67 Kay Industrial Drive   
Lake Orion, MI 48359

(248) 377-4999 • Fax (248) 377-0522

**Terms and Conditions**

1. **Parties**. “Buyer” means KPMF USA, Inc., Inc. “Seller” means the party or parties to whom this Purchase Order (defined below) is submitted.
2. **Acceptance.** Seller acknowledges and agrees that these terms and conditions are incorporated in, and are a part of, each purchase order, release, requisition, work order, shipping instruction, specification and other document, whether expressed in written form, by electronic data interchange or other tangible format, relating to the Goods (defined below) to be provided by Seller to Buyer (such documents are collectively referred to as this “Purchase Order”), and that Buyer’s acceptance of Seller’s offer to purchase Goods is made conditional upon the incorporation of these terms and conditions into this Purchase Order. Seller’s shipment of goods, products or other materials hereunder (collectively, “Goods”) shall be determined an effective mode of acceptance of all Purchase Orders of Buyer. In no event shall any of the terms and conditions contained in Seller’s acceptance, whether by acknowledgement or otherwise, become a part of this Purchase Order or become binding upon Buyer. Seller’s terms and conditions, to the extent they vary from any of the terms and conditions of this Purchase Order are hereby objected to and rejected. Such proposals shall not operate as a rejection of this Purchase Order unless such variances are in the terms of the description, quantity, price or delivery schedule of the Goods.
3. **Price.** Goods shipped against this Purchase Order must not be invoiced at a higher price than shown on the face of this Purchase Order without Buyer’s prior written consent. If, during the term of this Purchase Order, Seller’s net price is reduced below those stipulated, Seller agrees to provide to Buyer the benefit of such reduction, and will notify Buyer on all such changes in price. All invoices must reference the applicable Purchase Order number and must be submitted in duplicate. Buyer reserves the right to return all incorrect invoices. Unless otherwise set forth on the face of this Purchase Order, Buyer shall pay all correct invoices within sixty (60) days of the date acceptable invoices are received.
4. **Taxes.** Seller’s prices shall be inclusive of any federal, state or local sales, use, or excise taxes levied upon, or measured by, the sale, the sale price, or use of the Goods required in the performance of this Purchase Order. Seller shall list separately on Seller’s invoice any such tax lawfully applicable to any such Goods, and payable by Buyer, with respect to which Buyer does not furnish to Seller lawful evidence of an exemption.
5. **Shipping; Risk of Loss.** Shipping instructions furnished by Buyer shall be strictly complied with and shall be considered a part of this Purchase Order. Seller shall provide Buyer at least twenty-four (24) hours’ notice prior to the delivery of any Goods. Risk of loss or damage shall remain with Seller until the Goods are physically received by and are in Buyer’s physical possession, unless otherwise agreed to in a signed writing executed by a duly authorized representative of Buyer.
6. **Inspection/Testing/Rejections.**  Goods purchased hereunder are subject to Buyer’s inspection and final acceptance within a reasonable time after delivery, which in no event shall be less than ten (10) days. Buyer’s failure to make an effective rejection within a reasonable time shall be deemed an acceptance. Payment of the full purchase price shall not constitute acceptance. Buyer, without prejudice to any other rights or remedies, shall have the right to reject Goods which do not conform to this Purchase Order. Upon rejection by Buyer, Seller may elect to remedy such non-conformity or direct Buyer to return the Goods to Seller or dispose of the Goods according to Seller’s instructions. Buyer’s rights and remedies shall be governed by the Uniform Commercial Code.
7. **Warranty.** Seller warrants that the Goods delivered to Buyer hereunder shall conform to all specifications and appropriate standards, are free and clear of any lien, claim, or other encumbrance of any kind and will be new and free from defects in material and workmanship. If such Goods are designed by Seller, such design shall satisfy all requirements of any samples, drawings, and specifications provided by Buyer to meet Buyer’s intended purposes and end use. Inspection, testing, acceptance and/or use of the Goods furnished hereunder shall not relieve Seller of its obligation under this warranty, and such warranties shall survive any such inspection, testing, acceptance and/or use. Seller shall promptly replace or correct defects of any Goods not conforming to the foregoing warranties, without expense to Buyer, when notified of such non-conformity by Buyer, provided Buyer elects to provide Seller with the opportunity to do so. In the event of failure of Seller to promptly correct defects in, or replace non-conforming Goods, Buyer may make such corrections or replace such Goods and charge Seller for the costs incurred in doing so after reasonable notice to Seller. Seller will make available to Buyer (by assignment or otherwise) all manufacturers’ warranties provided with respect to the Goods.
8. **Disclosures.** Unless otherwise agreed in writing by Buyer, any information disclosed to Seller in connection with this Purchase Order shall be deemed confidential and/or proprietary information of Buyer, and Seller shall not disclose any such information to any other person, or use such information for any purpose other than its performance under this Purchase Order. Seller shall not advertise or publish the fact that Buyer has contracted to purchase Goods from Seller, nor shall any information relating to this Purchase Order be disclosed without Buyer’s prior written permission. Unless otherwise agreed in writing, in no event shall any commercial, financial or technical information disclosed in any manner or at any time by Seller to Buyer be deemed secret or confidential and Seller shall have no rights against Buyer with respect thereto.
