

MONTAPLAST OF NORTH AMERICA PURCHASE ORDER TERMS & CONDITIONS Revised October 1, 2018

1. BINDING AND ENTIRE OFFER. These Terms and Conditions and the information set forth on the reverse (together, the "Order") constitute a legal and binding offer to contract. The terms and conditions of this Order shall constitute the entire agreement between the Seller and Montaplast and may not be altered except as set forth herein. Any additional or different provisions contained in any acknowledgements, sales memoranda, invoices or in other documents issued against or in response to this Order that purport to alter or vary any of the terms and conditions of this Order are hereby rejected and objected to in advance and shall not become a part of the parties' contract of sale unless otherwise specifically agreed in writing signed by Montaplast.

2. WARRANTIES. Seller expressly warrants that all materials and goods *together, "Goods") furnished by Seller pursuant to this Order, or any services rendered pursuant hereto, will be merchantable, or good material and workmanship and free from any defects in design, workmanship or material. Further, all Goods shall conform to the specifications, drawings, samples or other descriptions specified or furnished by Montaplast, all of which are deemed incorporated herein by reference. Seller's warranties shall survive any inspection, delivery or acceptance of, or payment for, any Goods or services by Montaplast and shall also inure to the benefit of any successors, assignees, licensees, invitees or customers of Montaplast. Montaplast hereby expressly rejects and objects in advance to any disclaimer or limitation by Seller of any applicable warranties, express or implied, made by or deemed made by Seller or its suppliers in connection with the sale of Goods or services covered by this Order.

3. DELIVERY. It is critical that the Seller provides on time delivery in this purchase and shipment must actually be effected within the time or times stated in this Order. If the Seller fails to ship on or before said date, Montaplast reserves the right to purchase elsewhere and charge the Seller with any loss or extra expense incurred thereby, unless deferred shipment can be arranged in writing. Unless otherwise agreed, all packaging for this Order shall be non-returnable. All shipments under any contract governed by this Order shall be F.O.B. Montaplast's Frankfort, Kentucky receiving dock and the risk of loss shall shift to Montaplast upon receipt of goods there.

4. QUANTITY. Montaplast reserves the right to return, at Seller's expense, all goods delivered in error or in excess of the quantity called for in this Order. Montaplast also reserves the right to increase or decrease quantities at the unit price shown prior to receipt of the complete order.

5. QUALITY. All goods are subject to Montaplast's inspection and approval at a reasonable time after delivery. Such inspection, or the waiver thereof, shall not relieve Seller from full responsibility for furnishing Goods or services conforming to the requirements of this Order, nor prejudice any claim, right or remedy of Montaplast resulting from defective or unsatisfactory Goods or services. Materials rejected on account of inferior quality or workmanship will be returned to Seller with charge for transportation both ways plus labor, reloading, trucking, etc., at Seller's expense. Such returned materials are not to be replaced except upon receipt of written instructions from Montaplast. Rejection of any part of the materials furnished under this Order does not necessarily invalidate the remainder of the order. Should Montaplast reject goods for defective or nonconforming quality, Montaplast shall have the right to charge an Administration Fee of minimum \$500.00 (five hundred US Dollars).

6. PAYMENT. Unless otherwise set forth in this order. (a) payment for production parts ordered by the Purchase Order shall be considered due and payable 60 days from Montaplast's receipt of Seller's invoice, in duplicate; or (b) payment for tools acquired by Seller for performance of this order which Montaplast has agreed to purchase shall be due and payable 30 days following Montaplast's receipt of PPAP (Production Part Approval Process) approval from its customers. As part of the PPPAP Approval Process, Seller is required to complete all entries to the designated automaker IMDS System. Montaplast uses a batch payment system and requires Seller to issue only one invoice per week showing all products sold to Montaplast in a given week. Issuance of individual invoices by Seller will cause a delay in the processing of invoices.

7. PATENTS. Seller agrees to protect, indemnify and hold harmless Montaplast from any and all liability, damage, judgment expense or loss, including attorneys' fees, resulting from or sustained by reason of any material or goods for part thereof furnished by Seller under this Order being covered or claimed to be covered by patent, trademark, servicemark or copyright or being the subject of a claim of infringement thereof.

