

## GENERAL TERMS AND CONDITIONS

1. AGREEMENT. Seller agrees to sell and deliver the goods or services specified in Continental Structural Plastics' (CSP) order in ACCORDANCE WITH THE TERMS AND CONDITIONS CONTAINED IN THE ORDER, INCLUDING THE CLAUSES REFERENCED IN THE ORDER, THE TERMS OF THIS FORM AND ANY SIGNED DOCUMENTS REFERENCED IN THE ORDER, all of which constitute the entire and final agreement of the parties and cancels and supersedes any prior or contemporaneous negotiation or agreements, unless otherwise noted. CSP's ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS OF THE ORDER AND ANY ADDITIONAL OR DIFFERENT TERMS, WHETHER CONTAINED IN SELLER'S FORMS OR OTHERWISE PRESENTED BY SELLER ARE REJECTED UNLESS EXPRESSLY AGREED TO IN WRITING BY CSP. "Order" means a purchase order transmitted to Seller via CSP's Electronic Data Interchange system or delivered to Seller in a paper format.

**2. ACCEPTANCE.** This order constitutes CSP's offer to Seller and is not binding on CSP until accepted by Seller in writing or by a delivery of the goods, rendering of services, or the commencement of work on goods to be specially manufactured for CSP pursuant to this order.

## **3. MISCELLANEOUS QUALITY REQUIREMENTS:**

- a) Seller is responsible for meeting the requirements defined in the CSP supplier quality manual SQA-1000 available from the CSP purchasing group and any other requirements as specified on the Continental Structural Plastics Purchase Order.
- b) Seller is required to be certified to ISO 9001:2015 or IATF 16949 standard as appropriate to its particular commodity. In selected circumstances, this condition may be waived by the CSP purchasing group.
- c) Failure to meet these requirements may result in loss of existing or future business with CSP. All costs associated with Seller failures will also be the responsibility of the Seller.
- d) Seller is responsible for 100% on-time delivery and "Zero" defects.
- e) Suppliers of goods that are heat-treated, plated, coated, welded or molded are responsible for, and required to meet the requirements of CQI-9, CQI-11, CQI-12, CQI-15, CQI-17, CQI-23, & CQI-27 as published by AIAG. The assessments must be available to CSP on demand as requested.
- f) Seller is encouraged to be ISO 14000 certified.
- g) Seller is responsible for supporting CSP continuous improvement activities.
- h) Seller is responsible for supporting CSP efforts and procedures for ensuring flawless launches, including on-time PPAP submissions.
- i) Seller is responsible for developing and implementing part specific and executable contingency plans for ensuring continued delivery of product and services in the event of unplanned events including catastrophic events.
- j) Seller is responsible for adhering to all applicable governmental regulations and industry safety and health standards.
- k) Seller is responsible for adhering to CSP Code of Conduct.

**4. DELIVERY.** Time is of the essence. CSP requires 100% on time delivery. Delivery must be effected within the time specified in this order, or in accordance with CSP's releases or procedures, if so indicated in this order. If Seller fails to make deliveries or perform services at the agreed time all damages suffered by CSP and any premium transportation or other costs required to meet the specified delivery schedule will be at the expense of Seller.

**5. PACKING, MARKING, AND SHIPMENT.** a) Seller will pack and mark goods and make shipments (including shipping on Saturdays, Sundays and holidays, when requested) in accordance with CSP's instructions, meet carrier requirements, and assure delivery free of damage and deterioration. Seller is responsible for the goods until delivery at the designated FOB point.

b) CSP may specify the carrier and/or method of transportation and Seller will process shipping documents and route shipments of the goods from the FOB point accordingly. Seller will comply with all of CSP's transportation routing instructions, including, but not limited to, mode of transportation, utilization of assigned carrier and identification of the shipping point. Seller will be responsible for all excess costs incurred because of failure to comply with CSP's transportation instructions.

**6. RELEASE AUTHORIZATION.** When deliveries are specified to be in accordance with CSP's releases, Seller will not fabricate or assemble any goods nor procure required materials, nor ship any supplies, except to the extent authorized by such written releases or





provisions of this order specifying minimum fabrication or delivery quantities.

7. INSPECTION AND REJECTIONS. CSP may inspect and evaluate all goods (including all tooling and material used in their manufacture), and all services at times and places designated by CSP. Seller will provide and maintain a Supplier Quality Assurance System approved by CSP and which meets CSP specifications. Seller will promptly comply with any revisions to such manual, or its successors. Seller will perform inspections as designated by CSP and Seller will make inspection systems, procedures and records available to CSP upon request.

