

The Carlstar Group, LLC

Global Terms and Conditions of Purchase

Firm Offer: The purchase order and these Global Terms and Conditions (with any and all appendices, and exhibits attached to either) (the “Purchase Order”) is The Carlstar Group LLC’s (“Carlstar”) offer to you as the seller (“Seller”) to purchase conforming goods, tooling, items and services identified in the Purchase Order (collectively, the “Goods”). Unless sooner accepted by Seller or revoked by Carlstar, the Purchase Order shall remain open until 5:00 PM United States Central Time on the Expiration Date stated in the Purchase Order at which time it shall expire and be of no force and effect.

Acceptance of the Purchase Order by Seller: The Purchase Order is not binding on Carlstar until accepted by Seller. Once accepted by Seller, the Purchase Order and all documents incorporated herein by express reference (“Carlstar Documents”) shall constitute the entire Agreement governing the purchase of the Goods (the “Agreement”). Carlstar may, by written notice to Seller, revoke the Purchase Order any time before Seller’s acceptance. Seller’s acceptance of the Purchase Order shall be demonstrated only by (a) authenticating and returning to Carlstar an acknowledgement copy of the Purchase Order or other written purchase order acknowledgement conforming to the Purchase Order or (b) shipment of the Goods conforming to the Purchase Order. **SELLER’S ACCEPTANCE IS LIMITED TO THE EXPRESS TERMS OF THE PURCHASE ORDER. CARLSTAR HEREBY EXPRESSLY REJECTS ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS PROPOSED BY SELLER, WHETHER CONTAINED IN ANY FORMS OR ON SELLER’S WEBSITE, AND ANY SUCH ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS WILL BE OF NO FORCE OR EFFECT.** No site usage agreement or any other “click through” on a website will have any binding effect whether or not Carlstar clicks on an “ok,” “I accept,” or any similar symbol or icon. In the event of a conflict, the following precedence will apply: (a) terms agreed to in writing and authenticated by an authorized representative of Carlstar; (b) Carlstar Document terms; and then (c) the Purchase Order.

Changes: Carlstar may make changes to the Purchase Order, the Goods or to specifications, materials, and packaging, method of transportation and time and place of delivery at any time by giving advance written notice to Seller and Seller shall accept such changes. Seller must give Carlstar prompt written notice if the changes affect the price or delivery schedule. If Carlstar proceeds with the changes, the parties will in good faith negotiate an equitable adjustment and the Purchase Order shall be modified accordingly. **SELLER WILL MAKE NO CHANGES TO THE GOODS, INCLUDING THE SPECIFICATIONS, DESIGN, MATERIALS, MANUFACTURING LOCATION OR PROCESSES WITHOUT THE PRIOR WRITTEN CONSENT OF CARLSTAR WHICH MAY BE UNREASONABLY WITHHELD.**

Prices, Payment Terms and Invoices: All prices for the Goods stated in the Purchase Order are firm and shall not be subject to change without Carlstar’s prior written consent. Prices include all transportation charges, insurance costs, labor, supervision, materials, overhead and other costs associated with the manufacture, sale, carriage and delivery of the Goods, including without limitation all excise, value added, sales and use taxes. Upon Acceptance of the Goods as defined below, Carlstar shall pay for all Goods purchased hereunder NET 90 days after receipt of an undisputed invoice. If Seller requires payment earlier than such 90 days, Seller shall reduce the invoice price by a discount equal to no less than a 2% of the invoice price. All invoices for the Goods must identify: (a) the Purchase Order number, amendment and release number, (b) Carlstar’s part number, (c) Seller’s part number where applicable, (d) quantity of units in the shipment, (e) number of cartons or containers in the shipment, (f) bill of lading number and (g) any other information required by Carlstar. If Seller breaches any provision of the Agreement, or if any person or entity asserts a claim or lien against Carlstar relating to Seller’s breach, Carlstar may withhold from any payments due or to become due to Seller an amount sufficient in Carlstar’s reasonable judgment to protect Carlstar from all claims, losses, damages and expenses including without limitation incidental and consequential damages. Seller represents and warrants that the prices charged for the Goods or Services or similar Goods or services are the lowest and most competitive prices charged by Seller to any other customer under similar conditions. If Seller charges any other customer a lower price for similar Goods or services, Seller will promptly notify Carlstar and offer to apply similar price to the Goods Purchase Ordered hereunder.