8. DAMAGED MATERIAL. Title and all risk of loss or damage to all Goods covered by this Order shall remain with Seller until delivered to Montaplast as set forth above. In the event Goods are delivered in a damaged condition, Montaplast reserves the right to accept the damaged Goods if Montaplast determines that portions of the Goods are usable and advantageous to the progress of the work. In accepting Goods, Montaplast reserves the right to: (a) Repair the damage or any part thereof at Seller's expense; (b) Demand replacement of the damaged Goods by Seller, at Seller's expense; (c) Accept the damaged Goods and adjust purchase price as Montaplast deems appropriate; (d) Purchase replacements for the damaged Goods elsewhere at Seller's expense in the event Seller does not replace the damaged Goods within 60 days after notice is given by Montaplast; or (e) Withhold payment until the damaged Goods are repaired or replaced.

9. FIRM PRICES. Prices set forth on this Order are not subject to increase or escalation without the prior, express written consent of Montaplast.

10. INSURANCE. Seller shall obtain insurance on Goods until all such Goods are delivered. Seller waives all rights against Montaplast for damages caused by fire or other perils, or by the negligence of Montaplast, to the extent such damages or losses are covered by insurance of Seller.

11. TAXES. Unless otherwise set forth in this Order, the purchase price includes all federal, state, and local taxes applicable to the sale of Goods or services covered by this Order.

12. GOVERNMENT REGULATIONS. Seller shall comply with all applicable federal, state and local laws, rules, regulations and ordinances. All Goods supplied must comply with all applicable federal, state and local statutory and regulatory requirements in the country of receipt, the country of shipment, and the country of destination.

13. MODIFICATIONS. This Order may be modified or amended only in writing signed by both Montaplast and Seller.

14. TERMINATION. Montaplast may terminate all or any part of this Order if Seller; (a) refuses or fails to deliver the Goods or services within the time specified, (b) fails to comply with any of the provisions of this Order, (c) fails to make progress so as to endanger performances hereunder, or (d) becomes insolvent or subject to proceedings under any law relating to bankruptcy, insolvency or the relief of debtors. If terminated as described above, Montaplast shall notify Seller of its intention to terminate all or any part of this Order because of Seller's default, and in the event of a termination for Seller's default, Montaplast's liability shall be limited to the payment for goods delivered and accepted by Montaplast under this Order prior to termination. In addition, Montaplast may terminate this Order in whole or in part if it, in its sole discretion, determines it is in its best interest to do so, in which event, Montaplast's sole obligation shall be to reimburse Seller for those goods actually shipped and accepted by Montaplast up to the date of termination, and the actual cost incurred by Seller for unfinished goods which are specifically manufactured for Montaplast and which are not standard products of Seller, as of the date of termination. In no event shall Montaplast be responsible for loss of anticipated profit nor shall reimbursement exceed the order price.

15. TOOLING AND PROPERTY FURNISHED OR PURCHASED BY BUYER AND ITS CUSTOMERS. (a) Tooling Order. If the Order is for tools, dies, fixtures, gages, molds, or patterns, and similar production Goods ("Tooling"), Seller shall design, fabricate, revise, acquire from sources approved by Buyer, and install the tooling, subject to the terms of this paragraph 15m and each of its subparts. The term "Tooling" also includes tangible and intangible related drawings, prints, designs, models, and test data of the Tooling. These terms also incorporate and include any additional obligations relating to Tooling which are contained in Buyer's contract with its Customer and Seller agrees that Buyer, in its own name, may enforce such obligations on behalf of its Customer. Seller shall not subcontract all or any portion of the manufacture

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of the Tooling without Buyer's prior written consent, and Seller shall obtain for Buyer all of Buyer's rights related to Tooling from each subcontractor used by Seller.

(b) Samples, Quality and Durability. Seller shall, at its own expense, manufacture a reasonable number of sample parts on the Tooling for inspection or testing by Buyer to ensure the capability of the Tooling to produce the required parts, which meet Buyer's and Customer's applicable quality standards requirements, the applicable North American Standards for Tool Builders as selected by Buyer, IATF 16949, TS 16949, AS9100, QS 9000 and all other applicable industry quality and process standards. In addition to Seller's other obligations under the Terms, the Tooling shall be designed and fabricated to be sufficiently durable to permit and support the manufacture of all production and service part requirements through the production and service and replacement requirements. Seller shall submit to Buyer a part of submission package, sample products manufactured with Tooling, and any other tangibles and intangibles requested by Buyer. The Tooling will be deemed to be completed when the necessary samples have been submitted and approved by Buyer, the parts and Tooling have satisfied all PPAP requirements at production run rates, as accepted or approved by Buyer and Buyer's subcontract any part of an Order. Seller shall furnish to Buyer information of assignment or delegation or not attempt thereof shall be valid or effective without Buyer's prior written consent.

