

**ARaymond (“Supplier”) GENERAL TERMS AND CONDITIONS  
(Effective April 28, 2014)**

**This document is applicable to the ARaymond entities in North America, Canada and Mexico, see detailed list on page 16**

**I. General**

1.1 General Application and Applicable. These General Terms and Conditions apply to all proposals and quotations submitted by Supplier, to all purchase orders received by Supplier, and to all supplies and services provided by Supplier (“Supplies”), except as otherwise specifically provided in a document issued by Supplier.

1.2 Scope of Contract. This contract or any contract resulting here from consists only of these General Terms and Conditions and those provisions in other documents which are referred to herein or are attached hereto or in a document provided or signed by Supplier and referencing the transaction (all of which constitute the “Contract”). Such other written documents may include any document signed by Supplier and Customer, an order acceptance or confirmation by Supplier, specifications and other technical documents provided by Supplier, and do not include advertising and marketing materials.

**1. Formation, Integration and Modification.**

2.1 Formation. The Contract supersedes all previous quotations and agreements pertaining to the provision of the Supplies. Delivery to Supplier of Customer’s acceptance of a Supplier’s quotation (according to its terms), Supplier’s actions in reliance on Customer’s oral acceptance of a written or oral quotation, or Customer’s receipt of the Supplies, will constitute Customer’s acceptance and a binding contract under the terms of the Contract. Notice of such acceptance may be furnished to Customer in the form of an acknowledgment, shipment, or other form of express approval. An order submitted by Customer or ally or in a purchase order or other writing (whether or not it contains terms or conditions modifying, adding to, repugnant to, or inconsistent with these Terms and Conditions), may be accepted, approved or filled by Supplier in writing, but any resulting contract and the liabilities or obligations of Supplier shall be determined solely by the Contract, and (unless the Supplier otherwise advises Customer in writing) notice is hereby given that Supplier objects to any such terms or conditions in Customer’s purchase order or other writing. Supplier shall not be deemed to have in any way enlarged or modified its liability or obligations under the Contract by filling such order or by failing to further object to Customer’s terms or conditions.

2.2 Integration and Modification. The Contract is a final, complete and exclusive statement of the Contract of the parties. THE SUPPLIER IS WILLING TO NEGOTIATE WRITTEN CHANGES TO THESE TERMS AND CONDITIONS SIGNED BY SUPPLIER, BUT SUPPLIER RESERVES THE RIGHT TO MAKE AN ADJUSTMENT IN THE PRICE OF THE SUPPLIES TO COVER SUPPLIER’S ESTIMATED COST OF SUCH CHANGES. No modifications, limitations, waivers or discharge of the Contract or any of its terms shall bind Supplier unless in writing and signed by Supplier’s authorized employee at its home office. No agent, employee, or representative of Supplier has any authority to bind Supplier to any affirmation, waiver, representation or warranty concerning the Supplies, not contained in the Contract. Unless an affirmation, waiver, representation, or warranty is expressly included within the Contract, it is not a part of the basis of the Contract and it is not enforceable. Notwithstanding anything to the contrary in this Contract, no modifications, limitation, waiver or discharge of any provision of the Contract shall affect Customer’s liabilities to Supplier accrued prior thereto. Supplier may correct unilaterally any mathematical and typographical errors in the Contract. Typed provisions of the Contract take precedence over printed provisions. A course of performance, course of deal, or custom in the trade shall not modify or waive any right of Supplier.

2.3 Third Parties. The Contract is only for the benefit of the parties, except all disclaimers and limitations applicable to Supplier are assignable by Supplier for the benefit of Supplier’s agents, employees, contractors, and suppliers, except as may be specifically provided in the Contract. If any other provisions of the Contract are determined to apply to third parties, all other provisions including limitations, waivers, and disclaimers shall also apply.

2.4 Cancellation. Customer may not cancel the Contract unless agreed to by the Supplier in advance in writing. Customer shall indemnify the Supplier for all expenses incurred (for example only, for specific equipment, engineering costs, labor costs and provisions of supplies, tools) and for all direct and indirect consequences resulting therefrom. Moreover, any deposit made shall be non-refundable.

2.5 Work Preparatory to Contract. All proposals, samples, prototypes, plans and other materials or information furnished by the Supplier in bidding, negotiating and performing the Contract, are confidential and the property of Supplier, whether or not marked “Confidential”, and shall not be shown or disclosed to any other bidder, and shall not be shown or disclosed to any third party or used by Customer except as may be necessary for the selection or use of the Supplies. They shall be returned by Customer to Supplier if an order is not given to Supplier.

2.6 Supplier’s Property. Customer shall reimburse Supplier for Supplier’s costs in the design, manufacture, maintenance, repair and replacement of equipment and tooling dedicated to the production of Supplies. All designs, modifications, and adaptations

of equipment and processes shall belong to Supplier. Supplier may, at its option, destroy any such equipment or tooling at any time after two years from the last order from Customer for the Supplies, provided it first supplies Customer with 30 days written notice and an opportunity to purchase it for its fair value.

2.7 Open Orders and Fixed Orders. Any Contract that does not fix the quantity or amount to be supplied shall be an "Open Order". If Customer orders under an Open Order less than 80% or more than 120% the quantity or amount estimated for a given period, there shall be an equitable adjustment in the purchase price, delivery times, and other terms to compensate Supplier for its additional costs such as but not limited to overtime, amortization of additional capital equipment, shift premiums, subcontracting, and idle facilities. A "Fixed Order" specifies firm quantities, prices, and delivery periods.

2.8 Status of Parties. Customer and Supplier acknowledge that: they are merchants in respect to the Supplies; they have had an opportunity to review the Contract; and the provisions of the Contract are reasonable when considered as a whole.

2.9 Brand Protection. Customer may not resell the Supplies under any brand name other than the brand name under which the Supplies are provided by Supplier. Supplier may sell any stock of Supplier or materials produced or obtained to perform the Contract if Customer fails to purchase them from Supplier.

## **2. General Express Warranties.**

A. Supplier warrants to Customer only, subject to the disclaimers and limitations of the Contract that Supplies to the extent manufactured by Supplier shall be free from failure due to defects in materials and workmanship which are discovered within the period of three months from the delivery to Customer. Because the Supplies may be subject to a wide variety of use, installation, maintenance and cleaning, the warranty is only against such defects and not against any other failures such as, but not limited to, those due to wear and tear, normal maintenance and perishable items which are excluded from this warranty against defects.

B. Supplier warrants to Customer that the Supplies will be as described in the Contract in all material respects, subject to the limitations stated herein and Supplier's published and internal standards; however, Supplier retains the right to change the dimensions, composition, design, performance, color and appearance of the Supplies without liability if, in its judgment, the change is nonmaterial. Supplier may, in its discretion, also rely on any generally accepted industry standards.

C. Supplier's warranties shall apply only if the Supplies: (i) have been installed, maintained, and used in conformity with instructions furnished by Supplier from time to time, if any, and otherwise in conformity with the highest industry practices; (ii) have been subjected to normal use for the purpose for which Supplies were designed; (iii) have not been subjected to misuse, negligence, or accident; and (iv) have not been altered or repaired by persons other than Supplier in any respect which, in the judgment of Supplier, adversely affects the condition or operation of the Supplies.

D. Customer shall create, maintain and make available to Supplier, permanent records of the installation, maintenance, use and disposition of the Supplies.

**3. Disclaimer and Limitation of Express Warranties.** There are no express warranties other than those contained in the Contract. Any representations as to performance and other matters, except as contained in the Contract, were for illustrative purposes only and do not constitute a warranty. Whether or not the Supplies are to be used exclusively by Customer, there shall be no third party beneficiaries to the express warranties contained herein. Supplier does not warrant any portion of the Supplies not conceived, designed, developed, or manufactured by Supplier (whether or not specified by Customer), but Supplier shall assign to Customer upon request all assignable warranties of Supplier's suppliers related to such Supplies. Supplier is not responsible for any errors or omission or for any loss or damage resulting from reliance on catalogues, brochures, price lists or other information provided to Customer from the Supplier, including, without limitation, any descriptions, shipping specifications, illustrations, representations as to quality or capabilities, or any other information. Such information provided by the Supplier is intended for general information only. Supplier does not warrant that it or the Supplies are in compliance with any entity, organization or industry standards, guidelines or procedures unless specifically contained in the Contract.