Acceptance of Goods by Carlstar: As a condition precedent to payment for the Goods by Carlstar to Seller, Carlstar shall accept the Goods (in whole or in part). For purpose of these Global Terms and Conditions, “Acceptance” means the point at which Carlstar accepts or is deemed to accept the Goods in accordance with the terms stated in the Purchase Order. “Acceptance” shall include “Accept” and “Accepted.” Carlstar shall be deemed to have Accepted the Goods when Carlstar (a) after a reasonable opportunity to inspect the goods signifies to the seller that the goods

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are conforming or that Carlstar will take or retain them in spite of their non-conformity; or (b) fails to make an effective rejection, but such acceptance does not occur until the Carlstar has had a reasonable opportunity to inspect them; or (c) does any act inconsistent with the Seller's ownership. By way of clarification, Carlstar hereby reserves the right to reject any non-conforming Goods and shall not be obligated to Accept non-conforming Goods. Carlstar may inspect and test such Goods and reject any or all items that are, in Carlstar's sole judgment, non-conforming. Goods rejected or supplies in excess of quantities ordered may be returned to Seller at its expense. Failure by Carlstar to inspect and/or test the Goods shall not be deemed Acceptance.

Forecasts and Goods Shortages: Any forecast or projection provided by Carlstar is provided solely as an information tool to assist Seller in planning and is not binding on either Carlstar or, except as provided below, on Seller and is not an offer or commitment by Carlstar to purchase Goods or any quantities of Goods. Seller acknowledges and agrees that the Purchase Order, once accepted by Seller (a) is not an agreement to purchase goods exclusively from Seller; and (b) does not obligate Carlstar to purchase all of its requirements for goods of a particular kind from Seller. Notwithstanding the foregoing, Seller shall promptly notify Carlstar of any Goods shortages or any pending disputes, litigation or other events or conditions which could delay, adversely affect or otherwise jeopardize Seller's performance under the Agreement.

Cancellation: Carlstar may, for any reason at any time, at its option, cancel the shipment of Goods by providing Seller written notice of cancellation at any time prior to Seller's shipment of the Goods without further obligation or liability to Seller. To the extent the Purchase Order covers stock Goods, Carlstar's only obligation is to pay for Accepted Goods prior to such cancellation. To the extent the Purchase Order covers Goods manufactured or fabricated to Carlstar's specifications, Seller shall immediately cease all performance hereunder upon receipt of notice of cancellation, and, if Seller is not in default, Carlstar shall reimburse Seller for the actual, direct cost to Seller of such Goods which have, at the time of such cancellation, been wholly or partially manufactured.

Delivery: Incoterms 2010 will apply to all shipments. Unless otherwise indicated on the Purchase Order, all Goods shall be delivered FCA Carlstar's designated delivery point (Incoterms 2010). Seller shall use the carrier; freight forwarder designated by Carlstar; ship and mark the packaging in accordance with the carrier's or Carlstar's instructions. Title and risk of loss for the Goods shall transfer to Carlstar upon delivery and acceptance of the Goods at the named place of delivery in accordance with the applicable Purchase Order. If, in order to comply with Carlstar's required delivery date, it becomes necessary for Seller to ship by a more expensive method than specified in the Purchase Order, any increased transportation costs shall be paid by Seller, unless the necessity for such rerouting or expedited handling was caused solely by Carlstar. Time is of the essence with respect to delivery. If delivery of Goods is not or will not be completed by the date indicated on the Purchase Order, Carlstar, in its sole and exclusive discretion, may either (a) immediately cancel the Purchase Order by notice effective when received by Seller, purchase substitute Goods elsewhere and charge Seller for any loss incurred together with incidental and consequential damages; or (b) as liquidated damages, and not as a penalty, if Seller fails to deliver the Goods on or before the delivery date, the purchase price will be reduced by an amount equal to 1% of the original price for each day that the failure continues. Notwithstanding the foregoing, Carlstar is not obligated to accept early deliveries, late deliveries, partial deliveries or excess deliveries unless agreed in writing by Carlstar's authorized representative prior to delivery date. The remedies provided for in this paragraph shall be in addition to, not in lieu of, all other remedies available at law or in equity.

