

TERMS AND CONDITIONS OF PURCHASE ORDER December, 2008

In these Terms and Conditions, "the Buyer" means the PBR company described in this Purchase Order and "the Seller" means the seller of the goods to the Buyer as described in this Purchase Order.

1. **OFFER AND CONTRACT:** The Seller has read and understands these Terms and Conditions and agrees that the Seller's written acceptance or commencement of any work or service under this Purchase Order constitutes the Seller's acceptance of these Terms and Conditions. Any terms and conditions proposed by the Seller which supplement, conflict with, or are in any way different to, these Terms and Conditions are hereby rejected by the Buyer.
2. **SHIPMENT:** Unless otherwise agreed upon in writing between the Buyer and the Seller, prices for the goods are C.I.F. Buyer's factory, the address of which is set out on this Purchase Order, or such other location as may be agreed upon between the parties. The Seller agrees (a) to properly pack, mark and ship goods in accordance with the Buyer's requirements and to assure delivery free of damage and deterioration; (b) to make no charge for handling, packaging, storage or transportation of goods unless otherwise stated in this Purchase Order; (c) to provide with each shipment, packing slips with the Buyer's order number marked thereon; (d) to properly mark each package with this order number, and where multiple packages comprise a single shipment, to consecutively number each package; and (e) to promptly forward each bill of lading or other shipping receipt for each shipment in accordance with the Buyer's instructions. The Seller will include on bills of lading or other shipping receipts correct identification of the goods shipped in accordance with the Buyer's instructions and carrier's requirements. The marks on each package and identification of the goods on packing slips, bills of lading and invoices shall be sufficient to enable the Buyer to easily identify the goods purchased. Time for payment shall not commence until the Buyer receives correct and complete invoices, and the Seller's cash discount privileges to the Buyer shall extend until such time as payment is due. The Buyer may withhold payment pending receipt of evidence, in such form and detail as the Buyer may direct, of the absence of any liens, encumbrances and claims on the goods or services under this Purchase Order.
3. **TAXES:** The Seller agrees to pay all applicable federal, state, provincial and local tax obligations, including but not limited to sales, use, and excise taxes.
4. **DELIVERY:** Time shall be of the essence for delivery of goods under this Purchase Order. Specified requirements, including the requirements set forth in the Buyer's delivery schedules, either as to quantity or time of delivery shall be deemed to be a fundamental condition of these Terms and Conditions. Goods shall not be deemed to have been delivered to, nor to be at the risk of the Buyer

until received and accepted by the Buyer at the location specified by the Buyer. The Seller shall not supply goods that do not conform to the Buyer's requirements. The Seller shall be liable for any loss, damage or cost sustained or incurred by the Buyer as a result of the failure by the Seller to conform to specified delivery dates and/or quantity requirements including, without limitation, any loss, damage or cost sustained or incurred by the Buyer as a direct or indirect consequence of stoppage of its manufacturing processes and/or assembly lines and/or stoppage of the manufacturing processes and/or assembly lines of the original equipment car manufacturers to whom the Buyer supplies parts or components and/or the consequent inability of those car manufacturers to comply with their contracts (including export contracts). For the purposes of this clause, loss, damage or cost sustained or incurred by the Buyer indirectly as a result of or in connection with the Seller's failure to conform to specified delivery dates and/or quantity requirements shall include any costs, damages or other moneys paid or payable by the Buyer to any other party as a result of or in connection with the said failure to conform.

