



## TERMS AND CONDITIONS OF PURCHASE

### 1. ACCEPTANCE

The terms and conditions herein become the exclusive and binding contract (the "Contract") between the parties covering the purchase of products and/or services ordered on the face of any JAE Oregon purchase order when the order is accepted by Seller by acknowledgment and/or commencement of performance. ALL CONTRACTS OR ADDENDUMS CHANGING, NULLIFYING OR MODIFYING THESE TERMS AND CONDITIONS, PROPOSED BY EITHER THE BUYER OR SELLER ARE VALID ONLY WHEN ACCEPTED IN WRITING BY JAE OREGON'S **PRESIDENT, GENERAL MANAGER OR DIRECTOR OF OPERATIONS**. THIS INCLUDES BUT IS NOT LIMITED TO CONTRACTS, LEASES, PRODUCT LIABILITY, NON-DISCLOSURE AGREEMENTS AND CONTRACTS OF EXCLUSIVITY FOR ALL PRODUCTS OR SERVICES DELIVERED UNDER THIS ORDER. DELIVERY OF ANY PRODUCT OR SERVICE UNDER THIS ORDER OR OTHERWISE, INCLUDING CREDIT CARD OR VERBAL AUTHORIZATION, SHALL NOT CONSTITUTE ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS. These terms and conditions, and any approved, additional terms or conditions stated on the face of a purchase order contain the entire Contract between Seller and JAE Oregon. Failure of either party to enforce any of its rights and responsibilities hereunder shall not constitute a waiver of such rights or of any other rights hereunder. The remainder of these terms and conditions will still remain in full affect even if any part of these terms and conditions are nullified by any agreement between the seller and buyer, or court order.

### 2. PRICING

PRICING MAY NOT BE INCREASED DURING THE PROGRAM LIFE, UNLESS SPECIFIED IN THE ORIGINAL AGREEMENT BETWEEN THE SELLER AND JAE OREGON. THE SUPPLIER MUST PROVIDE SUPPORTING DOCUMENTATION, INCLUDING INDEXES AND MATERIAL INVOICING WHERE INDEXED PRICING IS AGREED TO BY JAE OREGON. JAE Oregon's primary market is Automotive. The Seller agrees to take reasonable measures to reduce the total costs of the product or service provided to JAE by a minimum of 3% annually. Seller warrants that the prices for products or services ordered by JAE Oregon are not in excess of prices charged to other customers for similar quantities and delivery requirements. Any price decrease applicable to products or services similar to products or services ordered herein shall automatically reduce the unit price of unshipped products or services not yet rendered by a comparable percentage, at the time of the price decrease.

### 3. INVOICES

Invoices shall be submitted in duplicate and shall include the following information: JAE Oregon's purchase order number, vendor number from JAE Oregon's PO, product number, product description, sizes, quantities, unit prices, and extended totals in addition to any other information specified by JAE Oregon. Bill of lading or express receipt shall accompany each invoice. Payment of invoice shall not constitute acceptance of products and shall be subject to adjustment for errors, shortages, defects in the products or other failure of Seller to meet the requirements of this order. If any term of this purchase order does not appear on or agree with Seller's invoice as rendered, Seller agrees that JAE Oregon may change the invoice to conform to this purchase order and make payment accordingly. JAE Oregon may at any time, off-set Seller's invoice or invoices any amounts owed to JAE Oregon by Seller.

### 4. CASH DISCOUNTS

In connection with the discount, if any, offered by Seller for prompt payment, time will be computed from the latest of (i) the scheduled delivery date, (ii) the date of actual delivery, or (iii) the date an acceptable invoice is received by JAE Oregon. Payment is deemed to be made, for the purpose of earning the discount, on the date of mailing of JAE Oregon's check or the date of JAE Oregon's wire transfer of funds.

### 5. TAXES AND EXPENSES

The payment of all costs related to the delivery of the products and services set forth in this purchase order shall be governed by the Incoterms specified on this purchase order, as defined by the International Chamber of Commerce, "Incoterms 2010." All taxes, customs, duty, and freight must be itemized on the Seller's invoice where terms specify that the Seller pays these fees on behalf of JAE Oregon. JAE Oregon is located in the State of Oregon. Sales tax is not required for any shipments to Oregon. Sales tax is also not required for all products shipped to California, for use in our Tijuana Mexico Facility. The prices specified on the Purchase Order include all federal, state and local taxes, domestic or foreign, that Supplier is required by law to collect from JAE Oregon and from which Supplier cannot obtain an exemption. Such taxes shall be separately stated on Supplier's invoices and shall be paid by JAE Oregon, unless an exemption is available. Supplier shall provide JAE Oregon with appropriate evidence of the payment thereof to the Governmental/ regulatory authority, if so requested by the JAE Oregon.