Packaging; Marking; Shipping: Seller will; (a) properly pack, mark and ship Goods according to the requirements of Carlstar, the involved carriers and the country of destination; (b) route the shipments according to Carlstar's instructions; (c) label or tag each package according to Carlstar's instructions; and (d) promptly forward the original bill of lading or other shipment receipt for each shipment according to Carlstar's instructions and carrier requirements. Seller will provide all special handling instructions that are needed to advise carriers, Carlstar, and their employees how to take appropriate measures while handling, transporting, processing, using or disposing of the Goods, containers and packaging.

Inspection / Non-Conforming Shipments: Payment for Goods delivered hereunder or acceptance of delivery will not constitute acceptance by Carlstar of such Goods. Carlstar, in its sole and exclusive discretion, may inspect 100% or a sample of Goods, at Carlstar's option and may reject all or any portion of a shipment if Carlstar determines a Good to be defective or nonconforming. Goods rejected and Goods supplied in excess of quantities called for under a Purchase Order may be returned to Seller at Seller's expense. Carlstar will not be required to make any payment for such Goods.

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Warranty: Seller warrants to Carlstar that all Goods shall: (a) conform to all Carlstar specifications; (b) conform to any sample or model; (c) be free from defects in design, workmanship and materials; (d) be new, not refurbished or reconditioned and free and clear from liens or encumbrances; (e) be adequately packaged, marked and labeled in accordance with Carlstar's requirements and all applicable laws; (f) be merchantable and fit for the intended purpose, and (g) not infringe on the Intellectual Property (as defined below) of any third party. Inspection testing, acceptance or use of the Goods will not affect Seller's obligations under this warranty. In addition, Seller warrants that Carlstar shall have good and marketable title to all Goods (including all components) and that no licenses or other permissions are required use or sell the Goods. Seller's warranty will inure to the benefit of Carlstar, its successors, assigns and customers and users of the Goods. Seller acknowledges and agrees, for the purposes of this Warranty, persons identified in the preceding sentence, other than Carlstar, shall be third party beneficiaries of this Agreement. With respect to Services, Seller warrants that (a) it will perform Services in a timely, competent and professional manner and in accordance with industry standards; (b) its employees and agents providing Services will have the proper skills, training and background so as to be able to perform the Services in a competent and professional manner, and where applicable, shall be certified, licensed or otherwise authorized as necessary to perform the Services; (c) the Services and any deliverables shall conform to any applicable specifications, legal compliance requirements or statement of work. The terms of this Section shall not be waived by Carlstar's Acceptance of, or payment for, Goods.

Seller's acceptance of this Purchase Order shall constitute a representation and a warranty to Carlstar that (a) all Goods will be in full compliance with the applicable provisions of Public Act 846, 74th Congress ("the Walsh-Healy Act") and Public Act 718 75th Congress ("Fair Labor Standards Act of 1938") as amended; and (b) the prices specified do not exceed any applicable maximum ceiling prices. Seller agrees that in the event the Government, pursuant to the Defense Production Act of 1950 or other applicable legislation or by valid Purchase Order, rule or regulation issued thereunder, shall establish a maximum price for any goods covered by this Purchase Order which is lower than the price stated herein; the price to be paid hereunder for such goods shall be the maximum price in effect as the date of delivery of such goods. The establishment of any such ceiling price shall not otherwise affect the rights of the parties hereunder nor shall it constitute a cause for termination or avoidance of this Purchase Order by either party.