(c) Reports and Schedules. Buyer may request Seller to furnish semi-monthly (or more frequently at Buyer's option) status reports on the construction or acquisition of the Tooling. Each status report must identify the Tooling, identify the subcontractors working on the Tooling, if any, and designate the percentage of completion and/or acquisition and the schedule for completion of each item of Tooling and other deliverables. Seller shall notify Buyer immediately upon becoming aware that the Tooling may not be completed by the completion date specified in the Order and Seller shall furnish to Buyer a schedule of the actions that Seller will take, at Seller's expense, to timely achieve the specified interim and final milestones, deliverables and completion dates.

(d) Title and Identification. All right, title, and interest in and to any part of the Tooling passes to Buyer as soon as it is acquired or fabricated in accordance with the Order. All Tooling in the possession of Seller will be a will bailed property. At Buyer's request, Seller shall sign a bailment agreement describing any additional bailment terms for specific Tooling. If the parties do not execute a bailment agreement, Buyer's records regarding the specific Tooling in Seller's possession may be used by Buyer as determinative of the existence, condition, ownership and other aspects of the bailed Tooling. Seller hereby grants Buyer a security interest in any Tooling in which Seller may have an interest and in any contract or right to purchase the Tooling from a third party and, upon Buyer's request, shall obtain subordination agreements in favor of Buyer from any prior perfected secured parties and lien holders. Seller authorizes Buyer to file a financing statement pursuant to Article 9 of the Uniform Commercial Code, any Canadian personal property security legislation, and the other law, describing an or all of the bailed Tooling to perfect Buyer's interest in the Tooling. Seller shall: (i) properly store and maintain the bailed Tooling on Seller's premises listed on the Order; (ii) prominently and permanently mark it as the property of its owner, in accordance with Buyer's instructions; (iii) refrain from commingling it with the property of Seller or with that of a third party; and (iv) adequately insure it against loss or damage. Seller shall not grant or permit any lien or security interest to be asserted against Tooling. Seller shall not loan sell or assign tooling or permit it to be subject to any legal process without Buyer's prior written consent. Seller shall indemnify Buyer against any claim adverse or prior to Buyer's ownership or interest in the Tooling, except any claims resulting from any acts or omission of Buyer. To the extent permitted by law, Seller waives its right to object to the repossession of the Tooling by Buyer in the event Seller is involved in bankruptcy proceedings.

(e) Maintenance, Repair, Replacements and Taxes. Seller, at Seller's expense, shall maintain the Tooling in the first class condition and immediately replace any items which are lost or destroyed or become worn out. All repaired or replaced Tooling shall be and remain the property of Buyer. Wear, repair and

any necessary refurbishment of the Tooling is Seller's responsibility. None of the Tooling may be removed from Seller's premises without Buyer's written consent. Seller shall be responsible for property tax and any other taxes assessed upon Tooling while in Seller's custody or control.

(f) Records. Seller shall keep at the location of the Tooling all records related to the Tooling as Buyer may reasonably require. Buyer may inspect and copy such records upon 24-hour's notice.

(g) Use of Tooling. Seller shall not manufacture, sell, design, or convey any product or property produced, manufactured or assembled with use or assistance of the Tooling to or for any person other than Buyer, except as specifically directed by Buyer in writing for the benefit of buyer. Seller, at its sole cost and expense, shall furnish appropriate safety systems for Tooling to meet OSHA and any other applicable safety rules and regulations at Seller's responsibility and cost.

(h) Risk of Loss and Insurance. Seller shall be responsible for any and all loss or damage to Tooling, including loss or damage which occurs despite Seller's exercise of reasonable care, until Seller delivers Tooling to Buyer. Seller shall insure Tooling with fire and extended all risk coverage insurance for replacement value thereof for the entire time Tooling is in Seller's possession in accordance with the Order and these terms.

(i) Responsibility for Safe Use. Seller shall use Tooling in a careful and safe manner and shall defend and indemnify Buyer from any claims, liabilities, expenses and damages arising from or related to the installation, use, possession, storage or repair of the Tooling. Seller shall maintain a liability insurance policy and name Buyer as an additional insured.