**4. Disclaimer of Implied Warranties.** **THE SUPPLIER DISCLAIMS ALL IMPLIED WARRANTIES (OTHER THAN GOOD TITLE) INCLUDING BUT NOT LIMITED TO THOSE OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, AND NON-INFRINGEMENT.** There are no warranties which extend beyond those express warranties contained in the Contract. Customer affirms that it has not relied upon the Supplier's skill nor judgment to select or furnish Supplies for any particular purpose beyond the specific express warranties in the Contract. Customer has the responsibility to determine whether the Supplies are fit for Customer's intended purpose. Supplies provided by Supplier (including but not limited to goods, design, plans, drawings, and specifications) are based on information provided by Customer. Supplier may rely entirely on information provided by Customer and is under no obligation to verify such information or take any actions to obtain explanatory or supplemental information from Customer or third parties. Customer's approval of any goods, designs, plans, drawings, specifications, and/or prototypes constitutes Customer's acceptance and waiver of any responsibility for a failure to consider information provided by Customer. Any modifications of goods, designs, plans, drawings, specifications, prototypes and other work of Supplier after approval by Customer shall be at Customer's expense at Supplier's normal rates for services and materials. Supplier does not warrant the Supplies as furnished will comply with the requirements of any safety or environmental code or regulation of any federal, state, municipality or

other jurisdiction beyond the specific express warranties in the Contract. Customer has the responsibility for using the Supplies under normal conditions and in compliance with all laws including but not limited to those relating to hazardous materials, environment and safety.

**5. Delivery and Packaging.**

A. Shipping dates are estimates based on Supplier's present engineering and manufacturing capacity and scheduling, and may be revised by Supplier upon receipt or scheduling of Customer's order. All shipping dates are approximate and shall be computed from the date of entry of the order on Supplier's books. All shipping dates are further subject to Supplier's prompt receipt from Customer of a written purchase order or acceptance, letter of credit, down payment, and other conditions as specified in the Contract, and of all drawings, information and approvals necessary to provide the Supplies and to grant any credit proposed in the Contract.

B. Supplier shall deliver the Supplies by tendering the Supplies on its docks for placement in the possession of a carrier. Supplier shall, without liability, make such contract for their transportation as Supplier decide having regard for the nature of the Supplies and other circumstances. Supplier will generally follow Customer's shipping instructions, but may make reasonable changes thereto without liability and at Customer's cost. On Customer's request, Supplier shall obtain and send to Customer documents necessary to enable Customer to obtain insurance. The Supplier is not responsible to repay transportation or insurance costs. Customer shall pay all handling and other charges incidental to transportation. Customer is responsible for making any claim against the carrier and other handlers of the Supplies after delivery.

C. Supplier shall package the Supplies in accordance with Supplier's standard practices. Supplier has no responsibility to collect or dispose of any packaging.

D. Whether or not Supplier prepays shipping charges, risk of loss passes to Customer upon tender of the Supplies to a carrier. Supplier's breach of the Contract shall not affect the passing of the risk of loss to Customer notwithstanding any provision of law to the contrary.

**6. Delay of Shipment or Performance Excused for Various Reasons.**

A. If shipment of any item or other performance by Supplier is delayed at the request of or due to the fault of Customer, the Supplier may at its option hold the item at the place of manufacture at the risk and expense of Customer from the time it is ready for shipment. In the event of any such delay in shipment, full and final payment for an item shall be due and payable 30 days after Customer is notified that the item is ready for shipment. If the Supplier is unwilling to accommodate Customer by holding such item, Customer shall accept shipment immediately.

B. All inspection, delivery, and other dates for Supplier's performance are estimates only. In addition, the Supplier shall not be in default because of its delay or failure to deliver or perform under the Contract resulting, in whole or in part, from: (i) any foreign or domestic embargoes, seizures, act of God, insurrections, war, or the adoption or enactment of any law, ordinance, regulation, ruling or order; (ii) shortages of raw materials or labor; (iii) the lack of usual means of transportation, fires, floods, explosions, strikes or other work actions, or any other accidents, contingencies, or events, at the Supplier's or its supplier's plant or elsewhere (whether or not beyond the Supplier's control) which directly or indirectly interfere with, or render substantially more burdensome, Supplier's production, delivery, or performance; (iv) delays by Customer in inspecting and acceptance, in furnishing requested specifications, materials, tooling or information, in making payments, or otherwise. If one or more deliveries hereunder is delayed by reason of any one or more of such occurrences for a period of 30 days, the Supplier may, at its option, terminate the Contract as to the undelivered supplies or waive such delay and establish a new delivery schedule.

C. Whenever the Supplier's supply of the Supplies, materials or means of production is insufficient to meet the estimated delivery schedule or in the event of any occurrence mentioned above in Subsections A and B, the Supplier, in its sole discretion, may allocate its supply to its own use or other customers.

D. This Section shall be effective even as to events described in Subsections A, B and C which exist on the date of a quotation or of contract formation.

**7. Inspection, Testing and Rejection.**

A. All drawings, specifications, technical documentation, samples, prototypes and Supplies shall be deemed approved and/or accepted by Customer if Customer does not provide a written objection and/or rejection within seven days of receipt or other reasonable time established by Supplier. Customer shall have seven days after receipt of the item to inspect and either accept or provide notice of objection and/or rejection. If it is rejected, notice must be given to the Supplier so that it will arrive no later than 10 days after receipt of the item by Customer. Failure to so act shall constitute an irrevocable acceptance by Customer of the item. Any objection and/or rejection by Customer must be in writing and state with specificity all defects and non-conformities upon which Customer will rely to support its rejection. **ALL DEFECTS AND NON-CONFORMITIES WHICH ARE NOT SO SPECIFIED ARE WAIVED.** If Customer rejects any tender of the Supplies and if requested by Supplier, Customer shall return them to the Supplier, express, collect, within three days after such request. A failure to so return shall constitute an irrevocable acceptance. No attempted revocation of acceptance shall be effective, and Customer shall be limited to any available remedies specifically provided

in the Contract. There shall be no limitation on the period of time in which Supplier may cure any non-conformity or breach, provided it continues to make reasonable efforts to cure.

B. If the Contract requires, or Supplier requests in writing, inspection or testing prior to shipment, and upon notification by Supplier that the Supplies are ready for inspection or testing, Customer shall provide at the place of manufacturer or other location selected by Supplier, at its own expense, one or more qualified and authorized employees to inspect and/or test the Supplies, check them for general compliance with the Contract, and authorize shipment. If Customer fails to do so within seven days, then the Supplier may, in its own discretion, determine that Customer has waived the right of inspection, testing and/or acceptance prior to shipment and ship the Supplies. Correction of defects or non-conformities, which would likely have been discovered by Customer's inspection and/or testing and are otherwise covered by Supplier's warranty, will be at Customer's expense.

**8. Installation.** Customer assumes all risk of using the Supplies in its location and in connection with other equipment. Supplier has no responsibility to determine the adequacy of the foundation, utilities, skills of Customer's staff, or any other matters. If a standard foundation drawing is supplied, it may include only plan and elevation views. Due to many variations in soil type, adjacent equipment, workmanship foundation depth, etc. any foundation drawing is a suggestion only. The foundation (whether or not constructed with Supplier's drawing) is not warranted and Supplier shall not be responsible for any defects in the foundation or consequences which may result from an inadequate foundation.