5. **EXPEDITED DELIVERY** If the Seller's acts or omissions may, in the sole discretion of the Buyer, result in the Seller's failure to meet the Buyer's delivery requirements and the Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by the Buyer, the Seller shall, at the Buyer's sole option, (i) promptly reimburse the Buyer for the difference in cost between the more expeditious method and the original method; (ii) allow the Buyer to reduce its payment of the Seller's invoices by such difference, or (iii) ship the goods as expeditiously as possible at the Seller's expense and invoice the Buyer for the amount which the Buyer would have paid for normal shipment.
6. **ACCEPTANCE:** The Seller shall be liable for any loss, damage or costs sustained or incurred by the Buyer as a result of the manufacture and/or supply of goods which do not conform with the Buyer's requirements or which are not fit for the purpose of the Buyer or which are otherwise defective. This liability of the Seller shall not be affected by any failure of the Buyer to inspect the defective goods upon or after delivery or any failure by the Buyer to detect or discover the defect, whether or not such failure to inspect the goods or failure to detect or discover the defect was unreasonable or negligent in the circumstances. The Buyer may reject any or all of the goods that are defective or non-conforming. In this case, the Seller shall (i) pay to the Buyer the price already paid by the Buyer or (ii) if the Buyer retains the goods, the Seller shall pay to the Buyer the difference between the price of the goods that are defective or non-conforming and the goods free of fault. The Seller will reimburse the Buyer for all transportation and other costs incurred by the Buyer in connection with the return of the rejected goods.
7. **CHANGES:** The Buyer reserves the right to, at any time, direct changes, or cause the Seller to make changes, to drawings and specifications of the goods or

to otherwise change the scope of the work covered by this Purchase Order, including work with respect to such matters as inspection, testing or quality control, and the Seller agrees to promptly make such changes, any difference in price or performance resulting from such changes shall be agreed to in writing by the Buyer after receipt of documentation in such form and detail as the Buyer may direct.

8. **INSPECTION AT THE SELLER'S PREMISES:** The Seller agrees that the Buyer and/or the Buyer's customer or customer's representative shall have the right to enter the Seller's facility at reasonable times to inspect the facility, goods, materials and any property of the Buyer covered by this Purchase Order. The Buyer's inspection of the goods, whether during manufacture prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods.

9. **SELLER'S LIABILITY FOR RECALL:**
 - (a) Without limiting the generality of clause 6 hereof, in the event that any goods supplied to the Buyer by the Seller fail to conform with the Buyer's requirements or are not fit for the purpose of the Buyer or are otherwise defective and this necessitates a recall of any product or item incorporating the defective goods, whether such recall be made by the Buyer or any customer of the Buyer or any other party, the Seller shall indemnify, protect and hold harmless the Buyer, its successors, assigns, customers and any users of its products against all actions, claims, demands, expenses, costs and liabilities incurred or arising as a consequence of any such recall and without limitation, the Seller shall reimburse the Buyer for all costs and expenses incurred by the Buyer whether directly or indirectly as a result of or, in connection with any such recall.

 - (b) For the purposes of sub-clause 9(a) above, costs and expenses incurred by the Buyer indirectly as a result of or in connection with any recall shall include any costs, damages or other moneys paid or payable by the Buyer to any other party as a result of or in connection with such recall.

10. **WARRANTY:** The Seller expressly warrants that all goods or services provided hereunder shall conform to the Buyer's specifications, drawings, samples or descriptions furnished to or by the Buyer, shall be merchantable, of good material and workmanship and free from defect. The Seller acknowledges that it knows of the Buyer's intended use of the goods covered hereunder and expressly warrants that such goods will be manufactured so as to be fit for the purposes of the Buyer, and shall be otherwise in good working order and without defect. The Seller shall be liable for any incidental or consequential damages, or for any other loss, damage or expense of any kind, including loss of profits, arising in connection with the Seller's supply of goods not in conformity with this warranty or the Seller's failure or delay in delivery of the goods.