Indemnification: Seller agrees to defend, indemnify and hold harmless Carlstar, its suppliers, customers, users, and licensors, and each of their affiliates, employees, shareholders, officers, directors and agents ("Indemnified Parties"), from and against any and all loss, liability, demand, claim, damage, injury, loss of profits or expense (including attorneys' fees, expert witness fees and costs) arising out of or relating to: (a) any breach of Seller's representations, warranties or obligations; (b) any act or omission by Seller, its officers, employees or agents (including Seller's subcontractors and their employees and agents); (c) any claim of infringement or misappropriation of any third-party intellectual or proprietary right, including claims for royalties or license fees, in connection with the purchase, use or sale of the Goods; and (d) death or any bodily injury, damage to property or any other damage or loss resulting or claimed to result in whole or in part from the Goods or Services. Each Indemnified party may, at its option, be represented by its own counsel in any action, the expenses of which shall be borne by Seller.

Insurance: Seller will maintain, at its own expense, the following insurance policies: (a) Commercial General Liability in an amount of not less than \$5,000,000 each occurrence and in the aggregate for bodily injury and property damage and \$5,000,000 any one person or organization for personal and advertising injury for premises operation, Goods/completed operations, blanket contractual liability, and broad form property damage; (b) Workers' Compensation in full compliance with the laws of any applicable state and/or country, at not less than statutory limits; (c) Commercial Automobile Liability for owned, hired and non-owned motor vehicles in an amount not less than \$5,000,000 combined single limit; and (d) Employers' Liability and Occupational Disease in an amount of not less than \$5,000,000 each accident for bodily injury and \$5,000,000 each employee and in the aggregate for disease. The limits of coverage required may be satisfied by a combination of primary and excess or umbrella insurance policies. Except for Workers' Compensation, Seller shall include Carlstar and its affiliates as an Additional Insured on all required insurance policies described above. Upon Carlstar's request, Seller shall provide Carlstar a certificate of insurance evidencing such coverage. Seller shall not change or cancel any such coverage except on thirty (30) days advance written notice to Carlstar before any cancellation of such coverage.

Limitation of Liability: CARLSTAR SHALL NOT BE LIABLE, AND SELLER WAIVES ALL CLAIMS AGAINST CARLSTAR, ITS OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES AND AGENTS, FOR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, DOWN TIME, LOST PROFITS OR COMMERCIAL LOSSES, WHETHER OR NOT BASED UPON CARLSTAR'S NEGLIGENCE, BREACH OF

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WARRANTY, STRICT LIABILITY IN TORT AND/OR ANY OTHER CAUSE OF ACTION WHETHER OR NOT CARLSTAR IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Carlstar's LIABILITY IN CONNECTION WITH THE AGREEMENT OR THE PURCHASE OF GOODS OR SERVICES SHALL NOT EXCEED THE PURCHASE PRICE OF THE SPECIFIC GOODS OR SERVICES FOR WHICH THE CLAIM IS MADE. TO THE EXTENT PERMITTED BY LAW, CARLSTAR HEREBY DISCLAIMS ANY WARRANTY OF NON-INFRINGEMENT OR OBLIGATION TO DEFEND, INDEMNIFY OR HOLD SELLER HARMLESS WITH RESPECT TO THE SPECIFICATIONS PROVIDED TO SELLER.