**9. Proprietary Information.**

A. Any design, invention or other information developed by Supplier in the performance of the Contract shall remain the property of Supplier, whether or not Supplier charges for design, research, development, testing, or similar services. Any patentable features developed by Supplier shall be the property of Supplier and Supplier shall be under no obligation to refrain from using in its business any information, manufacturing processes or unpatented disclosures which may pass to it from Customer in the performance of the Contract, except as provided in subsection A.

B. Supplier is not obligated to furnish detailed or shop working drawings, engineering calculations, computer programs, or other information for any Supplies or part thereof.

C. Customer shall treat as confidential any business proposal from Supplier and all technology which shall be made available, directly or indirectly to Customer by Supplier and by Supplier's licensors, including but not limited to drawings, schematics, specifications, bills of material, test results, analysis, recommendations, models, and designs, and Customer shall use such business proposals and technology only to evaluate its business relationship with Supplier and to enable Customer to perform under the Contract. Customer shall not disclose, or authorize or instruct Supplier to disclose, any confidential or proprietary information of Supplier to any third party that is not bound by contract to at least the same duty of confidentiality to Supplier as its Customer. In addition, only those employees and contractors of Customer having a need-to-know and bound by contract to at least the same duty of confidentiality provisions as Customer may be given access to such technology. Customer shall maintain, for Supplier's inspection, written records which shall include the names and address of such employees and contractors granted such access. Customer shall indemnify Supplier from all expenses and damages related to the improper use or disclosure by Customer or its employees and contractors. Business proposals and technology of Supplier may be protected by patent, copyright, trademark and other law. No license or other right to business proposals or technology of Supplier is granted.

**10. Prices and Payment.**

A. Prices contained in Supplier's published price lists, if any, are subject to change without notice. Prices contained in individual written quotations or proposals are firm only for a period of 30 days from the date of the quotation. Beyond the 30-day period the prices are subject to change, and Customer should inquire of Supplier as to their validity and request a written confirmation or revision. Prices do not include taxes and Customer shall pay all applicable sales or other taxes levied with respect to Supplies (and replacements) and the Contract, unless exempt therefrom. All prices are in United States dollars and must be paid in U.S. dollars at the location specified in Supplier's invoice. Customer shall pay all government fees levied on the installation and inspection of the Supplies. Customer shall pay upon receipt all invoices rendered by Supplier for any such items Supplier may pay.

B. The Contract is for a shipment contract and the Supplies shall be delivered F.O.B. Supplier's dock.

C. Supplier may unilaterally increase prices to cover increased costs (plus reasonable overhead and profit) of design, materials, manufacturing, and other performance by Supplier, required by changes requested by Customer to the Supplies, schedule, or any other performance by Supplier after the date of any quotation. Supplier is not obligated to perform any such changes, but customer shall pay Supplier for such changes if Supplies complies with such requested changes.

D. Except as otherwise provided in the Contract, Supplier shall not be responsible for any freight, transportation, insurance, shipping, storage, handling, demurrage or similar charges arising out of the performance of the Contract. If such charges are specifically included in the price, any increase in rates for such services becoming effective after the date the price is quoted to Customer shall be added to the price.

E. If, at any time, reasonable grounds for insecurity arise with respect to Customer's performance of its payment or other obligations hereunder, Supplier may demand immediate payment in full or a documentary letter of credit approved by U.S. bank

acceptable to Supplier or other financial security for such payment or other obligations. In addition, all amounts owed by Customer to Supplier shall be accelerated and payable immediately if Customer fails to make any payment on time and as otherwise required or if Customer sells or transfers the line of business for which the Supplies are purchased or is a participant in a matter.

F. All export and import permits and licenses and the payment of all export and import duties and customs fees shall be the responsibility of Supplier, if Supplier is obligated by the Contract to deliver the Supplies within the United States. All export and import duties, fees, permits, licenses, etc. for Supplies to be delivered outside of the United States shall be the responsibility of Customer.

G. Invoices may be rendered separately for each shipment (including any early shipment) made by Supplier. Customer shall pay all invoices net 30 days after the date of shipment. Supplier may change any payment term to Customer on seven days written notice.

H. Supplier may elect to deliver the Supplies in installments. Each installment of Supplies to be delivered is to be considered as a separate sale and Customer shall pay timely the price for each installment which is delivered. Any Supplies indicated as back-ordered now or in the future shall be considered an installment delivery. A failure to pay for an installment within the time for payment is a material anticipatory breach of other installments by Customer.

I. All amounts not paid to Supplier when due shall incur a carrying charge of 1.5% per month to the extent allowed by law and otherwise at the highest written contact rate allowed by law.

J. All amounts due on installation or other event which requires the action or cooperation of Customer which Customer fails to supply timely shall become due upon such failure.

K. If the Contract permits or requires the use of a letter of credit, the letter of credit must be a documentary letter of credit assignable, irrevocable, confirmed by a United States bank in Michigan acceptable to Supplier, payable in installments, and requiring payment to Supplier on submission of Supplier's invoice and a bill of lading. Customer shall pay all costs related to the letter of credit.

L. Supplier may offset or recoup any amounts owed by Supplier or an affiliate of Supplier to Customer or an affiliate of Customer against any amounts owed by Customer or an affiliate of Customer to Supplier or an affiliate of Supplier. Customer waives any right of offset or recoupment and shall pay all amounts owed to Supplier when due regardless of any claim of Customer regarding warranties or other issues.

M. Supplier may allocate payments from Customer among outstanding invoices in Supplier's discretion.

**11. Parts, Service and Training Performed by Supplier.** All warranty and non-warranty parts, labor, service, software, and training, if any, provided by the Supplier or its agents and contractors (including those provided under purchase orders subsequent to the Contract) related to the Supplies are subject to all limitations and disclaimers of warranties and remedies provided in the Contract. Customer shall pay Supplier for all non-warranty work in advance or upon such other terms as may be agreed. The Supplier may have access to the Supplies during or after installation of the Supplies. The Supplier is not under any duty to inspect the Supplies for any defects or any improper use or modification of the Supplies nor to correct or advise Customer of any such condition, use or modification, which is observed. Any notification which may be given is voluntary and subject to all limitations and disclaimers in the Contract.

**12. Remedy and Limitation of Supplier's Liability.**

A. Defective or non-conforming Supplies or parts thereof discovered during the express warranty period shall be corrected, repaired, or replaced by Supplier without any additional charge and shipped to Customer, FOB Supplier's plant, for reinstallation by Customer at its cost, subject to the terms hereof. The warranty obligation of Supplier is limited to the correction, repair or replacement at Supplier's plant of any part of the Supplies which Customer shall, within the warranty period, return to Supplier, with transportation charges prepaid by Customer, and which Supplier shall determine upon examination to be defective or not in conformity with the express warranties contained herein. Supplies cannot be deemed defective or non-conforming if Supplier cannot duplicate the alleged failure. If the alleged failure can be duplicated by Supplies, Supplier will discuss the potential causes with Customer, and then determine whether the failure is due to a non-conformity or defect attributable to Supplier. In lieu of correction, repair or replacement, if Supplier elects, Supplier may, upon return of such Supplies and making a determination of nonconformity or defect, keep the Supplies and refund the purchase price. Customer's remedies shall be limited (even in the event of Supplier's default of its warranty obligations or a failure of a term to meet its intended purpose) exclusively to those provided in this Section. Customer waives any causes of action or theories of liability including, but not limited to, those arising under contract, tort, strict liability, product liability, statutes, or otherwise, except as specifically provided by the UCC as modified and limited herein. The correction, replacement or repair of Supplies by the Supplier does not give rise to any new warranty, and the warranty period provided for herein shall not be extended by the length of any period from the date the defective or non-conforming Supplies are received by the Supplier until the date repaired or replacement Supplies are delivered to Customer.

B. Customer must contact Supplier requesting warranty coverage plus a return authorization number and other instructions for the return of Supplies to Supplier or other instructions. If requested by Supplier, Customer shall issue a new

purchase order or amendment to Supplier for replacement parts, subject to Supplier issuing a credit memo if Customer's claim for warranty coverage is approved. Customer must comply with Supplier's return instructions (including return of the Supplies) within 30 days or the claim shall be deemed conclusively to have been abandoned. Customer is responsible for properly tagging, identifying, and packing returned Supplies. Supplies returned without compliance with the above procedures shall be returned to the sender at sender's cost.