11. **COMPONENT, DISCLOSURE, AND SPECIAL WARNINGS AND INSTRUCTIONS:** The Seller undertakes to provide the Buyer with all relevant Material Safety Data Sheets and all information and updates relating thereto as and when they are issued. At the Buyer's request, the Seller shall promptly furnish to the Buyer in such form and detail as the Buyer may direct: (a) a list of all components and ingredients contained in the goods purchased hereunder; (b) the amount of one or more components or ingredients; and (c) information concerning any changes or additions to such components or ingredients. Prior to and with each shipment of the goods purchased hereunder, the Seller agrees to furnish to the Buyer sufficient warning and notice in writing (including appropriate labels on goods, containers and packing) of any hazardous material which is an ingredient or a part of any of the goods, together with any special handling instructions as may be necessary to advise carriers, the Buyer, and their respective employees and customers of how to exercise that measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use, or disposal of the goods, containers and packing shipped to the Buyer.
12. **INSOLVENCY AND CANCELLATION:** In the event of any suspension of payment or proceedings by or against the Seller, voluntary or involuntary, in bankruptcy, or insolvency or winding up or for the appointment of a liquidator, or in the event of the breach of any of the terms, including the warranties of the Seller, the Buyer shall be entitled to cancel this Purchase Order forthwith.
13. **TERMINATION:** In addition to the Buyer's other rights to cancel or terminate this Purchase Order, the Buyer may, at its option, immediately terminate all or any part of this Purchase Order, at any time and for any reason, by giving written notice to the Seller. Upon such termination, the Buyer shall pay to the Seller the following amounts without duplication: (a) the Purchase Order price for all goods or services which have been completed in accordance with this Purchase Order and not previously paid for; and (b) the actual costs of work-in-process and raw materials incurred by the Seller in furnishing the goods or services in this Purchase Order to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this Purchase Order; less, however, the reasonable value or cost (whichever is higher) of any goods or materials used or sold by the Seller with the Buyer's written consent and the cost of any damaged or destroyed goods or material. The Buyer will make no payments for finished goods, work-in-progress or raw materials fabricated or procured by the Seller in amounts in excess of those authorized in delivery releases nor for any undelivered goods that are held in the Seller's standard stock or readily marketable. Payments made under this paragraph shall not exceed the aggregate price payable by the Buyer for finished goods which would be produced by the Seller under delivery or release schedules outstanding at the date of termination. Except as provided in this clause, the Buyer will not be liable

for and will not be required to make payments to the Seller, directly or on account of claims by the Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs and general and administrative burden charges from termination of this Purchase Order. Within thirty (30) days from the effective date of termination, the Seller shall submit a comprehensive termination claim to the Buyer with sufficient supporting data to permit the Buyer's audit, and shall thereafter promptly furnish such supplemental and supporting information as the Buyer requests. The Buyer, or its agents, shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of the Seller.

14. **DOCUMENTS AND TOOLS:** Any and all tools, gauges, jigs, dies, fixtures, molds and other equipment ("Tools"), and all drawings, blueprints and specifications and other documents ("Documents") necessary for the manufacture of the goods supplied without charge to the Seller by the Buyer and all goods purchased by the Buyer shall be the sole property of the Buyer. The Seller shall insure such Tools and Documents with full fire and comprehensive extended coverage insurance for the full replacement value thereof. On completion or cancellation of a Purchase Order, the Seller shall at the request of the Buyer deliver to the Buyer all finished and unfinished work relevant to the Purchase Order Documents supplied without charge to the Seller by the Buyer or created by or on behalf of the Seller for the purpose of the Purchase Order. Where the Seller has purchased Tools and Drawings that are specifically used for the production of the goods hereunder, the Seller grants the Buyer an irrevocable option to take possession of and title to the Tools and Drawings that are special for the production of the goods upon payment to the Seller of the book value thereof less any amount which the Buyer has previously paid to the Seller for the costs of such Tools and Drawings; provided, however, that this option shall not apply if such Tools and Drawings are used to produce goods that are the standard stock of the Seller or if a substantial quantity of like goods are being sold by the Seller to third parties. All Tools owned by the Buyer must be identified by the part number and clearly marked as the property of the Buyer.
15. **COPYRIGHT:** The Buyer shall be the owner of and shall have the entire right, title and interest in all or any copyright or other rights subsisting in any and all drawings, blue prints, specifications and other documents created by or on behalf of the Seller and in any and all goods which shall have been purchased or manufactured by the Seller and the Seller shall do all such acts, matters and things as required by the Buyer at any time to better protect the Buyer's right, title and interest in the same.
16. **REPRODUCTION AND CONFIDENTIALITY:** Except as stated herein, the Seller is not under any circumstances authorized to reproduce in any manner or form any of the equipment, goods, drawings, blueprints, specifications and other

documents referred to in this order, without the permission in writing from the Buyer. The Seller shall retain as strictly confidential all information it may receive, expressly or incidental to the supply of the goods hereunder relating to the Buyer's company, business practices, customer lists, mode of operations and any and all documents, manuals and data, in whatever medium, relating thereto.

