goods or Services.

9. **Property Rights to produce and supply.** Provided the design), materials, or manufacture; (d) that the Goods and Services will be merchantable; (e) that the Goods and Services will be for the particular purposes intended by Buyer and/or Buyer’s direct or indirect customers and users; (f) that the Goods and Services will comply with all applicable environmental, occupational, health and other laws, regulations applicable to the design, function, or use of the Goods and/or Services in any jurisdiction of which Buyer or Buyer’s direct or indirect customers and users are subject; (g) that, for the avoidance of doubt, nothing in this Section 8 shall bear all costs of any such repair, correction, or rework, and either the Goods or Services shall conform to the warranties contained in these Terms and Buyer will have no obligation to reject only commercial units of the Goods or Services.

10. **Recall.** Seller will cooperate with Buyer in recalling any Goods or Services, as reasonably directed by Buyer, if Buyer determines that the recalled Goods or Services are defective. Seller will bear all costs of such recall.

11. **Recall.** Seller will cooperate with Buyer in recalling any Goods or Services, as reasonably directed by Buyer, if Buyer determines that the recalled Goods or Services are defective. Seller will bear all costs of such recall.

a. Buyer’s Intellectual Property. Buyer does not by these Terms or any Supply Agreement transfer to Seller any right in any idea, invention, improvement, new and useful Business method, which are intellectual property. Buyer’s intellectual property rights, whether or not they are patented or copyrighted, embodied in any materials, products or processes, whether as part of a tooling or design, materials, or manufacture; (d) that the Goods and Services will be merchantable; (e) that the Goods and Services will be for the particular purposes intended by Buyer and/or Buyer’s direct or indirect customers and users; (f) that the Goods and Services will comply with all applicable environmental, occupational, health and other laws, regulations applicable to the design, function, or use of the Goods and/or Services in any jurisdiction of which Buyer or Buyer’s direct or indirect customers and users are subject; (g) that, for the avoidance of doubt, nothing in this Section 8 shall bear all costs of any such repair, correction, or rework, and either the Goods or Services shall conform to the warranties contained in these Terms and Buyer will have no obligation to reject only commercial units of the Goods or Services.

b. Seller’s Intellectual Property. If a Supply Agreement is terminated other than by Buyer’s breach, Seller grants to Buyer a non-exclusive right to use and have used Seller’s Intellectual Property Rights to obtain from alternate sources products and services similar to the Goods and Services to the extent of the

---

**Revised September 1, 2017**
volume of Goods and Services that Buyer could have ordered under the affected Supply Agreement(s).

(c) Intellectual Property Rights Generated in Performance of Supply Agreement. If Seller, in the course of performance under a Supply Agreement, creates, discovers, invents, generates, or reduces to practice any and all Intellectual Property Rights that arise within the performance under a Supply Agreement, Buyer will have the first and unconditional right to use, assign (but not less than 30 days’ notice to) Seller and Seller’s designees and assigns any such Intellectual Property Rights, at Buyer’s expense, for reasonable out-of-pocket costs, in prosecuting, securing, registering, and perfecting such rights in Buyer.

(d) Infringement. Seller will indemnify, defend, and hold harmless each Buyer Indemnitee from and against all claims, suits, actions, liabilities, losses, damages, penalties, fines, judgments, costs and expenses, including reasonable legal fees, arising out of, or relating to, any actual or alleged infringement by the Goods or the Services (or the possession or use thereof by any direct or indirect customer of Buyer) of a third-party Intellectual Property Right, contract right, or other right.

15. Compliance. In the performance of all Supply Agreements, Seller will comply with all federal, state, and local laws, ordinances, rules, orders, regulations or requisitions that are applicable to each Supply Agreement and/or to Seller. Seller will, upon Buyer’s request, furnish to Buyer such certificates of compliance with the same, including, but not limited to, Customer environmental requirements, and in such form, as Buyer from time to time requires.