## 6. OVERSHIPMENTS

Shipments must equal exact amounts or be within the tolerances specified in the original Agreement between the Supplier and JAE Oregon. JAE Oregon reserves the option to return, at Seller's expense, any shipment of products either in excess of the amount stated on the face of the purchase order or in advance of the agreed upon schedule. Such shipments will be held at Seller's risk and expense including reasonable storage charges while awaiting shipping instructions. Shipping charges for the return of excess quantities will be at Seller's expense. Subsequent shipments of returned product to JAE Oregon will be at the Seller's expense.

## 7. PACKING AND SHIPMENT

Unless otherwise specified, all products shall be packaged, marked and otherwise prepared for shipment in a manner which is

- (i) in accordance with good commercial practice,
- (ii) acceptable to common carriers for shipment at the lowest rate for the particular products and in accordance with ICC regulations
- (iii) properly prepaid so as to secure lowest transportation and insurance rates
- (iv) adequate to insure safe arrival of the products at the named destination and for storage and protection against weather.
- (v) in compliance with JAE Oregon's labeling and identification specification.

Seller shall mark all containers with necessary lifting, handling and shipping information and also purchase order numbers, date of shipment and the names of the consignee and consignor. An itemized packaging list must accompany each shipment unless otherwise specified. No partial or complete delivery shall be made hereunder prior to the date or dates shown unless JAE Oregon has given prior written consent.

## 8. POINT OF DELIVERY AND RISK OF LOSS

Unless otherwise specifically provided on the face of this purchase order, the products called for hereunder shall be delivered on an FCA origin basis. Unless otherwise specified, the seller is always responsible for the loading of goods to the carrier, regardless of the Incoterms specified. JAE Oregon is only responsible for freight damage where Sellers packaging meets the requirements specified in Section 7. The terms specified here do not relieve the supplier of responsibility for defective product.

## 9. WARRANTY AGAINST INFRINGEMENT AND ENCUMBRANCES

Seller warrants that all products supplied are free from claims of others with respect to royalties, patent rights, and mechanics' liens or other encumbrances or charges. Seller further warrants that the sale or use of products covered by this purchase order either alone, or in combination with other materials, will not infringe, misappropriate or contribute to the infringement or misappropriation of any patents, copyrights, trade secrets, trademarks, or other intellectual property rights either in the U.S.A. or foreign countries, and Seller shall indemnify, defend and hold JAE Oregon harmless from all liability, damages, settlements, costs and expenses for all claims and suits made or brought against JAE Oregon or any party selling or using any products provided hereunder for any alleged infringement of any patents, copyrights, trade secrets, trademarks, or other intellectual property rights by reason of the sale or use of said products either alone, or in combination with other products and to pay all expenses and fees of counsel which shall be incurred in connection with defending every such claim or suit and all related costs, damages, settlements and profits.

## 10. PRODUCT WARRANTY

Where design is Seller's responsibility, products shall be free from defects in design. Seller shall comply with the requirements of this Contract, including compliance with any drawings or specifications incorporated herein or to any samples furnished by Seller. The foregoing warranties are in addition to all other warranties, whether expressed or implied, and shall survive any delivery, inspection, acceptance, or payment by JAE Oregon.

Where design is JAE Oregon's responsibility, seller shall comply with the requirements of this Contract, including compliance with any drawings or specifications incorporated herein or to any samples furnished by Seller. The foregoing warranties are in addition to all other warranties, whether expressed or implied, and shall survive any delivery, inspection, acceptance, or payment by JAE Oregon.

(a) Seller warrants that all products delivered, including all components and raw materials incorporated therein as well as products corrected under this warranty, shall be free from defects in workmanship, materials, and conform to the drawing specified on this purchase order for the greater of (i) the seller's warranty (ii) forty-eight (48) months, (iii) the warranty provided to the end user by the manufacturer.