Notwithstanding payment or any prior inspection, CSP may revoke acceptance, reject or require correction and return the goods to the Seller (at Seller's expense and the risk of loss) any goods delivered or services rendered that do not conform to applicable requirements. This order is issued for the part specifically identified in the order and any substitution of material, without prior CSP approval, will be considered a breach of this order. Without limiting its remedies, after notice to Seller, CSP may (i) replace or correct any nonconforming goods or services and charge Seller the cost of such replacement or correction, (ii) cancel the order for default under Clause 22 hereof, (iii) subject Seller's account to a debit for the damages suffered by CSP, and/or (iv) cause the removal of Seller as an approved CSP supplier.

**8. LABOR DISPUTES.** Seller will notify CSP immediately of any actual or potential labor dispute delaying or threatening to delay timely performance of this order, and will include all relevant information to CSP. Seller will notify CSP in writing six (6) months in advance of the expiration of any current labor contract. Prior to the expiration of any labor contract of Seller, Seller will establish, at its expense, a forty (40) working day supply of goods in a neutral warehouse site to be located in the United States at least fifty (50) miles from Seller's manufacturing locations. Such supply of goods will be in place at least ten (10) working days prior to the expiration of any such contract.

**9. GENERAL WARRANTY.** (a) Seller warrants that the goods or services will (i) comply with all specifications, drawings, descriptions or samples furnished and/or specified by CSP, (ii) be merchantable, and (iii) be free from defects in material and workmanship. Seller further warrants that all goods not designed by CSP will be fit and sufficient for the purposes intended. The warranty term will be coterminous with the warranty extended to CSP's distributors by CSP. Seller's liability for a breach of the warranties given herein will be determined by CSP's analysis of a sample of parts against which claims are made that the parts are defective. Seller will participate in such analysis in accordance with CSP's procedures.

(b) Seller further warrants that on delivery CSP will receive good title to the goods and services, free and clear of all liens and encumbrances and that all goods and services will be free from any actual or claimed patent, copyright, or trademark infringement.

(c) These warranties are in addition to any warranties implied by law or otherwise made by Seller and will survive acceptance and payment by CSP.

**10. PRICE WARRANTY.** (a) Seller warrants that price will be fixed for the life of the program unless specifically agreed to in writing by CSP.

(b) Notwithstanding the above, Seller warrants that the prices for the articles sold to CSP hereunder are no less favorable than Seller currently extends to any other customer for the same or similar goods or services in similar quantities. If Seller reduces its prices to others for the same or similar goods and/or services during the terms of this order, Seller will reduce the prices to CSP for such goods and/or services correspondingly. Seller warrants that prices shown on this order are complete, and that no additional charges of any type will be added without CSP's express written consent.

(c) Notwithstanding the above, if CSP during the term of this order obtains a bid from a qualified vendor for the goods or services Seller is providing to CSP pursuant to this order ("Lower Bid"), Seller will reduce the price to CSP for such goods or services to the amount of the Lower Bid.

(d) If Seller sells the part covered by this order to a third party for incorporation into an assembly which is to be sold to CSP, the price for such part will be no more than the price provided in this order, plus any additional costs actually incurred by Seller in providing the part to such third party.

255 Rex Blvd., Auburn Hills, MI. 48326 www.cspplastics.com





**11. PROPERTY AND SPECIAL TOOLING.** Unless otherwise provided in this order, property of every description including all tools, equipment, material, drawings, manufacturing aids and replacements of the foregoing furnished by CSP, either directly or indirectly, or as acquired or manufactured by Seller for use in the performance of this order, for which Seller has been reimbursed by CSP ("Special Tooling"), will be (i) the property of CSP, (ii) plainly marked or otherwise adequately identified by Seller as the property of CSP, and (iii) safely stored separate and apart from Seller's property. Seller will adhere to the CSP procedure in effect at the time for submitting requests for reimbursement for tooling costs, including, but not limited to, the use of the CSP "Supplier Tool Record" Form. All requests for reimbursement for tooling costs are subject to review, approval and audit by CSP. Seller will retain and not use or rework tooling or property of CSP except for performance or work hereunder or as authorized in writing by CSP. Seller will keep such tooling or property in its possession and/or control in good condition, fully covered by insurance, free of liens and encumbrances and will replace such tooling or property when lost, damaged or destroyed. All CSP tooling or property will be transferred as CSP may direct at any time. If Seller makes any unauthorized transfer of Special Tooling, Seller will reimburse CSP for any costs incurred by CSP in returning the tooling to CSP or moving the tooling as directed by CSP.

**12. INSURANCE AND INDEMNIFICATION.** Seller will furnish evidence acceptable to CSP of adequate worker's compensation, comprehensive general liability, automobile and other public liability and property damage insurance coverage in amounts and coverages to cover all claims hereunder. Seller will defend, indemnify and hold CSP harmless against all claims, liabilities, losses, damages and settlement expenses for injury or death of any person and damage or loss of any property allegedly or actually resulting from or arising out of any act or omission, negligent work of Seller or its employees, agents or subcontractors in connection with performing this order, either on CSP's property or in the course or their employment.