16. Licenses, Permits. Where a rule of law requires that the seller or provider of Goods or Services possess any license or permit in order to do so, Seller, will, at all applicable times, procure and maintain such licenses and/or permits, Where Goods or Services are to be delivered or rendered on Buyer’s premises (including, but not limited to, in the case of construction on, or alteration of, real property, or installation requiring a license or permit), Seller will supply for, and cause to be issued (whether to Buyer, Seller, or otherwise), such permits as are required to provide the Goods and Services as required.

17. Activities at Buyer’s Facilities. Seller will cause each agent of Seller to enter any facility of Buyer to comply with all workplace rules and security requirements of Buyer.

18. Changes. Buyer reserves the right at any time to make changes in drawings and specifications as to any Goods or Services. If any actual difference in cost to Seller results, the applicable price(s) shall be equitably adjusted, provided that Seller makes a written claim for adjustment within 10 days after first receiving the proposed changes. Each Supply Agreement is also subject to change, modification, suspension, or cancellation by Buyer in the event of fire, flood, or other event of fire or peril, or damage to Buyer’s property from other causes (including, but not limited to, acts of God, curtailments, or reductions in orders by Buyer’s customers, or any other conditions or events beyond Buyer’s commercially reasonable control.

19. Term and Termination.

(a) Generally. Each Supply Agreement will remain in effect for the term specified in the Supply Agreement (which term may be specified as a platform life, product life, quantity, or by other means) unless earlier terminated by Buyer by reasonable notice (but not less than 30 days’ notice to Seller). Upon termination of a Supply Agreement, Seller will assist Buyer in locating an alternative source for the Goods and Services and in moving production to the alternate source selected by Buyer.

(b) Termination for Seller’s Default.

(i) Buyer may forthwith cancel and terminate, in whole or in part, any Supply Agreement in the event that: (A) Seller becomes unable to pay its debts as they become due; (B) A receiver or similar custodian or agent is appointed for Seller or any material part of Seller’s business; (C) Seller makes an assignment generally for the benefit of creditors; (D) Seller becomes entitled to demand adequate assurance of performance under UCC Sec. 2-609 and Buyer fails to deliver to Buyer adequate assurance of performance by the earlier of the fifth day after such demand or, if shorter considering the circumstances, a reasonable time after demand; or (E) Seller materially defaults under any of its obligations under any Supply Agreement (whether the Supply Agreement that is the subject of termination or any other Supply Agreement) or any other agreement between Buyer and Seller and fails to cure such default within 10 days after receipt of notice of such default.

(ii) In the event of termination of a Supply Agreement or part thereof by Buyer for Seller’s default, Buyer may, in addition to termination, have any and all other remedies available at law or in equity.

20. Buyer Property; Bailment.

All supplies, materials, tools, jigs, dies, gauges, fixtures, molding equipment, other property purchased by Buyer from Seller, furnished by Buyer to Seller, paid for by Buyer, or for which Buyer reimburses Seller (“Buyer Property”) shall at all times be and remain the property of Buyer. BUYER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT TO BUYER’S PROPERTY AND PROVIDES BUYER’S PROPERTY “AS IS AND WHERE IS.” Seller will not permit any third-party encumbrance or claim of any kind to attach to any Buyer Property. Seller will appropriately segregate Buyer Property and prominently mark and/or tag all Buyer Property as being the property of Buyer. Seller will, at its own expense, insure for the benefit of Buyer to its full replacement value, all Buyer Property in Seller’s possession or control. Seller may not use any Bailed Property for any purpose other than Seller’s performance of a Supply Agreement for Seller and, in any case, Seller may not use any Buyer Property for its own benefit or the benefit of any third party. Seller may not move any Buyer Property from the initial location to which Buyer Property is delivered except on the express written and signed instructions of Buyer. Buyer may enter onto Seller’s premises at any reasonable time to inspect and/or take all Buyer Property and Seller’s records with respect thereto. Seller will arrange with any landlord or other third party any access necessary to any premises over which any such third party may or does limit access. Upon completion of its obligations under any such rights, at Buyer’s expense, for reasonable out-of-pocket costs, in prosecuting, securing, registering, and perfecting such rights in Buyer.