17. **WAIVER**: Waiver by the Buyer of any specific default or defaults by the Seller or failure by the Buyer to cancel a Purchase Order or any part thereof when a right of cancellation arises shall not constitute a waiver by the Buyer of any rights of the Buyer under any of these Terms and Conditions arising through any further or subsequent default by the Seller, whether or not giving rise to a right of cancellation of a claim for damages.

18. **ARBITRATION**: In the event of any dispute or difference arising out of or relating to these Terms and Conditions, the matter shall be referred to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. A party commencing arbitration proceedings shall issue a notice of arbitration (the "Notice") to the other party. Within ten (10) working days of the date of receipt of the Notice by the addressee, each party shall select an arbitrator of its choice. Within ten (10) working days thereafter, the two arbitrators so appointed shall appoint a third. If the two arbitrators so appointed shall be unable to agree upon the appointment of a third arbitrator, or if either party fails or refuses to appoint an arbitrator, the American Arbitration Association shall make such appointment. The arbitration proceedings shall take place at the offices of the American Arbitration Association in Chicago, Illinois. The award of the arbitrators shall be issued within thirty (30) days of the last day of the hearing and shall be final and binding on the parties and neither party shall appeal such award to any court. Judgment for enforcement of the award of the arbitrators may be entered in any court having jurisdiction thereof. It shall be within the discretion of the arbitrators to award attorneys' fees and costs in the proportions they deem appropriate.

19. **INDEMNIFICATION**:
 - (a) The Seller will indemnify, defend and hold the Buyer, harmless from all liability, damage, loss, claims and actions (including reasonable attorneys' fees and expenses) arising from any suit or legal proceeding of any kind including, but not limited to, administrative proceedings and arbitration proceedings against the Buyer based on a claim that the goods, or part thereof, furnished under this Purchase Order constitutes an infringement of a patent, or other proprietary right, including, but not limited to, trademarks, copyrights and designs, including claims arising out of compliance with specifications furnished by the Buyer. The Seller shall pay all damages and costs awarded therein against the Buyer irrespective of any time constraints otherwise set forth in this Agreement and at the Seller's cost and expense shall alter the goods to make them non-infringing without degradation in

performance, or at no cost to the Buyer, secure for the Buyer the right to continue to use the goods.

If the Seller cannot obtain such a license, or the goods cannot be so modified, or if as a result of any suit of infringement or alleged infringement, the Seller may be prevented from delivering the goods or any part or component thereof, the Seller shall promptly refund to the Buyer all money paid by the Buyer in respect of the purchase price.

The Seller agrees to waive any claim against the Buyer under the Uniform Commercial Code or otherwise, including any hold harmless or similar claim, in any way related to a claim asserted against the Seller or the Buyer for patent, trademark, copyright, or mask work right infringement, including claims arising out of compliance with specifications furnished by the Buyer.

(b) In addition to the indemnification provided hereinabove, the Seller shall indemnify and hold the Buyer harmless from and against any and all liability, damage, claims, judgments against it, costs and expenses (including reasonable attorney's fees and expenses) arising out of:

(i) any breach of, or failure to satisfy, the covenants, representations and warranties set forth in this Terms and Conditions; and (ii) any criminal, fraudulent or grossly negligent conduct by the Seller or any of its employees, agents or representatives.

(c) In addition to the indemnification provided hereinabove, in the event that the Seller performs any work on the Buyer's premises or utilizes the Buyer's property, whether on or off the premises, the Seller shall indemnify and hold the Buyer harmless from and against any liability, claims, demands, or expenses (including reasonable attorney's fees and expense) for damage to the property of or injuries (including death) to the Buyer, its employees or any other person arising from or in connection with the Seller's performance of work or use of the Buyer's property except for such liability, claim or demand arising out of the sole negligence of the Buyer.

20. **INSURANCE**: The Seller will maintain worker's compensation, comprehensive general liability, automobile, public liability, and property damage insurance in amounts and coverages sufficient to cover all potential claims hereunder. At the Buyer's request, the Seller will furnish to the Buyer certificates of insurance setting forth the amounts of coverage, policy numbers and dates of expiration for insurance maintained by the Seller, and, if further requested by the Buyer, such certificates will provide that the Buyer will receive thirty (30) days' prior written notice from the insurer of any termination or reduction in the amount or scope of coverages. The Seller's purchase of insurance coverage or the furnishing of

certificates of insurance will not release the Seller of its obligations or liabilities under this Purchase Order.