(b) If any products delivered hereunder do not meet the warranties specified herein or otherwise applicable, JAE Oregon, may at its election (i) require Seller to promptly correct, at no cost to JAE Oregon, any defective or non-conforming products by repair or replacement, at the location as specified by JAE Oregon, or (ii) return such defective or non-conforming products at Seller's expense to Seller, and recover from Seller the order price thereof. The foregoing remedies are in addition to all other remedies at law or in equity or under this order for damages or otherwise, and shall not be deemed to be exclusive. All warranties shall run to JAE Oregon and to its customers.

(c) JAE Oregon's approval of Seller's product or design shall not relieve Seller of the warranties set forth in this clause, nor shall waiver by JAE Oregon of any drawing or specification requirement for one or more of the products constitute a waiver of such requirements for the remaining products to be delivered hereunder unless so stated by JAE Oregon in writing. The provisions of this clause shall not limit or affect the rights of JAE Oregon under the clause hereof entitled "Inspection".

(d) Recalls. Notwithstanding the expiration period set forth in section 10.a, if JAE Oregon and/or, customers, including, but not limited to the manufacturer of the vehicles or other finished product on which the goods, or any parts, components or systems incorporating the goods, are installed, voluntarily or pursuant to a government mandate, makes an offer to owners of such vehicles or products to provide remedial action to address a defect that relates to motor vehicle safety or the failure of the vehicle to comply with any applicable law, safety standard or guideline (a so-called "recall"), Seller will none the less be liable for costs and damages associated with the conduct of such recall to the extent that such recall is based upon a reasonable determination (including by use of statistical analysis or other sampling methodology) that the goods fail to conform to the warranties set forth in this Contract.

## 11. INSPECTION

(a) All products purchased hereunder may be subject to inspection and test by JAE Oregon and or JAE Oregon customers to the extent practicable at all times and places during and after the period of manufacture and, in any event, prior to final acceptance by JAE Oregon. If inspection or test is made by JAE Oregon and or JAE Oregon's customers on Seller's premises, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of JAE Oregon's inspectors. No inspection or test made prior to final acceptance shall relieve Seller from responsibility for defects or other failure to meet the requirements of this order.

(b) In case any product is defective in material or workmanship, or otherwise not in conformity with the requirements of this order, JAE Oregon shall have the right either to reject it, require its correction, or conditionally accept it. JAE Oregon reserves the right to return such conditionally accepted products for credit within a reasonable period of time after receipt in the event that JAE Oregon determines that such products are unsuitable for its purposes. Any product which has been rejected or required to be corrected shall be replaced or corrected by and at the expense of Seller promptly after notice. If, after being requested by JAE Oregon, Seller fails to promptly replace or correct any defective product within the delivery schedule, JAE Oregon, at its sole discretion (i) may by contract, or otherwise, replace or correct such product, and charge to Seller the cost occasioned thereby, or (ii) may, without further notice, terminate this order for default in accordance with the clause hereof entitled "Termination For Default", or (iii) may utilize the deficient product and require an appropriate reduction in price.

(c) Notwithstanding any prior inspections or payments hereunder, all products shall also be subject to final inspection or acceptance at JAE Oregon's plant within a reasonable time after delivery. Seller shall provide and maintain an inspection system which is acceptable to JAE Oregon. Records of all inspection work shall be kept complete and available to JAE Oregon during the performance of this order and for such further period as JAE Oregon may determine.

(d) JAE Oregon may accept or reject shipments in accordance with its established inspection procedures. Where rejection of shipment is appropriate, based on JAE Oregon's normal inspection level, JAE Oregon may elect, at its option, to conduct 100% testing of such shipment. When such rejection endangers JAE Oregon's production schedules by reason of the fact that at least some of the products are necessary to meet such production schedules, then JAE Oregon, at its option, may charge Seller for the reasonable costs of an above-normal level of inspection up to and including 100% inspection of such shipment.

## 12. GREEN PROCUREMENT AND ENVIRONMENTAL REQUIREMENTS

It is the Seller's sole responsibility for complying with International, Federal, State, and Local laws and regulations. In addition, JAE Oregon at its sole discretion may require suppliers to complete a Green Procurement Survey and adopt business practices minimizing environmental impacts, including the maintaining of an Environmental Management System. A copy of the JAE Oregon Green Procurement and Environmental requirements can be obtained through JAE Oregon's purchasing department or Environmental Department.