Intellectual Property:

a. **Reporting of Inventions.** Seller will promptly disclose to Carlstar all works of authorship, formulas, processes, compositions of matter, databases, mask works, improvements, logos, symbols, designs and other inventions that Seller makes, conceives, reduces to practice, or creates, either alone or jointly with others, during the period of the Seller's work in connection with the Purchase Order (collectively "Inventions"), whether or not in the course of the Seller's work, and whether or not such Inventions are patentable, copyrightable, protectable as trade secrets or otherwise subject to intellectual property protection. Seller acknowledges and agrees that, pursuant to this section, it will also disclose to Carlstar all Seller's Inventions existing prior to the Effective Date (a "Prior Inventions"). To the extent that Seller uses or incorporates a Prior Invention in a Good or Service, with or without Carlstar's knowledge or consent, Seller hereby grants to Carlstar a non-exclusive, perpetual, irrevocable, fully-paid, royalty-free, world-wide license to reproduce, create derivative works from, distribute, publicly, display, publicly perform use, make, have made, offer for sale, sell or otherwise dispose of and import the Prior Invention.

b. **Carlstar Ownership of Work Product.** An Invention will be considered "Work Product" and will be Carlstar's sole property if it fits any of the following three criteria: (i) it is developed using equipment, supplies, facilities or trade secrets of Carlstar; (ii) it results from Seller's work for Carlstar; or (iii) it relates to Carlstar's business or its current research and development.

i. **Work-for-Hire.** To the extent permissible under applicable law, Work Product will be considered work made for hire pursuant to the U.S. Copyright Act, 17 U.S.C. §101, *et seq.*, and any foreign equivalent thereof.

ii. **Assignment.** To the extent, if any, that Work Product may not be considered work made for hire, Seller hereby assigns to Carlstar all of its ownership, right, title and interest in and to all Work Product, including without limitation; (A) all copyrights, patents, rights in mask works, trademarks, trade secrets, and other intellectual property rights and all other rights that may hereafter be vested relating to the Work Product, arising under U.S. or any other law together with all national, foreign, state, provincial and common law registrations, applications for registration, and renewals and extensions thereof; (B) all goodwill associated with Work Product; and (C) all benefits, privileges, causes of action, and remedies relating to any of the foregoing, whether before or hereafter accrued (including without limitation the exclusive rights to apply for such registrations, renewals and extensions, to sue for all past infringements or violations of any of the foregoing and to settle and retain proceeds from any such actions).

c. **Backup License.** To the extent, if any, that this Section 11 does not provide Carlstar with full ownership, right, title and interest in and to the Work Product, Seller hereby grants Carlstar a perpetual, irrevocable, fully paid, royalty-free, worldwide license to reproduce, create derivative works from, distribute, publicly, display, publicly perform use, make, have made, offer for sale, sell or otherwise dispose of and import the Work Product, with the right to sublicense each and every such right.

d. **Moral Rights.** In addition to the foregoing transfers and allocations of rights, Seller hereby irrevocably transfers and assigns to Carlstar any and all "moral rights" Seller may have in or with respect to the Work Product. Seller also hereby forever waives and agrees that it will never, even after the termination of the work contemplated by the Purchase Order, assert any of the following against Carlstar or its customers: (i) any moral rights with respect to the Work Product; and (ii) any moral rights with respect to Prior Inventions licensed to Carlstar pursuant to Section 11(c), above.

e. **Further Assistance.** Seller will exert its best efforts to help Carlstar obtain and enforce patents, copyrights, rights in mask works, trade secret rights, and other legal protections for the Work Product in any and all

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jurisdictions throughout the world. Seller will execute any documents Carlstar reasonably requests for use in obtaining or enforcing such rights and protections.

f. Survival. The rights and obligations of this Section will survive any termination or expiration of the Agreement or Seller's provision of the Goods.

Confidential Information: Seller shall hold in strict confidence all information furnished or made available by Carlstar to Seller in connection with the Goods ("Confidential Information"). Seller will not use (directly or indirectly), or disclose to others, Confidential Information without Carlstar's prior written consent. These obligations will not apply to any information that: (a) at the time of disclosure was or thereafter becomes generally available to the public by publication or otherwise through no breach by Seller of any obligation herein; (b) Seller can show by written records was in Seller's possession prior to disclosure by Carlstar; or (c) is legally made available to Seller by or through a third party having no direct or indirect confidentiality obligation to Carlstar with respect to such information. Seller agrees that it will not make use of, either directly or indirectly, any of the Confidential Information, other than for the purpose for which the Confidential Information has been disclosed. On Carlstar's request, Seller will promptly return to Carlstar all Confidential Information.