**13.** CHANGES. a) CSP may, at any time, make changes in this order. Any claim by Seller for a change in price adjustment related to a change must be asserted in writing within ten (10) days from date of receipt by Seller of CSP's notification of any change. CSP will have the right to verify all claims hereunder by auditing relevant records, facilities, work or materials of Seller. Seller agrees to proceed with the order as changed under this Clause 12.

b) All engineering changes, whether initiated by CSP or Seller, will be processed pursuant to CSP practices in effect at the time of the change using the CSP "Engineering Order" (EO) system, or its successors. All CSP approved engineering changes to the part specification will be promptly implemented by Seller as directed by CSP. Price changes for CSP approved engineering changes are to be based solely on the design cost variance from the superseded design and must be substantiated with appropriate documentation, satisfactory to CSP.

c) Seller certifies the location(s) from which it will ship the goods covered by the order are as specified in the order. If Seller at any time intends to change such location(s), Seller must notify CSP prior to the change so that the effect of such change can be evaluated, and negotiated as necessary, for its effect on transit time, packaging methods, and other significant impact on CSP. If Seller does not notify CSP of any increased transportation charges in advance of a change in shipping points(s), Seller will be responsible for such costs.

14. SERVICE PARTS. a) Seller will make parts for CSP's service and warranty requirements for ten years or for such longer time as may be required by CSP after the order is terminated. The price of the part for CSP's service requirements will be the price provided in the order plus costs actually incurred for special packaging.

b) If the part is no longer required for CSP's production, then the price of the part for CSP's service materials since the order was terminated, plus (2) a volume adjustment reflecting the actual increase in the cost per unit of producing fewer units, plus (3) a set-up charge reflecting the actual cost or preparation for the production run, plus (4) any additional costs actually incurred for special packaging. All of the foregoing components of the price will be documented to CSP's reasonable satisfaction, including, but not limited to, set-up detail, machine productivity, scrap allowance, labor inefficiencies and excess raw material requirements.

c) If the parts are manufactured in a country other than the country in which the goods are delivered to CSP, Seller will mark the goods shipped for CSP's service requirements "Made in (country of origin)."

15. CLAIMS ADJUSTMENT. CSP may at any time and without notice deduct or set-off Seller's claims for money due or to become





due from CSP against any claims that CSP has or may have arising out of this or any other transaction between CSP and Seller.

**16. CUSTOMS.** a) Seller will promptly notify CSP in writing of material or components used by Seller in filling this order which Seller purchases in a country other than the country in which the goods are delivered to CSP. Seller will furnish CSP with any documentation and information necessary to establish the country of origin or to comply with the applicable country's rules of origin requirements. Seller will promptly advise CSP of any material or components imported into the country of origin and any duty included in the purchase price of the goods.

b) The rights to and benefits of any duty drawback, including rights developed by substitution and rights which may be acquired from Seller's suppliers and export credits, to the extent transferable to CSP, are the property of CSP. Seller will provide all documentation and information and take any necessary steps to drawback any duty, taxes, or fees paid to, and to receive export credits from, the government of the country of origin upon exportation of the goods from such country.

c) The responsibility for customs duty and customs brokers' fees will be determined in accordance with the transportation code stated in this order. If CSP is responsible for customs duties, it will be responsible for normal duties only. Seller will be responsible for any special duties, including, but not limited to, marking, anti-dumping and countervailing duties, to the extent permitted under the law of the country of importation. Seller will provide CSP or the appropriate governmental authority all documentation and information required by law or regulation or otherwise necessary to determine the proper minimum duty to be paid upon the importation of the goods into any country or to obtain any refunds or drawbacks of duties paid.

d) Seller will advise CSP if the importation or exportation of the goods requires an import or export license. Seller will assist CSP in obtaining any such license.

e) Seller will provide to CSP and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of the goods into the country in which the goods are delivered to CSP.

f) Seller shall provide all requested documentation within 90 days of receiving written request for said information from CSP. Should Seller fail to provide all requested documentation within the specified time period, CSP may invoke clause 15 hereof to recover CSP's estimate of duty drawback, administrative fees and/or damages.

**17. USE OF CSP's NAME.** Seller will not, without the prior written consent of CSP, in any manner publish the fact that Seller has furnished or contracted to furnish CSP goods and/or services, or use the name or trademarks of CSP, its products, or any of its associated companies in Seller's advertising or other publication. Seller will not place its or any third party's trademark or other designation, on the part if the parts bears a CSP trademark or an identifying mark specified by CSP, or if the part is peculiar to CSP's design ("Marked Parts"). Seller will sell Marked Parts, and similar goods, only to CSP and will not sell Marked Parts or similar goods to third parties without CSP's prior written consent.