## 13. RoHS

JAE Oregon produces and ships products to Europe and China and is required by law to comply with the European Union RoHS and China RoHS specifications. JAE Oregon reserves the right to test any product or material for substances banned or regulated under the above requirements. JAE Oregon may send any of the Seller's products or materials to an independent lab for testing, if JAE Oregon determines under its sole discretion suspects that a material contains or is likely to contain a banned substance. The Seller accepts responsibility for all costs associated with the testing of any material or product, in which a banned or regulated substance is present or in excess of the amounts listed in the RoHS documentation provided to JAE Oregon by the Seller.

#### 14. CHANGES

JAE Oregon may at any time, by a written order suspend performance, increase or decrease the ordered quantities, or make changes in any one or more of the following:

- (a) applicable drawings, designs or specifications,
- (b) method of shipment or packing, and/or
- (c) place of delivery

JAE Oregon reserves the right to reschedule and/or cancel, by written order, any shipment thirty (30) days prior to its receipt at no charge. The provisions of this paragraph 14 shall not limit or affect JAE Oregon's right to terminate this purchase order for default of Seller.

If any such change causes an increase or decrease in the cost of, or the time required for performance of, this order, an equitable adjustment shall be made in the order price or delivery schedule, or both, and the order shall be modified in writing accordingly. No claim by Seller for adjustment hereunder shall be valid unless asserted in writing accompanied by an estimate of costs, three (3) business days from the date of receipt of change notification by Seller. Seller must submit its final claim in writing with supporting documentation within the next succeeding twenty (20) day period. Failure of Seller to submit an estimate of costs within 3 business days and a final claim within the next succeeding twenty (20) days as provided above, shall constitute an unconditional and absolute waiver by Seller of any right to make a claim for adjustment.

Seller agrees that claims will not exceed the actual costs incurred by the seller. JAE Oregon reserves the right to verify claims hereunder and Seller shall make available to JAE Oregon, upon its request, all relevant books, records, inventories, invoices and facilities for its inspection and audit.

#### 15. SELLER'S EQUIPMENT

Seller, at its expense, will furnish, keep in good condition and replace when necessary all of its machinery and equipment, including related tooling, jigs, dies, gauges, fixtures, molds, patterns, fixtures and other accessories, required for the production of goods covered by this Contract (collectively, "Seller's Equipment".) Seller will insure Seller's Equipment with fire and extended coverage insurance for its full replacement value. Seller grants Buyer an irrevocable option to take possession of, and title to, all or part of Seller's Equipment that is specially designed or outfitted for the production of the good covered by this Contract, in which event Buyer will, within 45 days following delivery of such Seller's Equipment to Buyer, pay to Seller of the lower of (i) the net book value of such Seller's Equipment (i.e., actual cost less amortization) or (ii) then current fair market value of such Seller's Equipment, in each case less any amounts that Buyer has previously paid to Seller on account of such Seller's Equipment. The foregoing option will not apply to the extent that Seller's Equipment is used to produce goods that are the standard stock of Seller and are then being sold by Seller to other customers. Buyer's right to exercise the foregoing option is not conditioned on Seller's breach of Buyer's termination of this Contract or upon payment of any other amounts due under this Contract.

#### 16. SPECIAL TOOLING

If special tooling used in the performance of this order has been charged to this order, or to other orders placed by JAE Oregon, title to such special tooling shall vest in JAE Oregon, at the option of JAE Oregon. Such tooling is to be used only in the performance of such purchase orders unless otherwise approved by JAE Oregon. Seller agrees that it will follow normal industry practice in the identification and maintenance of the property control records on all such tooling, and will make such records available for inspection by JAE Oregon or the Government at all reasonable times. After the termination or completion of such order(s) and upon the request of JAE Oregon, Seller shall furnish a list of such tooling in the form requested and shall make such tooling available for disposition by JAE Oregon.

#### 17. BREACH; REMEDIES

Upon Supplier's breach of this Agreement, JAE Oregon shall be entitled to one or more of the following remedies: **(1)** Cancellation, which cancellation shall be effective immediately on the date of the notice of the cancellation; **(2)** Upon demand, Supplier shall grant JAE Oregon access to its premises to allow JAE Oregon to pursue its remedies and if requested, immediately return JAE Oregon property and technical information, such return to be at Supplier's cost and expense; **(3)** Purchasing any and all Items, work in process, raw materials, and inventory from Supplier for its fair market value, and offsetting the price of such purchases against any damages that Supplier may owe to JAE Oregon under these Terms; **(4)** Bringing suit to seek all rights and remedies to which it may be entitled under the Uniform Commercial Code ("UCC") or Personal Property Security Act as a buyer of goods; **(5)** Demand that Supplier provide JAE Oregon with remedial work or replacement Items in conformity with these terms; **(6)** Set-off against any amounts owed to Supplier and costs incurred in JAE Oregon's exercise of its rights under these this Contract prior to or as a result of Supplier's breach.