(j) Return. Tooling may be removed at any time by Buyer, at Buyer's written request, whether or not Buyer and Seller are engaged in litigation or other dispute, in which event Seller shall prepare Tooling for shipment and shall redeliver it to Buyer or its Customer in the same or equal condition as originally received by Seller, reasonable wear and tear excepted, all at Seller's expense. Bailee shall have no right to retain possession of Tooling to secure payment of amounts owed for Tooling or Goods or for any other reason as a claim for damages is an adequate remedy. Seller waives any statutory, common law, equitable, or other rights to claim a lien on the Tooling provided Buyer tenders any unpaid portion of the purchase price.

(k) Disposition. Seller's responsibility under these terms continues beyond any expiration date of the related Order for production of Goods. If the Tooling is not used to produce any parts for Buyer for a period of two years, Seller shall notify Buyer and request instructions for the disposition or retention of the Tooling for the period of service parts supply. Seller shall follow Buyer's instructions regarding the disposition or retention of the Tooling.

(l) Tooling Invoices, Payment, and Prices. Upon: (i) completion of Tooling and (ii) approval by Buyer of the initial samples manufactured by Seller; and (iii) satisfaction of any other conditions specified in the Order, Seller shall invoice Buyer at the billing address on the face of the Order. Payment for Tooling shall be made in accordance with Buyer's normal payment terms unless stated otherwise on the Tooling Purchase Order. Buyer's payment obligation shall be no more than the specified maximum, if any, for: (a) Seller's actual cost for purchased materials and services (including purchased Tooling and portions thereof); and (b) Seller's actual cost for direct labor and overhead. Seller must establish a reasonable accounting system accessible to Buyer that enables ready identification of all Seller's costs.

(m) Liquidated Damages. On time delivery is critical, and any delays will result in substantial damages to Buyer. Seller shall pay to Buyer the sum of one percent (1.0%) of the purchase price of the Order for each week of delay of the final completion or any interim scheduled completion or deliverable resulting from any breach of an Order by Seller. This liquidated damage provision is only to compensate for the period of delay referenced and shall not affect Buyer's rights to injunctive and other relief.

(n) Injunctive Relief. The Tooling will be a unique Good which will assist in the production of a unique part or assembly. Buyer is an industry that has exacting standards for validation, delivery, quality, and other performance indicators. The failure to produce or deliver the Tooling in accordance with the requirements of the Order can expose Buyer to significant claims by third

parties and a significant loss of business and reputation which will be very difficult or impossible to quantify and for which Seller may be fiscally unable to respond in monetary damages. Whether or not the parties are in a dispute, Buyer shall be entitled to possession of the Tooling on demand and payment of the unpaid purchase price owed Seller under the Order for the Tooling and Buyer shall be entitled to orders for specific performance, primary and permanent injunctions and/or other extraordinary relief, which relief shall be cumulative and in addition to any and all other remedies to which any party may be entitled under this Agreement or by law or equity, including but not limited to an ex parte order for possession of the Tooling provided Buyer shall only be entitled to a single full recovery for any breach. Seller waives any requirement for posting of a bond provided that if a waiver is not permitted by law the amount of the bond shall not exceed the unpaid purchase price. The parties irrevocably consent to the jurisdiction of the courts of Kentucky to interpret and enforce the Agreement.

16. CONFIDENTIALITY. Seller and any of its employees or agents shall keep confidential all drawings, specifications or other data, papers, information or samples (“Confidential Information”) furnished by Montaplast or prepared or obtained by Seller in any manner in connection with the performance of this Order, together with all copies and shall not make copies or permit same to be made except in accordance with Montaplast’s prior written consent or except as required for Seller’s performance of this Order or at the request of Montaplast. Upon termination or completion of any contract or upon demand, Seller shall promptly return Confidential Information together with all copies in Seller’s control. Seller shall thereafter make no further use of any Confidential Information without the prior written consent of Montaplast.

17. NO ASSIGNMENT. Neither this Order nor any interest under it may be assigned by Seller without the prior written consent of Montaplast.

18. INDEMNITY. Seller agrees to protect, indemnify and hold harmless Montaplast against liability, loss, damage or expense (including attorneys’ fees) resulting from or sustained by reason of any bodily injuries (including death) or property damage arising out of or on account of or in consequence of the performance of this Order or of the Goods delivered and sold pursuant hereto, or as a result of the condition or quality of such Goods, whether or not such injuries or damages are due to claimed to be due to any negligence of Montaplast, or its employees, agents, or servants. If there are any such injuries or damages not compensated or settled when payment hereunder would otherwise be due, final settlement between Seller and Montaplast shall be deferred until such claims are adjusted or suitable special indemnity acceptable to Montaplast is provided by Seller.