No Publicity: Seller will not advertise, publish or disclose to third parties (other than to Seller's professional advisors on a need-to-know basis) in any manner the fact that the Seller has contracted to furnish Carlstar the Goods covered by the Purchase Order or the terms of the Purchase Order, or use any trademarks, trade names, logotypes or other commercial symbols of Carlstar in any written, broadcast or online press release, advertising, promotional materials or other similar publications without first obtaining Carlstar's written consent.

Special Tooling/Molds: Seller must notify Carlstar 90 days in advance prior to Seller's withdrawal of any Good(s). Carlstar may provide dies, fixtures, molds, jigs or other tools or directly or indirectly pay for tools for use in making Goods ("Special Tooling"). Unless approved in writing by Carlstar, Seller shall not (i) remove or relocate any Special Tooling, make any changes to Special Tooling; (ii) use the Special Tooling for any Goods or customer other than for those Goods provided to Carlstar under this Purchase Order; (iii) make any changes to Special Tooling; or (iv) reverse engineer any Special Tooling. Seller shall use all Special Tooling solely for manufacturing Goods as specified by Carlstar in writing. Special Tooling shall remain Carlstar's property, be segregated from Seller's property, and be individually marked as Carlstar property in accordance with Carlstar Tooling-Mold Agreement reference document Carlstar-053. Seller shall maintain Special Tooling in good condition and repair or replace it at Seller's cost if lost, damaged, destroyed, or otherwise rendered unfit for use. Upon Carlstar's request, Seller shall transfer possession of the Special Tooling to Carlstar free and clear of liens and encumbrances and at the time and place designated by Carlstar. Carlstar reserves the right to do onsite audits of Special Tooling at Seller's locations annually in accordance with reference document Carlstar-053.

Drop Shipments: Carlstar may notify Seller that it wishes to have Goods dropped shipped directly to a Customer location either domestic or international. Carlstar will notify Seller of its intent to arrange drop shipments, Carlstar shall (i) issue Purchase Order to Seller for Goods clearly identifying deliver to location; (ii) Seller shall acknowledge receipt of Purchase Order and confirm shipment date; (iii) Seller will be directed by Carlstar to either arrange shipment methods directly or through the use of designated third party provider; (iv) Seller will be responsible for arrangement of all proper shipping documents and scheduling of shipment of Goods; (v) Seller to invoice Carlstar at time of shipment to Carlstar's designated "Bill to" address so Carlstar may process and pay Seller in accordance with section 2 of these Terms and Conditions. SELLER SHALL NOT SOLICITE OR SELL GOODS RELATED TO THIS PURCHASE ORDER DIRECTLY TO Carlstar CUSTOMERS OR A THIRD PARTY BUYER WITHOUT PRIOR WRITTEN AGREEMENT WITH Carlstar TO ACT AS AN AUTHORIZED SALES REPRESENTATIVE OF Carlstar.

Compliance: Seller by acceptance of this Purchase Order agrees to comply with all federal, state, local and foreign rules, regulations, ordinances and laws applicable to Seller's obligations hereunder and Seller's manufacture and sale of the Goods and Services, including import/export laws, labor laws, and anti-corruption laws. Seller also agrees to comply with all applicable environmental, health and safety laws, and laws against slavery, human trafficking and child labor.