C. Customer shall defend and indemnify Supplier from all liability for claims, damages, losses, and expenses incurred: (a) as a result of the use or disclosure of Supplier's confidential or proprietary information (except in the performance of the Contract) by Customer or its contractors; and (b) as a result of the advice furnished by Supplier to, and relied on by, Customer's contractors to the extent the liability exceeds any liability as limited by the Contract had the advice been furnished to, and relied on by, Customer.

D. Supplier shall not be liable for any costs related to a recall, service campaign, or similar action without its prior written consent. Supplier's maximum obligation in any such activity (including the provision of replacement Supplies and all other costs) shall not exceed 3% of the Supplier's average annual rates of the specific good.

E. Any amounts to be paid as stipulated damages under the Contract shall be in full satisfaction of Supplier's liability.

F. Under no circumstance shall Supplier's liability exceed Customer's uninsured loss. Customer waives any right of subrogation.

G. Supplier shall not be liable for any action taken pursuant to a good faith exercise of any of its rights under the Contract or law.

**13. Consequential, Incidental and Other Damages. CUSTOMER AND THIRD PARTIES SHALL NOT BE ENTITLED TO ANY CONSEQUENTIAL, PUNITIVE, EXEMPLARY, OR INCIDENTAL DAMAGES, AS DEFINED IN THE UCC OR OTHERWISE.** This limitation shall be enforced regardless of whether Supplier has defaulted in its warranty or other obligations or the limited warranty is held to fail of its essential purpose. Any legal inability to limit or restrict the right of Customer or a third party to such damages shall not affect the right of Supplier to indemnification hereunder, and under no circumstance shall Customer recover more than the purchase price.

**14. Indemnification.**

A. Customer shall indemnify the Supplier from any and all third party claims, damages, and expense (including reasonable attorney fees) under theories of tort, product liability, negligence (ordinary or gross), warranty, contract, statute, or otherwise arising out of the use, storage, sale, processing or other disposition of the Supplies, supplies or materials used in connection with the Supplies, or parts manufactured with the Supplies, if the action or inaction of Customer or its employees, customers or agents, or Customer's design specifications, were a material or proximate cause of injuries or damages giving rise to claims against the Supplier.

B. Customer shall use and shall require its employees to use all safety devices and guards furnished with or intended to be used with the Supplies, and to follow proper safe operating procedures in accordance with general industry standards and as set forth in manuals and instruction furnished by Supplier. If Customer fails to comply with the obligations set forth in this subsection, Customer shall indemnify and save Supplier harmless from any liability or obligation incurred by Supplier to persons injured directly or indirectly in connection with the operation of the Supplies and all warranties of Supplier shall become automatically void. Customer shall notify Supplier promptly, and in any event within 30 days, of any accident or malfunction involving Supplies which results in personal injury or damage to property and shall cooperate fully with Supplier in investigating to determine the cause of such accident or malfunction, including allowing Supplier access to the Supplies and Customer's reports regarding the Supplies for Supplier's inspection. If Customer fails to provide such notice and cooperation to Supplier, Customer shall indemnify Supplier from any claims arising from such accident or malfunction whether or not the Supplies are non-conforming or defective.

**15. Customer's Property.** Customer shall insure all materials, fixtures, tooling, and other property delivered to Supplier against all risks and waives subrogation in the event of loss of or damage to such property or personal injury arising from the use of storage of such property.

**16. Security Interest.** In addition to any security interest granted by the UCC or other law, Customer hereby grants a security interest to the Supplier in all Supplies and documents related thereto and proceeds and products therefrom to secure all obligations of Customer to the Supplier, whether or not arising under the Contract. Supplier may file a financing statement and at Supplier's request, Customer shall sign financing statements, evidencing the security interest, and Supplier may file a copy of the Contract or portion thereof as a financing statement. Customer grants Supplier an irrevocable power of attorney to sign Customer's name to a financing statement if necessary or convenient to perfect Supplier's security interest. Customer shall provide a landlord's waiver of any lien rights at the premises to which the Supplies are to be installed. In case of a default by Customer, Supplier may peaceably enter the premises of Customer and others and take other actions to repossess or render inoperable all Supplies in which it has a security interest. In case of a default by Customer, Customer hereby irrevocably appoints the Supplier as its agent to obtain possession of the Supplies and documents related thereto. Supplier may install and activate procedures or devices to make the Supplies or Software non-operative upon Customer's default. The Supplies shall be and remain strictly personal property and retain

their character as such, no matter whether on permanent foundation or in whatever manner affixed or attached to building or structure, or for what purpose the Supplies may be used. Customer shall maintain the Supplies in a segregated area and no co-mingle any Supplies which are not fully paid. Customer shall not sell, exchange, transfer, convey, mortgage, pledge, hypothecate, or grant a security interest in any Supplies which are the subject to the Contract if payment therefor shall not have been made in full to Supplier. Customer shall immediately advise Supplier in writing of any damage to, change in location of, or seizure of, any of the Supplies the price of which have not been paid to Supplier.

**17. United States Government Regulations.** Customer shall not engage in any transaction with respect to the Supplies, by way of resale, lease, shipment or otherwise, which violates any statute or regulation of the United States of America.

**18. Limitations of Actions.** Any proceeding by Customer for breach of the Contract or any other right against Supplier arising from or in connection with the payment cannot be filed nor maintained unless: (i) it is commenced within one year after the cause for action has accrued; (ii) Customer has given timely written notice to Supplier of its claim as provided herein; and (iii) Customer pays all amounts due to Supplier or deposits the unpaid portion of the purchase price with the tribunal pending final adjudication. An action for breach of the Contract shall accrue no later than shipment of the Supplies to Customer whether or not installation or other post shipment services are required by the Contract.

**19. Amicable Resolution of Disputes.** No litigation may be commenced (other than for injunctive relief) by a party unless it first proposes a meeting of management and technical personnel of the parties to resolve the dispute. The proposed discussions shall be at the location of the other party on dates selected by the other party from alternatives provided by the complaining party. Each party may invite an independent expert to attend the discussions to offer opinions on relevant technical matters to assist the parties.

**20. Mediation.** For all disputes, differences or questions which cannot be amicably solved, the parties shall attempt to resolve them by mediated negotiation with the assistance of a neutral person, a mediator. The parties shall appoint the mediator within 15 days from the date when either party gives written notice of its willingness to use such procedure.

**21. Arbitration.**

A. Every dispute arising out of, or relating in any manner to, this Agreement which cannot be resolved through the negotiations of the parties or mediation shall, on the written notice by any party, be submitted to final and binding arbitration by three arbitrators under the Rules of Commercial Arbitration of the American Arbitration Association ("AAA") in effect at the time, at the AAA regional office in Michigan. The arbitration panel shall have full authority to grant all forms of relief including all prejudgment remedies and equitable relief. As used in this Agreement, "any dispute" includes, but is not limited to, claims for breach of contract, breach of the covenant of good faith and fair dealing, torts of any kind (including, but not limited to, fraud, intentional and/or negligent infliction of emotional distress, defamation, invasion of privacy, interference with business relations, assault, battery, negligence of any kind, intentional conduct of any kind, and any other tort not specifically listed), and all statutory claims. The scope of the obligation to arbitrate includes claims against officers, directors, agents and employees, claims arising under any federal or state law or regulation, and claims by employees, agents, shareholders, partners, lenders, heirs, personal representatives, spouses, other family members, successors and assigns. The arbitration panel shall be bound by the terms of this Agreement.

B. Either party may apply to a court of record in the jurisdiction adopted by this Agreement for interim relief prior to the appointment and acceptance of an arbitration panel. The Commercial Arbitration rules shall be supplemented by the Expedited Procedures (Rules E-1, et seq.) for all claims regardless of amount. Notice may be given personally, by fax, or courier service to the last known addresses of the parties.