19. GOVERNING LAW. The laws of the Commonwealth of Kentucky shall govern the interpretation and application of this Order regardless of the conflict of law rules of the Commonwealth of Kentucky or any other state. This Order shall be deemed to have been entered into at the place and time it is signed by an authorized representative of Montaplast.

20. HAZARDOUS MATERIALS. If product supplied against this purchase order contains materials that are considered toxic, hazardous and or restricted, the Seller shall warrant or certify that the products comply with all applicable governmental and safety regulations with regard to packaging, labeling, storage, handling, and first aid instructions. All appropriate MSDS Sheets are to be forwarded to Montaplast to the attention of the Environmental Management Representative.

21. ISO 14001. The Environmental Management System is a quality system designed to protect the health of our environment through the prevention of pollution. Montaplast encourages all suppliers to participate in this standard and to become ISO 14001 compliant. For those suppliers who provide a service, it is our expectation that the appropriate personnel will be trained on the procedures and work instructions that impact the environment here at Montaplast.

22. IATF 16949:2016. The latest editions and revision are applicable to this purchase order. Montaplast encourages all suppliers to participate in this quality planning standard and update ISO/TS16949 to the new standard of IATF 16949. If the Seller does not wish to become IATF 16949 certified, at minimum, Seller shall be compliant to the ISO 9001.

23. AUTOMAKER WARRANTY CLAIMS. Seller acknowledges that’s Montaplast supplies parts to automobile manufacturers and suppliers in North America, and that Montaplast is required to participate in the warranty share programs of each such automobile manufacturer and supplier that is a Montaplast customer (the “WSP”).

Seller agrees that, by producing and supplying the products associated with this contract, seller will participate in the WSP as set forth herein, and will indemnify and hold Montaplast harmless for any costs or losses allocated to Montaplast pursuant to a customer WSP which are attributable, in whole or in part, to a part or tool supplied by seller pursuant to this contract. Seller’s WSP indemnification obligations shall apply regardless of any contradictory or competing term or condition contained in any communication by seller to Montaplast, or any purported disclaimer by the seller of its participation in any WSP, which are hereby expressly rejected.

Upon a Montaplast customer having allocated to Montaplast costs pursuant to its WSP which costs are attributable, in whole or in part, under the terms and definitions of the WSP to a part or tool supplied by seller pursuant to this contract, seller agrees that Montaplast is entitled to immediately deduct such cost and amount from any payment due or to become due to seller from Montaplast. In the event Montaplast has no payment obligation or balance owed to seller against which to deduct such costs, Montaplast shall invoice seller for the costs assessed against Montaplast pursuant to the terms of its customer’s WSP, which invoice shall be paid in full by seller within five (5) days after Montaplast has supplied to the seller documentation confirming the costs allocated to Montaplast pursuant to its customer’s WSP. Seller shall indemnify Montaplast for all costs and expenses incurred by Montaplast that are reasonably related to or attributable, in whole or in part, to a part or tool supplied by seller to Montaplast pursuant to this contract.

24. SOCIAL RESPONSIBILITY.

By Accepting this Purchase Order, the Seller guarantees to practice Social Responsibility, or taking consideration of the social responsibility to its employees and to society en masse, so as not to tarnish the reputation or moral character of Montaplast by participating in any methods of sourcing, production or any other activity which may be construed as socially irresponsible or corrupt.

Both Buyer and Seller agree to comply with principles set in Geneva by the International Labour Organization (1998), the UN Guiding Principles on Business and Human Rights (2011), and the Directives of the UN Initiative Global Compact (1999). Complying with these principles, the Seller guarantees to manage all activities in a manner in which the Preservation of Human Rights is maintained. Both Buyer and Seller shall agree to not participate in any form of forced or child labor. Buyer may at any time request Seller to provide proof of such records which would provide documented evidence that Seller prevents corruption offenses, such as relying on Child Labor or purchasing material from an area of conflict.

In addition, Buyer will neither tolerate nor condone any form of discrimination or harassment based on an individual’s race, color, national origin, gender, age, veteran’s status, religion or disability.