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Conflict Minerals: Upon request from Carlstar, Seller shall determine whether any Goods contain tin, tantalum, tungsten, gold or any other material that is designated under applicable rules of the Securities and Exchange Commission (“SEC”) as a “conflict mineral.” If a Good contains one or more conflict minerals that are necessary to the functionality or production of such Good within the meaning of applicable SEC rules and interpretations, Seller shall, upon request, certify in writing to Carlstar that none of the Goods contains such conflict minerals. If any Good contains one or more such conflict minerals, Seller shall certify in writing to Carlstar the country of origin of any such conflict mineral or that the conflict mineral came from recycled or scrap sources within the meaning of those terms under applicable SEC rules. If seller is unable to identify the country of origin, and the conflict mineral(s) in question did not come from recycled or scrap sources, Seller shall in good faith conduct an inquiry of its relevant suppliers as to the country of origin of such conflict minerals, and such inquiry shall comply with then-existing standards under SEC rules for the conduct of a reasonable country of origin inquiry. In the event that Seller is or becomes aware that any conflict minerals that are necessary to the functionality or production of any Goods originated from a “covered country” within the meaning of the SEC’s conflict minerals rules and did not come from recycled or scrap sources, Seller shall make a good faith effort to determine whether such conflict minerals came from a processing facility certified as conflict free by a recognized industry group that requires an independent private sector audit of the smelter or from an individual processing facility that has obtained an independent private sector audit that is publically available, and to provide written documentation of such determination. Seller shall also take such additional actions and provide such additional information requested by Carlstar as may be necessary in order for Carlstar to be or remain compliant with applicable laws, rules and regulations relating to conflict minerals.

Customs: The Seller shall make available to Carlstar and any party designated by Carlstar any and all documents and data necessary to effect customs clearance, including the importer security filing and shall provide any assistance deemed necessary by Carlstar.

Quality Requirements: Seller will conform to the quality control standards and inspection systems that are established or directed by Carlstar from time to time. Seller will also participate in supplier quality and development programs as directed by Carlstar. Upon Carlstar’s request, Seller will participate in and comply with all Supplier Manuals and supplier performance evaluations. Seller acknowledges Carlstar’s reliance upon Seller’s expertise. In the event that any of Carlstar’s specifications or other requirements may result in any negative impact to the Good, Seller shall immediately notify Carlstar in writing of all ramifications of such direction. Any reviews, audits, inspections, acceptance quality levels, approved supplier lists, bill of materials, or approvals by Carlstar will not relieve Seller of its obligations.

Audits: Seller shall maintain complete and accurate records, books of account, reports and other data necessary for the proper administration of the Agreement on a generally recognized accounting basis. Such materials shall include any rebate programs and any other special pricing programs extended to Seller. Carlstar may audit and inspect Seller’s books and records. If any audit or inspection reveals an error or irregularity in the computation of prices or any other costs, Seller shall promptly make an appropriate adjustment reasonably acceptable to Carlstar. Further, if such audit or inspection demonstrates that an error or irregularity occurred and caused the prices to be computed in Seller’s favor, then Seller shall pay all costs and expenses incurred by Carlstar with respect to such audit or inspection. Seller shall, at Carlstar’s request, permit Carlstar or a third party designated by Carlstar to have reasonable access to designated areas within its facilities directly relating to the production and packaging of the Goods for the purpose of performing production and quality audits. Carlstar shall conduct any such audit only during Seller’s normal working hours.

Relationship of the Parties: The Parties to this Agreement are independent contractors. Nothing in the Agreement or the course of dealing of the parties may be construed to constitute the parties hereto as partners, joint venturers or as agents for one another or as authorizing either party to obligate the other in any manner.

Force Majeure: If the performance by either party or any obligation under the Agreement is prevented, restricted or interfered with by any act of God, fire or other casualty, strikes or labor disputes, embargo, power or supplies, war or violence, acts of terrorism, or any law, Purchase Order, proclamation, ordinance, demand or requirement of any governmental agency or similar event beyond such party’s reasonable control (each, an “Event of Force Majeure”), such party shall promptly give the other party written notice of the Event of Force Majeure. Delays caused by labor disputes, changes in cost or availability of raw materials or components based on market conditions, or scheduled downtime for maintenance shall not constitute an Event of Force Majeure. No later than 48 hours after the occurrence, Seller will provide written notice describing such delay and assurance of when the delay will be cured. During the

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delay, Carlstar may at its option: (a) cancel any Purchase Orders and purchase Goods or Services from third parties without liability or obligation to Seller; (b) to the extent available, require Seller to deliver all finished goods, work in process, tooling, parts and materials produced or acquired for work under the Purchase Order; or (c) have Seller provide Goods or Services from other sources and at the price set forth in the Purchase Order.