C. All final and interim orders and awards of the arbitrator or arbitration panel shall be final and enforceable by any court of record having jurisdiction. The parties shall bear their own expense of the arbitration, unless the arbitrators otherwise award. The prevailing party in the arbitration, as determined by the arbitration panel, shall have the right to recover costs and reasonable attorney fees. This arbitration will be the sole and exclusive remedy for any such controversy or claim. A demand for arbitration must be filed by a party within one (1) year after the party discovers the conduct, act, event or occurrence first giving rise to the claim, but no later than two (2) years after the conduct, act, event or occurrence first giving rise to the claim occurs, or the right to any remedy will be deemed forever waived and lost.

D. The parties shall provide to each other all relevant documents as may be requested by a party, and each party shall submit for discovery deposition one knowledgeable party representative. All other discovery must be approved by the arbitration panel.

**22. Choice of Law.** This Contract shall be governed, construed and enforced under the law of contracts of the State of Michigan, including the Uniform Commercial Code in force on the initial date of the Contract ("UCC"), to the extent applicable and otherwise by the common law of contracts. The U.N. Convention on the International Sales of Goods shall not apply. The court of Michigan shall have exclusive jurisdiction over the parties and the disputes arising under or related to the Contract, unless such exclusivity is waived by Supplier. Any declaration of unenforceability of a provision shall be as narrow as possible and shall not affect

the enforceability of the other provisions. At the request of Supplier, a tribunal with jurisdiction may reform a provision of the Contract, to the extent minimally required for enforcement.

**23. Assignment.** No right or interest in the Contract may be assigned by Customer without the prior written consent of Supplier. Any assignment attempted by Customer shall be void and ineffective for all purposes unless made in conformity with this section.



## **CLIENT QUALITY AGREEMENT OF ARaymond**

### **Preamble**

This "Client Quality Agreement of ARaymond" (this "Agreement") applies to all Offers issued by ARaymond (hereinafter referred to as ARaymond) in addition to the ARaymond General Terms and Conditions. It is expressly agreed the ARaymond General Terms and Conditions is made part of all ARaymond Offers for Products it manufacturers and/or sells. The following documents shall apply in the order shown below:

- ARaymond General Terms and Conditions
- Client Quality Agreement of ARaymond
- Client Logistics Agreement

### **I. PURPOSE**

This Agreement defines the so-called "Quality" terms and conditions of ARaymond with regard to Products designed and produced by ARaymond as defined below.

### **II. DEFINITIONS**

Client: means a professional having sufficient knowledge to evaluate specifications as described in the ARaymond Offer.

Quality: means all Products characteristics of ARaymond in compliance with the Specifications.

Specifications or PPAP Drawing: means all Products' characteristics defined in the drawing included in the PPAP File.

PPAP File or Initial Samples File: means the definition given in the automotive industry.

Non-conformity(ies): means non-compliance of ARaymond Product with a characteristic in the Specifications.

Latent defect: means a hidden defect that the Client was unable to detect with reasonable means, at time of delivery, and which render the Product non-conforming with Specifications.

Product: means a part produced under serial conditions according to Specifications.

Non-compliant product(s): means any Product delivered to the Client that does not correspond to the Product delivered as defined in the Specifications due to Non-conformity.

PPM: means "parts per million". Said PPM \_\_\_\_\_ to the number of Non-compliant Products delivered during a six (6) month period from a serial production run start-up. The Non-compliant Products recorded in the PPM and the result of Products delivered and rejected by the Client and confirmed by ARaymond.

Technical words and expressions that are not defined in this Agreement shall have the meaning generally given in the automotive industry.

### **III. PPAP FILES SUBMITTED**

Delivery of a Product is subject to the prior acceptance and approval of the PPAP File by the Client. Failing this, it is expressly agreed that the first order from the Client shall be acceptance and approval of said PPAP File. The PPAP File, which includes the PPAP Drawing, may be supplemented with additional documents upon Client's request but subject always to ARaymond'S prior written agreement. It is expressly agreed between the Parties that ARaymond, in order to reduce the number of \_\_\_\_\_ documents, at its option, reserves the right to supply annually, in the case of frequent PPAP Files to be drawn up with the same Client, a single so-called "generic" PPAP File by Product type as a standard extract of the PPAP File.

### **IV. COMPLIANCE WITH STANDARDS / LEGISLATION / RESTRICTION**

ARaymond complies with regulations of country of production. If client has expectations regarding other regulations, legislation and/or standards then Client is obligated to provide in writing such regulations, standards, or updates in the English language.

ARaymond will analyze such regulations, standards, or updates in order to evaluate if it is acceptable to include related obligations in the scope of its supply obligations. Any silence of ARaymond following remittance of such document shall not be considered as an approval. Only an express answer of acceptance in writing shall be valid.

ARaymond \_\_\_\_\_ no other guarantee for the Products in respect of compliances with standards regulations or legislations other than these expressly agreed beforehand.

### **V. MODIFICATION OF PRODUCT / PROCESS**

Any major revision or change to the Product or any major evaluation in manufacturing processes by ARaymond that might have an impact on the Product's characteristics defined in the PPAP Drawing, is the subject of information to the Client with an updated PPAP File adapted in line with the modification and/or change.

In addition, when an increase in production proves necessary within ARaymond and when its production capacity is soon to be momentarily insufficient, ARaymond reserves the discretionary right for possible implementation of the following solutions:

- Increase of its production time schedules,
- Use of subcontracting.

In this respect, in the case of subcontracting, in order to keep the same process and maintain the same quality level, ARaymond, at its option, which the Client acknowledges and accepts, may, depending on the circumstances, be caused to take the following measures:

- Selection of subcontractors,
- Use of tools/molds in possession of ARaymond,
- Use of the same raw material specified by ARaymond,
- Use of the same control plan and inspection resources supplied by ARaymond or equivalents,
- Use of the same internal control supporting documents supplied by ARaymond or equivalents,
- Use of the same form of packaging and identification supplied by ARaymond
- Traceability ensured with raw material batch no.

#### **VI. IDENTIFICATION, TRACEABILITY**

ARaymond has put in place a standard management system with the objective of the identification and traceability of Products. This standard management system does not enable ARaymond to systematically identify Products by any special label or quality record (such as quality certificates). It is expressly agreed that, if a Client had such a specific requirement out of the standard, then ARaymond may accept said requirement according to specific terms and conditions such as the invoicing of additional costs.

#### **VII. COMMUNICATION AND USE OF PORTAL WEBSITE**

Any communication via an internet portal and/or any use of an internet portal require the prior written approval of ARaymond. Nevertheless, even in case of acceptance by ARaymond of this practice, when Client considers information published on its portal as essential and mandatory for ARaymond, then Client has to inform ARaymond expressly in writing and ARaymond must accept in writing before it will be binding.

#### **VIII. "QUALITY" RECORDS, ARCHIVES**

ARaymond has records relating to the inspection of Products and monitoring of processes corresponding to every delivery. The client may make express application in writing to ARaymond to obtain a copy of said record. ARaymond shall offer specific terms and conditions to the Client, enabling it to obtain them. It is understood that the acceptance of said records, submitted by ARaymond, further to the ARaymond proposal, constitutes an acceptance by the Client of said terms and conditions.

#### **IX. QUALITY OBJECTIVES**

##### **1. "Quality commitment"**

Industrial bulk production of Products, despite the provisions relating to quality such as defined and implemented, are subject to phenomena that cannot be totally controlled, in particular for economical reasons, which makes it impossible to commit to a so-called "s\_\_\_ defect" result. At the Customer's request, a Quality commitment in terms of PPM may be negotiated beforehand with ARaymond. In such case, if ARaymond fulfills the agreed PPM \_\_\_\_\_, then ARaymond may, at its option, reject all kinds of Customer's claims; otherwise the provisions of article IX.\_ will apply.