21. Labor. Seller will notify Buyer of the contract expiration date at least six months before the end of a contract, and at Seller’s expense, deliver a copy of the contract and any documents relating thereto to Buyer, and will notify Buyer of the expiration of a contract for each Buyer affiliate’s own account. Buyer, at Buyer’s expense, for such reasonable out-of-pocket costs, in prosecuting, securing, registering, and perfecting such rights in Buyer, at Buyer’s expense, for reasonable out-of-pocket costs, in prosecuting, securing, registering, and perfecting such rights in Buyer.

22. Confidential Information. Seller will keep in confidence all information disclosed to the any party all information and data disclosed to it by Buyer or that Seller learns from Buyer, in either case, that is not readily ascertainable by the public by proper means, including, but not limited to, quotes, business plans, technological techniques, prints, inventions, and information about research and development.

23. Remedies. Each remedy of Buyer is cumulative with each other remedy contained in each Supply Agreement or any other remedies available to Buyer at law, in equity, and otherwise, and each remedy by Buyer of any particular remedy will constitute an exclusive election by Buyer of any particular remedy.

24. Assignment; Third Parties. Seller may not assign or subcontract its duties or responsibilities under any Supply Agreement without the prior written consent of Buyer. Buyer may assign or subcontract its duties or responsibilities under any Supply Agreement or part thereof and, thereupon, Buyer will have no liability for any obligation that arises after the date of the assignment. Buyer may, at its option, permit one or more of its affiliates to buy, sell, lease, license, or otherwise assign or transfer all or any part of its right, interest, or obligation in or under any Supply Agreement, and Buyer will have no liability by any Buyer affiliate with respect to such Buyer affiliate’s purchases. All Buyer Indemnitees are express third-party beneficiaries of any indemnification obligations and warranties of Seller under these Terms and any Supply Agreement. There are no other third-party beneficiaries of any right or obligation under this Agreement.

25. Customs. Transferable credits or benefits associated with Goods and/or Services purchased, including trade credits, export credits, or rights to the refund of duties, taxes, or fees, belong to Buyer unless otherwise prohibited by applicable law. Seller will provide Buyer with all information and records relating to the Goods and/or Services necessary for Buyer to (1) receive those benefits, credits, and rights, (2) fulfill any customs obligations, origin marking or labeling requirements, and certification or local content reporting requirements, (3) claim preferential duty treatment under applicable trade preference regimes, and (4) participate in any duty deferral or free trade zone programs of the country of import. Seller will obtain all export licenses and authorizations and pay all export taxes, duties, and fees unless otherwise stated in a Supply Agreement, in which case Seller will provide all information and records necessary to enable Buyer to obtain those export licenses or authorizations. For all Goods and/or Services covered by these Terms or any Supply Agreement, Seller shall maintain and shall provide Buyer with evidence of the certificate of origin of the Goods and/or Services. Seller will ensure that all of Seller’s purchases by Buyer are compliant with the provisions of the North American Free Trade Agreement or any similar treaty or rule of law.

26. Government Supply Agreements. If a Purchase Order identifies a government prime contract, the following clauses are hereby incorporated by reference. Equal Opportunity (41 CFR 60-1.11(a)), 48 CFR §§ 52.221-22, 52.221-26; Affirmative Action for Special Disabilities and Vietnam Era Veterans (38 USC § 4212(a)), 48 CFR §§ 52.222-18; Affirmative Action for Handicapped Workers (29 USC § 793), 48 CFR §§ 52.222-36. Copies of these clauses are available on request.