Assignment; Binding Effect: No assignment of any rights or interest or delegation of any obligation of Seller under the Agreement may be made without the prior written consent of Carlstar. Any attempted assignment will be void. Carlstar may assign the Agreement or otherwise transfer its rights and/or obligations under the Agreement. The Agreement will inure to the benefit of and be binding upon each of the parties hereto and their respective permitted successors and assignees.

Remedies and Waiver: Except as specifically set forth herein, all rights and remedies under the Agreement are cumulative, and the exercise of any right or remedy herein provided shall be without prejudice to the right to exercise any other right or remedy provided by the Agreement, by law or in equity. If Carlstar fails to insist upon strict compliance with the Agreement, Carlstar's actions will not constitute a waiver of Seller's default or any other existing or future default, or affect Carlstar's legal remedies.

Bankruptcy: If either party becomes insolvent, is unable to pay its debts when due, files for or is the subject of involuntary bankruptcy, has a receiver appointed or has its assets assigned, the other party may cancel any unfulfilled obligations hereunder without liability for such cancellation.

Bankruptcy Rights. The rights and licenses granted to Customer in this Agreement are licenses to "intellectual property" rights, as defined in Section 365(n) of the United States Bankruptcy Code (11 U.S.C. Section 101, *et seq.*). If Seller is subject to any proceeding under the United States Bankruptcy Code, and Seller as debtor in possession or its trustee in bankruptcy elects to reject this Agreement, Carlstar may, pursuant to 11 U.S.C. Section 365(n)(1) and (2) retain any and all of the rights granted under this Agreement to the maximum extent permitted by law. This Section will not be construed to limit or restrict any right or remedy not set forth in this Section, including without limitation the right to retain any right or license granted by this Agreement.

Governing Law; Dispute Resolution: This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Tennessee or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Tennessee. Each Party agrees that any action based hereon, or arising out of, under, or in connection with this Agreement between the Parties, shall be brought and maintained exclusively in the Courts of either the State of Tennessee or in the United States District Courts for The Middle District of Tennessee. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments shall not apply to this Agreement. If either party commences litigation concerning any provision of the Agreement or if the parties agree to alternative dispute resolution, the prevailing party is entitled, in addition to the relief granted, to reimbursement for their reasonable and actual attorney's fees, expert witness fees and costs in such litigation or mutually agreed upon alternative dispute resolution, provided if each party prevails in part, such fees will be allocated in the manner as the court or mediator determines to be equitable in view of the relative merits and amounts of the parties' claims.

Survival: Any provisions in the Terms which, by their nature, extend beyond the termination or expiration of any sale of Goods or Services will remain in effect until fulfilled.

Severability: If any provision herein is held to be unlawful or unenforceable, the remaining provisions herein will remain in effect.

Integration and Modification: The Agreement together with any Non-Disclosure, Confidentiality or similar agreement between the Parties constitutes the entire and integrated agreement between Carlstar and Seller with respect to the Goods, and supersedes any prior Agreements, understandings, representations and quotations with respect thereto. Except as expressly provided to the contrary in the Agreement, no modification hereof will be of any effect unless in writing and signed by the respective authorized representatives of Carlstar and Seller.

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Notice. Any payment, notice or other communication required or permitted to be given pursuant to this Agreement shall be in writing and sent by certified first class mail, postage prepaid, by hand delivery or by facsimile if confirmed in writing, in each case effective upon receipt, at the addresses on the Purchase Order or as otherwise designated by written notice given to the other Party