**18. INFORMATION DISCLOSED.** The specifications, drawings, designs, manufacturing data and other information transmitted to Seller by CSP in connection with the performance of this order are the property of CSP and may be covered by one or more CSP patents, patent applications or copyrights. Seller will handle all of this in such a manner to insure that it is not used for any purpose detrimental to the interests of CSP. Unless expressly provided in this order or otherwise agreed to in writing by CSP, Seller's disclosure rights regarding products or services related to this order, and information relating thereto shall be limited to any valid copyright thereon or patent Seller may hold covering the manufacture, use and sale of the products or services.

**19. PATENTS.** No rights are granted to Seller under any CSP patents except as may be necessary to fulfill Seller's obligations under this order. Seller agrees to defend all suits, actions or proceedings which may be brought against CSP, any of its associated companies or its customers for alleged infringement of any proprietary interest resulting from the use or sale of the goods or services provided hereunder and to pay all expense and fees of counsel which may be incurred in defending, and all costs, damages, or other recoveries in every such suit.





**20. ASSIGNMENT.** This order will not be assigned or delegated, in whole or in part, without CSP's prior written consent, including, but not limited to, the subcontracting or work to be performed hereunder or the transfer of Special Tooling to third parties for the performance of work hereunder.

**21. TERMINATION AT CSP'S OPTION.** CSP may terminate this order at any time without cause in whole or in part by written notice, whereupon Seller will stop work on the date and to the extent specified in such notice and terminate all orders and subcontracts that relate to the terminated order. Within thirty (30) days after receipt of termination notice, Seller will submit all claims resulting from such termination. CSP will have the right to verify such claims by auditing the relevant records, facilities, work or materials of Seller and/or its subcontractors. CSP will pay Seller for finished work accepted by CSP as well as for the documented cost to Seller of work in process and raw material allocable to the terminated work which is not in excess of any prior CSP authorization. Payment made under this Clause 21 will constitute CSP's only liability for termination hereunder with title and right of possession to all delivered goods and services vesting in CSP immediately upon CSP tender of such payment. The provisions of this Clause 21 will not apply to any cancellation by CSP for default by Seller or for any other cause recognized by law or specified by this order.

**22. CANCELLATION FOR DEFAULT.** If Seller (i) fails to deliver goods or perform services at the time specified herein, or (ii) fails to perform any other provisions hereof and does not cure such failure within a period of ten (10) days after receipt of written notice from CSP specifying such failure, or (iii) becomes insolvent, makes an assignment in favor of creditors, or enters bankruptcy or dissolution procedures, or (iv) is merged into another company and/or is expropriated or nationalized, CSP may cancel the whole or any part of this order without any liability, except for payment due for goods and services delivered and accepted. Upon such termination, CSP will have the right, and on notice to Seller, to take title to and possession of all or any part of such work performed by Seller under this order.

**23. REMEDIES.** The rights and remedies herein reserved to CSP are cumulative and in addition to any other or further rights and remedies available at law or in equity. No waiver of any breach of any provision of this order will constitute a waiver of any other breach or a waiver of such provision.

**24. REQUIRED COMPLIANCE.** In providing goods or services hereunder, Seller will comply with any and all applicable federal, state and local laws (including Canadian or other foreign laws), and regulations promulgated thereunder. Seller will defend, indemnify and hold harmless from and against any and all claims, losses, damages, costs and expenses resulting from or arising out of any failure of Seller or Seller's employees, agents and subcontractors to comply with any applicable governmental regulations and/or statutes.

**25. SUPPLIERS WITH SPECIAL NEED.** CSP welcomes suppliers with special needs and encourages Seller to use suppliers with special needs. A supplier with special needs is a business establishment which meets one or more of the following conditions: (i) a small business, as defined in Title 15, Section 632 of the United States Code and related regulations; (ii) a small business owned and controlled by socially disadvantaged individuals (at least 51 percent of the business is owned and controlled by one or more socially and economically disadvantaged individuals and the management and daily business operations are controlled by one or more such individuals); and (iii) a business that is at least 51 percent owned by a woman or women who also control and operate the business. Seller will inform CSP annually the percentage, based on dollar value, of the content provided by suppliers with special needs for the part purchased hereunder as well as the basis for claiming that such content was provided by a supplier with special needs.

**26. GOVERNING LAW.** This order and all transactions between CSP and Seller will be governed by and construed in accordance with the laws of Michigan as if entirely performed therein.

Revised: Oct 9, 2018

255 Rex Blvd., Auburn Hills, MI. 48326 www.cspplastics.com





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