##### **2. "Treatment of Non-conformities"**

It is expressly agreed that such an application relating to a presumed Non-conformity must be accompanied by all the elements essential to its treatment by ARaymond, such as, for example, but not limited to, the actual Product and a picture of the Product identifying the suspected Non-conformity, elements of traceability, or conditions of use. It is expressly agreed that, if said conditions are not met, ARaymond shall not be subject to any obligation for the treatment of said Non-conformity unless a waiver is made in writing. On receipt of a notice of Non-conformity, ARaymond undertakes to conduct an analysis. The client has to underline the Non-compliant products by providing all data and information it has. ARaymond will make a complete analysis of information to confirm or reject elements underlined by Client are non-conforming to Specifications. Following such examination, the following terms and conditions shall apply:

- a) If the Non-conformity is not demonstrated and not confirmed by ARaymond, no compensation whatsoever, including financial, shall apply,
- b) If the Non-conformity is demonstrated and confirmed by ARaymond, ARaymond undertakes to implement the necessary corrective and preventive precautionary actions and to provide a response on treatment of the Non-conformity in the form of a standard ARaymond report of type "8D" or other mutually agreed upon document. By way of non-limitative example, sorting operations are considered to be precautionary actions. The start of sorting and/or rework operations are subject to prior written acceptance of ARaymond.

#### **X. COSTS OF NON-CONFORMITIES**

For any demonstrated Non-conformity, in compliance with Article IX-b, ARaymond may at its option, after prior agreement in writing, assume responsibility for certain of the following costs:

- The cost of Products in replacement of non-compliant Products,
- The cost of transport associated with the return of non-compliant Products,

- The cost of sorting and/or rework operations carried out by the Customer and/or other service providers selected by the Client, on batches that may have Non-compliant Products according to Article VI. In this respect, it is understood that the number of hours deemed necessary and the sorting methods including acceptance resources and criteria implemented shall be subject to prior agreement in writing between the Parties.

In any event, all other costs, expenses, losses such as administrative processing of the Non-conformity, losses in productivity, losses relating to the assembled Products, handling costs, special sorting, equipment are never subject to an assumption of liability by ARaymond. It is expressly agreed that any invoicing related to the costs of Non-conformities is only processed after closure of the actions on said proven Non-conformities in compliance with the provisions above. In this respect, no debit note shall be automatically accepted as noted under the RAYCONNECT, INC. General Terms and Conditions.

#### **XI. CONFIDENTIALITY**

The Parties mutually agree to a general obligation of confidentiality covering the elements or documents exchanged including, in particular, the reports of discussions, audit results, performance results, plans, data, or any medium whatsoever (hereinafter referred to as the "Information"), in the context of drawing up and executing these agreements. Subcontractors are not considered a third party as soon as they have similar confidentiality obligations as noted above.

#### **XII. INTELLECTUAL PROPERTY**

Any Information disclosed by ARaymond belongs exclusively to ARaymond. By the use of Information the Client acknowledges and accepts:

- 1) that an item of Information is covered by Industrial/Intellectual Property rights and/or constitutes know-how and,
- 2) that said Information is submitted as a loan for use and is limited to appraisal by the Client.

Without the express agreement of ARaymond beforehand, no license or termination of rights other than those defined above is conferred and in particular, but not exclusively, it is not permitted to make copies or presentations to third parties to the Client, nor the design of any element to the Product based on the Information. In the event of non-compliance with said stipulations, the Client shall indemnify ARaymond against all direct or indirect losses that may result from said non-compliance. The Client guarantees that its drawings, its Specification and their conditions of implementation do not violate the Intellectual/Industrial Property rights or know-how owed by a third party. The Client insured ARaymond against any action, claim, proceedings, dispute arising from a third party together with the direct or indirect consequences of any action under civil and/or criminal liability resulting in particular from an action relating to counterfeiting or unfair competition.

#### **XIII. AUDIT BY THE CLIENT**

Any audit required by the Client must be the subject (i) of an express request in writing to ARaymond before the desired date (ii) of a prior agreement in writing from ARaymond (iii) and prior signature of a specific Non-Disclosure Agreement provided by ARaymond. At the time of performing the audit, the Client undertakes in particular to comply with ARaymond's internal rules and instructions relating to safety and confidentiality. It is hereby agreed that no photograph, no film record copy, reproduction, sample shall be permitted without express authorization beforehand from ARaymond. Said stipulation is essential in the context of relationship between ARaymond and Client, and this latter also undertakes to modify its employees and guarantees its strict compliance. Any audit requested by Client regarding ARaymond Subcontractor has to be addressed exclusively to ARaymond. In case of acceptance of such audit by Subcontractor, then Client will have to fulfill the same obligations they have in regard to ARaymond.

#### **XIV. LIABILITIES**

The liability of ARaymond is strictly limited to compliance with the PPAP Drawing.

The liability of ARaymond is excluded for Non-conformities:

- 1) arising from materials supplied by the Client,
- 2) resulting directly or indirectly from a design realized or an intervention due to the Client,
- 3) due to the specifications or recommendations of the Client refused by ARaymond but imposed by the Client,
- 4) resulting from the use of the technical documents, or other data issued by the Client.

The liability of ARaymond is limited to damages such as defined specifically in article X. ARaymond shall not in any circumstances be obliged to pay compensation for consequential or collateral losses. Penalties and compensation payments that may be paid have a fixed value of compensation. The civil liability of ARaymond is limited to the amount of the selling price of the batch to which belongs the Non-compliant product. The Client stands surety for the waiver of recourse of its insurers or of third parties in contractual relationship with it, against ARaymond or its insurers, above and beyond the limits and exclusions established above. ARaymond's liability is strictly limited to damages described in Article X and ARaymond will never assume indirect or immaterial damages. Only direct foreseeable and certain damages will be assumed. All payments done by ARaymond, within the limit of ARaymond insurance terms and conditions up to the limit paid by this latter, will be considered as final and will not authorize any further claim. ARaymond shall not be held responsible in the event of Non-conformity in the event that this is the direct or indirect effect of a case of force majeure. It is expressly agreed that events of force majeure shall in particular mean those retained by laws or case law, including unforeseeable accidents or incidents of any kind and affecting production.

**CLIENT LOGISTICS AGREEMENT**  
**(ref CFA 0914 rev D)**

Delivery Slip (hereinafter referred to as the "Delivery Slip" or "DS"): a detailed document accompanying the delivered Goods (as defined hereinafter) and including certain information relating to ARaymond and to the Customer as set forth in Article 3.2.

Carriage Voucher (hereinafter referred to as "Carriage Voucher"): a shipping document established by the carrier for the Customer \_\_\_\_\_ to the collection of the Goods from ARaymond.

Standard Packaging (hereinafter referred to as "Standard Packaging"): means, for each of the Goods (as defined hereinafter), the type of packaging and the quantity of Good contained in said packaging.

Goods: means the articles referenced and marketed by ARaymond.

Packaging Unit (hereinafter referred to as the "Packaging Unit" or "PU"): means the type of box used to package the Goods.

Handling Unit (hereinafter referred to as the "Handling Unit" or HU): means a palette containing several Packaging Units.

**1 / Operating Times**

These times shall be applicable during business days (from Monday to Friday) according to the time zone applicable to the ARaymond plant, but will exclude holidays or non-working days as determined by ARaymond.

Correspondent	Times	
Manager	9 h 00	17 h 00
Logistics Manager	9 h 00	17 h 00
___ Logistics Manager	9 h 00	17 h 00
Department	9 h 00	17 h 00
Department Export	9 h 00	17 h 00
_____/Warehouse	9 h 00	17 h 00

**2 / Delivery Schedules**

**2.1 / Reception**

It is hereby expressly agreed the delivery schedules shall be sent according to ARaymond's instructions. Any or all sending of schedules by any or all other means, which has not been subject to the prior agreement of ARaymond, shall not be binding upon ARaymond as regards deliveries but (i) it shall nevertheless make every effort to meet the Customer's orders and (ii) shall not incur liability for the damages and harmful consequences which may be suffered by the Customer. It is hereby agreed that receipt of the delivery schedules shall not be on a daily basis with the exception of Electronic Data Interchanges ("EDI"). In the latter case, the terms and conditions of the ARaymond "Electronic Data Interchange Charter" shall apply.