The remedies reserved in this Contract shall be cumulative and additional to any other or further remedies provided by law or equity. Resort to any remedy by JAE Oregon as provided in in this Contract or otherwise, shall not be deemed an election of remedies or a waiver of any breach or remedies.

**18. TERMINATION FOR DEFAULT**

(a) It is understood and agreed that time is of the essence under this order or any extension thereof affected by any change order. JAE Oregon may, by written notice, terminate this order in whole or in part if Seller fails to: (i) make delivery of the products or to perform the services within the time specified herein, or any extension thereof by written change order or amendment, (ii) replace or correct defective products in accordance with the provisions of those clauses hereof entitled "Product Warranty" and "Inspection", or (iii) perform any of the other provisions of this order or to so fail to make progress as to endanger performance in accordance with the terms hereof, including delivery schedules.

(b) In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against Seller, the inability of Seller to meet its debts as they become due or in the event of the appointment, with or without Seller's consent, of an assignee for the benefit of creditors or of a receiver, then JAE Oregon shall be entitled, at its sole option, to cancel any unfilled part of this purchase order without any liability whatsoever. JAE Oregon reserves the right in its sole discretion, at any time, to require adequate assurance of future performance in such form as JAE Oregon may specify, and if such assurance is not given to JAE Oregon promptly, JAE Oregon shall have the right to terminate this Contract in whole or in part forthwith.

(c) If this order is terminated pursuant to paragraph (a) or (b), JAE Oregon, in addition to any other rights provided herein, may require Seller to transfer title and deliver to JAE Oregon, in the manner, time and to the extent directed by JAE Oregon, (i) any completed products and (ii) such partially completed products and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights as Seller has produced or acquired for the performance of the terminated part. Seller shall grant JAE Oregon a royalty-free, assignable, non-exclusive license to use, and license others to use, Seller's designs, processes, drawings, and technical information and data substantially relating to the products terminated hereunder. Seller shall upon direction of JAE Oregon, protect and preserve such products and materials in Seller's possession or control. Payment for completed products delivered to and accepted by JAE Oregon shall be in an amount agreed upon by Seller and JAE Oregon in writing, however, such amount shall in no event exceed the order price per unit, and Seller's obligation hereunder to carry out JAE Oregon's direction as to delivery, protection and preservation shall not be contingent upon prior agreement as to such amount.

(d) If JAE Oregon issues a notice of termination for default and it is subsequently determined that JAE Oregon's termination under this clause is inappropriate, the termination shall be deemed by JAE Oregon and Seller to have been originally issued under, and the rights and liabilities of the parties hereto shall be governed by, paragraph 19 "Termination for Convenience."

(e) Failure of JAE Oregon to enforce any right under this paragraph 18 shall not be deemed a waiver of any other right hereunder. The rights and remedies of JAE Oregon under this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or equity or under this order.

**19. TERMINATION FOR CONVENIENCE**

(a) JAE Oregon may terminate work under this purchase order in whole, or in part by giving written notice to Seller specifying the extent to which performance of work is terminated and the time at which such termination becomes effective.

(b) After receipt of such notice and except as otherwise directed by JAE Oregon, Seller shall stop all work under this order to the extent specified in the notice of termination.

(c) Within three (3) business days after receipt of the notice of termination, Seller shall submit to JAE Oregon its written termination claim, including cost estimates. Seller must submit its final claim in writing with supporting documentation within the next succeeding twenty (20) day period. Failure of Seller to submit its termination claim as provided herein shall constitute an unconditional and absolute waiver by Seller of any claim arising from JAE Oregon's notice of termination.

(d) Seller shall reasonably assess costs for raw material, work in process and subassemblies as may be included within its termination claim to determine whether or not such items may be used by Seller for the manufacture of associated products or diverted for any other purpose, and to correspondingly reduce its termination claim by the value of such items. When settlement has been made, title to any of such items determined not usable by Seller and charged to JAE Oregon as the termination claim shall vest in JAE Oregon upon payment of the claim and shall forthwith be delivered to JAE Oregon or disposed of by the seller at JAE Oregon's sole discretion.