27. Limitation of Liability. UNDER NO CIRCUMSTANCES WILL BUYER BE LIABLE TO SELLER FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR OTHER INDIRECT DAMAGES OR (B) DAMAGES IN EXCESS OF THE PRICE OF THE GOODS OR SERVICES THAT ARE THE SUBJECT OF THE CLAIM. THESE LIMITATIONS INCLUDE, WITHOUT LIMITATION, LIABILITY APPLICABLE NOTWITHSTANDING THAT THEY CAUSE ANY REASONABLE EXPECTATION OR ITS TESTING OR ITS PERFORMANCE. THAT BUYER KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

28. Miscellaneous.

(a) Choice of Law; Jurisdiction; Venue. These Terms and all Supply Agreements will be governed by and construed in accordance with the laws of the State of Michigan without giving effect to any conflict of laws provisions thereof. Buyer may enforce the Supply Agreement or any other Supply Agreement or any Supply Agreement or Supply Agreement forthfor in any court of competent jurisdiction within the State of Michigan, or in the United States District Court for the Eastern District of Michigan and Seller and Buyer each irrevocably consent to the jurisdiction of, and venue in, such courts.
(b) Advertising. Seller will not advertise or otherwise disclose to the public its relationship with Buyer or Buyer’s customers without Buyer’s prior written consent, except as is necessary in order to perform a Supply Agreement or as required by law.

(c) Audit Rights. Seller will maintain, for not less than three years after completion of each Supply Agreement, records necessary to support amounts charged to Buyer under such Supply Agreement. Buyer and its representatives may audit such records to the extent needed to verify that Seller’s invoices and any payments to Seller are supported by the Supply Agreement. Any audit will be conducted at Buyer’s expense (but will be reimbursed by Seller if the audit reveals material errors in the amounts charged), at reasonable times, and at Seller’s usual place of business.

(d) Relationship of the Parties. Buyer and Seller are independent contractors, and nothing in a Supply Agreement makes either party the agent or legal representative of the other party for any purpose. Neither party has authority to assume or to create any obligation on behalf of the other party.

(e) Waiver. Buyer’s failure to insist on performance of any obligation, or to exercise any right or privilege, or Buyer’s waiver of any obligation, shall not thereafter be a waiver of other terms, conditions, rights, or privileges, or of the same terms, conditions, rights, or privileges on a different occasion.

(f) Severability. If any provision of a Supply Agreement is invalid or unenforceable in any jurisdiction, such invalidity or unenforceability will not affect the validity or enforceability of any other provision of a Supply Agreement or the validity or enforceability of that provision in any other jurisdiction.

(g) Notice. Any notice required or permitted to be given under this Agreement must be in writing and will be deemed effective (a) if given by personal delivery, upon such personal delivery or (b) if given by nationally-recognized courier or mail service (in either case that has realtime or near-realtime tracking), at the time that the notice is delivered (or an attempt is made to deliver the notice, regardless of whether refused) to the receiver’s premises according to the tracking records of the courier or mail service. The addresses for notice for each party are those on the Purchase Order, Attn: Legal Department. Either party may change its address for notice by giving to the other party notice of the change of address.

(h) Remedies Cumulative. Each and every remedy of Buyer is cumulative and no exercise or pursuit by Buyer of any particular remedy will be deemed an election of that remedy exclusively. Any claim, suit, or action resulting from any breach on the part of Buyer under these Terms or any Supply Agreement must be commenced within six months after the cause of action has accrued or be forever waived. Drafting Party. No rule that requires the construction of any language against the drafting party will apply to the construction of these Terms.

(i) Entire Agreement. Each Supply Agreement constitutes the entire agreement between the parties with respect to its subject matter, and each Supply Agreement supersedes all prior oral or written representations or agreements by the parties with respect to the subject matter of that Supply Agreement, including, but not limited to, any Seller quotation unless Buyer specifically incorporates it into a Supply Agreement in a signed writing. No subsequent terms, conditions, understandings, or agreements purporting to modify the terms of any Supply Agreement will be binding unless in writing and signed by the party against which enforcement is sought.