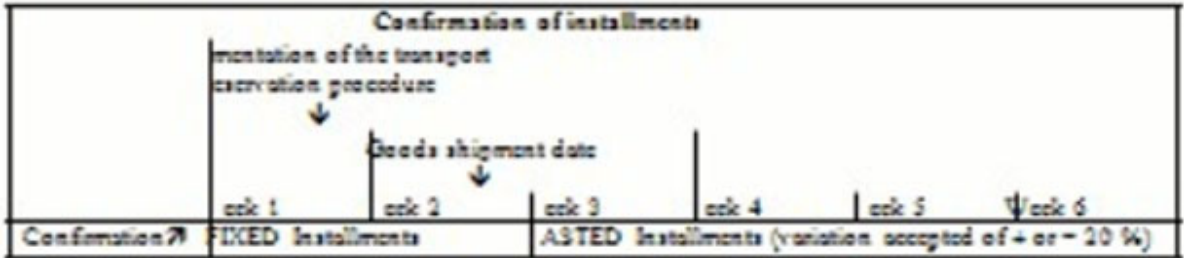
**2.2 / Installments**

The supply of orders in installments shall be expressed over a three (3) calendar-month period and shall comply with the Standard Packaging set forth in the commercial agreement with ARaymond.

In all cases, in particular as regards the reservation of the means of transport, or on the basis of the destination, the forecasted installments shall be confirmed by the Customer and received by ARaymond at least two (2) calendar weeks prior to the Shipping Date (as defined hereinafter) of the Goods according to the terms and conditions of Article 2.2 and Article 3.5. Nevertheless, should ARaymond believe it to be possible, this lead-time may be reduced and shall be subject to the prior and written agreement of the ARaymond Sales Department. In any event, in the absence of confirmation by the Customer, it is expressly agreed that ARaymond does not have any obligation to remind or to warn the Customer, therefore ARaymond will not assume any responsibility in this respect. In the absence of any or all changes duly received by ARaymond, the first four weeks of the forecasted installments hereunder shall be deemed by ARaymond as representing commitments, which is acknowledged and accepted by the Customer. However, in order to ensure flexibility, a variation of (+) or (-) 20% compared with said forecasted orders should be accepted by ARaymond without any or all \_\_\_\_\_ consequence as regards the Customer. On the other hand, where the variation of quantities compared with the forecasted orders exceeds (+) or (-) 20%, ARaymond shall not be bound to provide the volumes exceeding the (+) or (-) 20% of tolerated variation. Furthermore, any or all change including, in particular (i) date offsetting, (ii) cancellations, (iii) additional one-off orders commenced with said installments, shall be subject to the prior and written agreement of the ARaymond Sales Department. Nevertheless, the Discharging of the Customer's orders shall follow the procedure set forth in Article 2.3.

As regards parts requiring the use of specific materials, or with procurement lead-times that are too long, such as, for example, and non-\_\_\_\_\_, for metal raw materials: STAINLESS STEEL, P-FLEX, CUPROUS, for plastic raw materials: solution-dyed and \_\_\_\_\_ batch, requirements shall be expressed within a minimum of three (3) fixed calendar months. No changes to these requirements may be made without the prior and written agreement of the ARaymond Logistics Department.

As an example, the following shall not represent a commitment:



It is hereby reiterated that ARaymond has several Dispatch Centers mentioned herein for information purposes. Under no circumstances shall the \_\_\_\_\_ consequences of the existence of these Centers be \_\_\_\_\_ by ARaymond. In particular, this shall apply to customers, transit or carriage duties. It is hereby understood that, at the Customer's request, the breakdown of Goods ordered by Dispatch Center may be sent to it. Similarly, ARaymond shall only take account of requests received from Customers during the times set forth hereinabove, no matter how these may be sent. It is expressly agreed that if, exceptionally, ARaymond were to nevertheless deal with a request, even on more than one occasion, received outside the times set forth hereinabove, this shall not constitute an amendment to this Agreement. The damages and harmful consequences relating to requests sent by different means of communication than those set forth herein and/or outside the times set forth herein shall be fully assumed by the Customer.

**2.3 / Discharging of Customer orders**

Any or all definitive discharging of the Customer's orders shall be subject (i) on the one hand, to compliance with two (2) calendar months' notice sent by mail to the ARaymond Sales Department, and (ii) on the other hand, to receipt of confirmation from said Sales Department. It is understood that the Customer undertakes to take back the constituted inventory of Goods, within the limit of all the fixed and forecasted installments. Moreover, in the event of a specific creation for the Customer, the latter undertakes to take back or assume responsibility for all the raw materials, components and semi-finished products specifically ordered for it.

**2.4 / Standard Packaging**

The delivered volumes shall be in multiples of the part's Standard Packaging. It is agreed that and the Customer accounts such: Should the ordered volumes be less than the Standard Packaging, then said volumes shall be rounded up to the closest amount of Packaging.

i.e.: Order 900 parts → Standard Packaging – 1,000 parts → delivery: 1,000 parts. Provided the total of several lines of the same order corresponds to Standard Packaging, said Standard Packaging shall be delivered on a single occasion on the first installment date of said order lines, i.e.: Order 3 installments for 500 parts on each date → Standard Packaging – 1,500 parts → on a single occasion at the first installment date. The Customer shall bear sole responsibility for the damages and harmful consequences, which may arise as a result of the application of the abovementioned rules. The Customer shall therefore be personally responsible for taking any or all measures required in order to remedy the disturbance, which may arise as a result of this operation.

**3 / Carriage & Delivery**

**3.1 / Delivery**

In the event of the closure of ARaymond, of which the Customer has been informed, for a Bank Holiday or a non-working day within ARaymond, of governmental restrictions and/or those issued by the government, non-exhaustively, road, air and sea ban restrictions, the delivery dates may not be complied with. The Customer shall assume sole responsibility for the damages and harmful consequences, which may arise from the occurrence of any of the causes referred to hereinabove.

**3.2 / Delivery Slip**

Delivery Slips shall be provided by ARaymond to the carrier upon shipping. Consequently, no matter what Incoterm is used, the Customer shall assume the Delivery Slips are handed over by the carrier. Failing such handing over, the Customer may refer to the summary label (hereinafter referred to as the "summary label") affixed to the Handling Unit detailing (i) the palette's content by Customer reference and (ii) the corresponding D3 number. Moreover, on receiving a telephone request from the Customer, ARaymond may nevertheless fax it a copy of the Delivery Slip.

**The Delivery Slip current contains:**

ARaymond Data: Shipping point – Shipping Date (departure date) – Scheduled delivery date – Reference number – Product description – Number of parcels – Type of Handling Units – Number of Packaging Units and number of Handling Units – Total number of parcels per article – Code number of the Harmonized System (if for export) – Type of means of transport – Name of carrier – Forwarding (number of business days) – Total number of Handling Units – Total number of Packaging Units – Gross & net weight of the Packaging Units and the Handling Units.

Customer Data: Address of delivered Customer – Unloading point – Address of Ordering Customer – Supplier number – Incoterms – Customer reference – Order number – Quantity delivered in sales units – Quantity delivered in Handling Units – Information AQP or \_\_\_\_.

It is hereby specified that any or all Customer request which departs from the abovementioned provision shall be subject to an express request, sent beforehand in writing, by Registered Letter with Acknowledgement of Receipt to the Sales Department.

The following shall be affixed to each Handling Unit: 1 standard Odette Galvia version ET\_\_ label and 1 summary label.

**3.3 / Bill of Lading**

According to the Incoterm used, ARaymond may provide the information usually appearing on the Bill of Lading. In all cases, it is hereby reiterated that the carrier shall be responsible for providing the Customer with the Bill of Lading.