9. **Changes.** Upon reasonable notice to Seller, Buyer shall have the right to make changes in the Goods, quantities or other information incorporated in this Purchase Order, including without limitation, methods of shipment or packing, and time of delivery. Buyer also have the right to make adjustments to the price and delivery schedule, to the extent necessary to reflect the impact of such changes, and this Purchase Order shall be modified accordingly.
10. **Termination of Order.** Buyer shall have the right to terminate this Purchase Order, in whole or in part and for any or no reason, by giving Seller written notice. Termination shall become effective upon receipt of notification by Seller. Any claim for payment must be submitted in writing to Buyer within ten (10) days of receipt of written notice of termination, and must be thoroughly documented. Failure to submit notice as required hereunder shall relieve Buyer from any further payments obligations arising from such termination.
11. **Force Majeure.** Buyer may delay delivery or acceptance occasioned by causes beyond its control. In such event, Seller shall hold all relevant Goods at the direction of Buyer and shall deliver such Goods when the cause affecting the delay has been removed. Causes beyond Buyer’s control shall include, but not be limited to, acts of God, government action or failure of the government to act where such action is required, strike or other labor trouble, fire, or unusually severe weather.
12. **Indemnity:** Seller shall indemnify, hold harmless, and defend Buyer, its officers, directors, agents and employees, against all claims, liabilities, damages, losses and expenses (including reasonable attorneys’ fees and costs of suit) (collectively “Liabilities”) arising out of or in any way connected with the Goods provided under this Purchase Order, including, without limitation, for any personal injury, illness or death to any person or damage to any property or claim or other assertion of Liabilities or potential Liabilities by any person or any other loss or damage of any kind whatsoever, to the extent such Liabilities are caused by, arise out of, or are connected in any way with: (a) any breach by Seller of any of Seller’s obligations, covenants, undertakings, representations or warranties under this Purchase Order; or (b) any act or omission of Seller or its personnel (including Seller’s employees, servants and agents).
13. **Assignments and Subcontracting.** No part of this Purchase Order may be assigned or subcontracted by Seller without the prior written approval of Buyer.
14. **Setoff.** All claims for money due or to become due from Buyer shall be subject to deduction or set-off by Buyer against any amounts due to Seller arising out of this or any other transaction with Seller.
15. **Limitation of Liability.** IN NO EVENT SHALL BUYER BE LIABLE TO SELLER OR ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS PURCHASE ORDER, WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
16. **Law.** This Purchase Order shall be governed by and constructed according to the laws of the State of Michigan.
17. **Statutory and Regulatory Requirements.** The seller shall document their process to ensure that purchased products, processes, and services conform to the current statutory and regulatory requirements in the country of receipt, the country of shipment, and the customer-identified country of destination, if provided. If the buyer defines special controls for certain products with statutory and regulatory requirements, the seller shall ensure they are implemented and maintained as defined, including at suppliers.
18. **Certificates of Origin.** Upon request, Seller shall promptly furnish to Buyer all certificates of origin or domestic value-added and all other information relating to the costs and places of origin of the Goods and the materials contained therein or used in the performance thereof, as may be required by Buyer to comply fully with all customs, tariffs and other applicable governmental regulations including those customs, tariffs, and regulation that enable Buyer to claim preferential duty treatment at the time of entry of the Goods and related tooling and equipment.
19. **Delivery Schedule.** Time and rate of deliveries is of the essence of this Purchase Order. Failure or delay in delivery of acceptable Goods may, at the request of Buyer, result in an expedited method of shipment at Seller’s expense. Seller is obligated to immediately notify Buyer of any inability to meet the requested delivery date(s), or of any manufacturing issues that may result in a delay of on-time delivery. Seller shall be responsible and shall reimburse Buyer for all fines and/or penalties assessed to Buyer by its customers to the extent such fines and/or penalties are the result of Seller providing late or non-conforming Goods.
20. **Disputes.** Any controversy or claim arising out of, or relating to this Purchase Order or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and shall be conducted in Metropolitan Detroit, Michigan. Judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.
21. **Intellectual Property Rights.** Seller warrants that Goods furnished under this Purchase Order, and the normal use thereof, do not infringe or misappropriate any patent, copyright, trademark, service mark, trade secret, or other intellectual property right of any third party. Seller shall indemnify, hold harmless, and defend Buyer, its officers, directors, agents and employees against any Liabilities arising out of any suit or proceeding alleging that the Goods infringe or misappropriate any patent, copyright, trademark, service mark or trade secret of any third party.
22. **Severability.** If any provision of this Purchase Order is or becomes invalid or unenforceable, that provision (to the extent invalid or unenforceable) shall be deemed amended or reformed to the extent required to render it valid and enforceable, and the remainder of this Purchase Order shall be unaffected and shall continue in effect.
23. **Binding Effect.** This Purchase Order shall inure to the benefit of, and be binding upon, the successors and assigns of Buyer and Seller without restriction.
24. **Waiver.** A waiver of any default hereunder or of any term or condition of this Purchase Order shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such waiver is directed.
25. **Entire Agreement.** This Purchase Order, and any documents referred to on the face hereof, constitute the entire Agreement between the parties.