21. **DISCLOSURE OF TECHNICAL INFORMATION:** The Seller agrees not to assert any claim with respect to any technical information which the Seller shall have disclosed or may hereafter disclose to the Buyer in connection with the goods and services covered by these Terms and Conditions. The Seller furthermore agrees to treat and maintain as strictly confidential any and all technical information disclosed by the Buyer to the Seller for so long as such technical information remains confidential and does not become a part of the public domain.
22. **FORCE MAJEURE:** If either party is prohibited from performing its obligations under this Purchase Order by reason of any event beyond such party's complete control and without its fault or negligence including, but not limited to, strikes, lockouts and other industrial disputes, fire, shortage of raw materials, or official acts of a government authority), and provided written notice of such event, including the anticipated duration of the delay, is given by the affected party to the other party within three (3) days after the onset of such event, the affected party may, but is not obliged to, extend the time for delivery or performance for a reasonable period having regard to the effect of any such event. During the period of such delay or failure to perform by the Seller, the Buyer may, at its option, purchase goods from other sources and reduce this Purchase Order by such quantities and the price payable for such quantities without liability to the Seller, or have the Seller provide the goods from other sources in quantities and at times requested by the Buyer at no increase in the price to the Buyer. If the delay lasts more than twenty (20) days or the Seller does not provide adequate assurance that the delay will cease within twenty (20) days, the Buyer may immediately cancel this Purchase Order without liability.
23. **PUBLICATION:** The Seller shall not, without first obtaining the written consent of the Buyer, in any manner or form advertise or publish the fact that the Seller has contracted with the Buyer for supply of the goods herein mentioned.
24. **REMEDIES:** The rights and remedies reserved to the Buyer in this Purchase Order shall be cumulative, and additional to all other or further remedies provided in law or equity.
25. **ASSIGNMENT:** These Terms and Conditions, and all rights and obligations hereunder shall not be assigned in whole or in part by the Seller without the prior written consent of the Buyer.
26. **RESTRICTIONS OF SALE:** The Seller shall not without first having obtained the written approval of the Buyer, furnish any goods for the manufacture of which drawings and/or specifications and/or samples are supplied to the Seller by the Buyer to any third party nor will the Seller manufacture the goods for commercial

sale to parties other than the Buyer. This restriction applies even though the Seller ceases to make the goods for the Buyer.

27. **SETOFF**: In addition to any right of setoff provided by law, all amounts due to the Seller shall be considered net of indebtedness of the Seller to the Buyer and the Buyer may deduct any amounts due or to become due from the Seller to the Buyer from any sums due or to become due to the Seller.
28. **EDI TRANSMISSION**: In the event the Buyer transmits this Purchase Order to the Seller by way of electronic data interchange, these Terms and Conditions shall apply and shall be an integral constituent of the electronic data interchange.
29. **DUTY DRAWBACK RIGHTS**: The price under this Purchase Order includes all related customs, duty, and import drawback rights, if any (including rights developed by substitution and rights which may be acquired from the Seller's suppliers) which the Seller can transfer to the Buyer. The Seller agrees to inform the Buyer of the existence of any such rights and upon request to supply such documents as may be required to obtain such drawback.
30. **ALTERATION/ MODIFICATION**: Except as expressly stated herein, no alteration or addition to this agreement shall be binding on the parties unless it is in writing.
31. **GOVERNMENT COMPLIANCE**: The Seller agrees to comply with all federal, state and local laws, executive orders, rules, regulations and ordinances which may be applicable to the Seller's performance of its obligations under this Purchase Order. All materials used in the manufacture of the goods or performance of the services shall satisfy current governmental and safety constraints on restricted, toxic, and hazardous materials, as well as environmental considerations applicable to the country of manufacture and sale.
32. **GOVERNING LAW**: These Terms and Conditions shall be governed by and in accordance with the laws of the state in which the Buyer's factory is situated without application of its conflict of law rules.
33. **SEVERABILITY**: If any provision hereof is held invalid or at variance with the present or future requirements of the law applicable thereto, such provision above shall become inoperative, and the rights of the parties hereto shall in no manner be prejudiced by reason of the inclusion of such provision in this Terms and Conditions.