**3.4 / Non-conformity**

It is hereby reiterated that, in the event of non-conformity of the delivery, with the exception of lead-times, the D3 signed by the Customer shall include all the usual reservations. For any or all claim for non-conformity, it is expressly agreed that only ARaymond's Quality Department shall be authorized to handle such claims. Consequently, the Customer shall inform the Quality Department by telephone with confirmation sent by fax. It is hereby further reiterated that no return of Goods shall be accepted without the PRA (Prior Return Agreement) document issued by the Quality Department. Failure to comply with this procedure shall lead to refusal and the return of Goods at the Customer's expense. It is also hereby reiterated that the costs related to a logistics claim duly noted by the Customer shall be subject, on the one hand, to notice by mail sent to the Sales Department, and, on the other hand, to the written agreement of ARaymond, which shall be deemed as acceptance of any or all expenses in respect of this claim.

**3.5 / Forwarding lead-times**

It shall be the Customer's responsibility to request, from the Transport Department, according to the Incoterms used, and subject to the terms and conditions set forth in Article 3.1, the estimated data for the means of forwarding supplied by the carrier. Consequently, the Customer shall be aware of the Shipping Date of the Goods.

In all cases, ARaymond's liability as regards the estimated data for the means of forwarding supplied by the carrier shall be limited to the general terms of sale of the *Federation des Ex\_\_\_\_\_ de Transport et Logistique de France* (TLF) which entered into force on 1 October 2001.

**4 / Packaging & Palletizing**

**4.1 / Identification**

By standard label, according to the Odette Galvia version ET\_\_ recommendation, becoming effective on the date of acceptance of this Agreement.

**4.2 / Packaging**

**4.2.1 / Packaging Units → Americans slotted box-type cartons**

code	Dimensions (cm)	Weight (kg)	No. of PU normal units			
			Standard Galia SW		Standard Galia LW	
			SPSW	PSW	LW	LW
A10	60 x 40 x 25	0.500	4	10	4	10
A11	60 x 40 x 20	0.280	6	15	6	15
A12	40 x 30 x 20	0.600	12	30	12	30
A15	30 x 20 x 20	0.240	24	60	24	60
A16	30 x 20 x 14	0.270	32	80	32	80
B12	40 x 30 x 30	0.820	8	20	8	20
B14	40 x 30 x 15	0.630	16	40	16	40
L10	60 x 40 x 25	0.410	4	10	4	10
D16	120x100x75	4.635				1
D17	100x60x70	3.365				2
D19	100x60x30	0.050		2		4

SPSW Small Palette Small Weight  
 LPSW Large Palette Small Weight  
 SPLW Small Palette Large Weight  
 LPLW Large Palette Large Weight

**4.2.2 / Handling Units**

Type of pallet	Dimensions (mm)	Weight (kg)
Small pallet	600 x 800	8
Large pallet	1000 x 1200	15

**5 / Back-up Inventory of Goods**

Should the Customer require the constitution of a Back-up Inventory of Goods, it shall firstly, (i) inform ARaymond’s Logistics Department beforehand by Registered Letter with Acknowledgment of Receipt and, secondly, (ii) receive and sign a rider, appended to the original Commercial Contract. It is understood that this rider shall include all the terms and conditions, in particular, these relating to any or all supplementary logistics and financial arrangements.

**6 / Stock-Outs**

Should the Customer not wish to constitute a Back-up Inventory of Goods in the abovementioned conditions, and in particular, bearing in mind the fluctuations of the automobile market, it shall then be recommended that the Customer maintain a sufficient Inventory of Goods. Consequently, in the event of a stock-out, the Customer shall be solely responsible for all the damages and harmful consequences, which could arise therefrom.

**7 / Degraded mode of shipments in the event of IT breakdown**

In the event of a full breakdown affecting our IT system, and according to the estimated duration prior to the resumption of service of said system, ARaymond shall use the external back-ups for Customer orders and the Goods inventory statements H-1 and shall trigger delivery processing in manual mode. As this processing method does not allow for the management of the usual identification and administrative documents, only priority orders shall be handled and shipped once our Sales Department has informed our Customers and has negotiated the minimum quantities to be handled by our Departments.

**8 / Rating**

It is expressly agreed, and the Customer accepts such, that the only criteria to be taken into account for the assessment of the service standard of ARaymond are: “Delivery Performance Levels”, in accordance with the terms and conditions set forth herein, limited to compliance with the delivery dates and volumes – “Conformity of packaging” as defined in Articles 2.4 and 4 – “Conformity of Identification” as defined in Article 4.1 – “Conformity of shipping documents” (excluding commercial documents) as defined in Articles 3.2 and 3.3. Any or all other criteria shall not be taken into account by the Customer in order to assess ARaymond’s logistics services.

## **9 / Force Majeure**

The occurrence of an event of force majeure shall lead to the suspension of ARaymond's obligations with the Customer. Nevertheless, ARaymond shall make every effort to inform the Customer, as soon as is reasonably possible, following the occurrence of this event. ARaymond shall endeavor to remedy the situation, which has thus arisen, as soon as is reasonably possible. It is expressly agreed that the Parties shall meet in order to agree as to the postponement of ARaymond's obligations, which are affected by the event of force majeure, and to the rescheduling of the installment schedule. Should this event continue for a period of longer than ten (10) calendar days, and in the absence of an agreement fifteen (15) days following notice of the occurrence of the event of force majeure, both Parties may terminate this Agreement without notice, and terms and conditions set forth in Article 2.3, paragraph 2, shall nevertheless apply. Pursuant to this Agreement, it is expressly agreed that events of force majeure shall be, in particular. The occurrence of incidents, as upheld by effective legislation or by case law, but also strikes or other blocking labor unrest, paralyzing bad weather, blocking road accidents or incidents, fires, or generally the fact, in spite of all due care taken, of not being able to make the delivery in accordance with the installment dates as a result of a ban on, or non-receipt of carriage authorizations by the relevant authorities for the various Con\_\_\_\_\_ concerned by the issuance [of such authorizations].

## **10 / Disputes – Governing Law / Jurisdiction**

Michigan law shall govern this Agreement and its consequences. Any or all disputes which may arise here from, or in respect hereto, shall be subject to out-of-court negotiations transcribed in writing. Failing agreements within three (3) calendar weeks as from the first negotiation meeting, the first Party to take action may refer the case to mediation by instructing a neutral mediator. Should no agreement have been reached within thirty (30) calendar days as from the date when one of the Parties elected to refer the case to a mediator, then the first Party to take action may refer it to the state or federal courts located within the Eastern District of the State of Michigan.

## **11 / Contractual Documents**

It is hereby agreed that the contractual documents are this Agreement – the identity card – the data sheet.

**This document is applicable to the ARaymond entities in North America, Canada and Mexico, see detailed list below:**

ARaymond Manufacturing Center North America, Inc.  
3091 Research Drive, Rochester Hills, MI 48309

ARaymond Manufacturing Center North America, Inc.  
800 W. Co. Rd. 250 S., Logansport, IN 46947

ARaymond Manufacturing Center North America, Inc.  
525 Mount Carmel Ave., Flemingsburg, KY 41041

A. Raymond Tinnerman Manufacturing Hamilton, Inc.  
686 Parkdale Ave., N., Box 2492, Hamilton, Ontario L8N 3K1  
Canada

A. Raymond Tinnerman Automotive Mexico, S. de R.L. de C.V.  
Ave. Del Siglo #320, Suite 200, Parque Industrial Millennium  
Segunda Etapa, San Luis Potosi, Mexico, CP 78395

ARaymond North America LLC  
3091 Research Drive, Rochester Hills, MI 48309

A. Raymond Fasteners Mexico, S. de R.L. de C.V.  
Ave. Del Siglo #320, Suite 100, Parque Industrial Millennium  
Segunda Etapa, San Luis Potosi, SLP Mexico, CP 78395