(e) Seller's termination claim shall consist solely of the following:

(1) Completed products accepted by JAE Oregon and not theretofore paid for the sum determined by multiplying the number of such products by the unit price therefore as specified in this order, and,

(2) The total of (i) the cost of work in process not to exceed the average unit cost multiplied by the number of units in process, provided however, that such number of units in process shall not exceed that amount which has been previously placed on firm release by JAE Oregon and (ii) a sum, as profit on paragraph (e)(2)(i) at a rate not to exceed the rate used in establishing the original purchase price; provided, however, if it appears that Seller would have sustained a loss on the entire purchase order had it been completed, no profit shall be included or allowed, and an appropriate adjustment shall be made reducing the amount of settlement to reflect the indicated rate of loss. Such amounts shall not include any costs attributable to Seller's products paid or to be paid under subparagraph (e)(1) above. The total sum to be paid to Seller under subparagraph (e)(1) and (2) above, shall not exceed the total order price minus (A) the amount of payments otherwise made and (B) the price of work not terminated under this order.

(f) In no event shall Seller be entitled to incidental or consequential damages, anticipated or projected profits, costs of preparing claims, attorneys' fees, costs of tooling or equipment or sales or agents' commissions on the terminated quantity.

(g) JAE Oregon reserves the right to verify claims hereunder and Seller shall make available to JAE Oregon upon its request, all relevant books, records, inventories, invoices and facilities for its inspection and audit. In the event Seller fails to reasonably afford JAE Oregon its rights hereunder, then Seller shall be deemed to have relinquished its claim asserted under the provisions of this paragraph 14.

## **20. WAIVER**

The failure of JAE Oregon to enforce, at any time, any of the provisions of this order, or to exercise any election or option provided herein, or to require at any time performance by Seller of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this order or any part thereof, or the right of JAE Oregon thereafter to enforce each and every such provision.

## **21. JAE OREGON'S PROTECTION IN CONNECTION WITH WORK DONE AT ITS PLANT**

Seller shall take such steps as may be reasonably necessary to prevent personal injury or property damage during any work hereunder that may be performed by any employees, agents or subcontractors of Seller at JAE Oregon's plant or facilities and Seller shall defend, indemnify and hold JAE Oregon harmless from and against all loss, liability, and damages arising from or caused directly or indirectly by any act or omission of such agents, employees, or subcontractors of Seller. Seller shall maintain insurance against public liability and property damage, including, but not limited to, Employee's Liability and Compensation Insurance, as will protect JAE Oregon against the aforementioned risks and against any claims under any Workmen's Compensation and Occupational Disease Acts.

## **22. COMPLIANCE WITH LAWS**

Seller warrants that no law, rule or ordinance of the United States, a state or any other governmental agency has been violated in the manufacture or sale of the products or in the performance of services covered by this order, and will defend, indemnify and hold JAE Oregon harmless from loss, cost or damage as a result of any such actual or alleged violation. Upon written request by JAE Oregon, Seller agrees to execute and furnish a certification of compliance, which may be on JAE Oregon's form and which shall certify compliance with any applicable federal, state or local laws or regulations, including but not limited to, FLSA, EEO, OSHA, and any Economic Control statutes or regulations.

Seller warrants specifically that is in compliance with the requirements of Executive Order 11246, 11625, 11758, Section 503 of the Rehabilitation Act of 1973, Executive Order 11701 and the Vietnam Era Veterans Readjustment Act of 1974.

## **23. GRATUITIES**

Seller warrants that it has not offered or given and will not offer or give to any employee, agent or representative of JAE Oregon any gratuity with a view toward securing any business from JAE Oregon or influencing such person with respect to the terms, conditions or performance of any contract with or order from JAE Oregon. Any breach of this warranty shall be a material breach of each and every contract between JAE Oregon and Seller.

## **24. NON-DISCLOSURE OF CONFIDENTIAL MATTER AND PUBLICITY**

Products purchased pursuant to JAE Oregon's specifications or drawings shall not be quoted for sale to others without prior written authorization by JAE Oregon's General Manager or President. Such specifications, drawings, samples, or other data furnished by JAE Oregon shall not be used or disclosed by Seller except as expressly provided herein, shall be treated by Seller as confidential information, shall remain JAE Oregon's property and shall be promptly returned to JAE Oregon upon request. Any publicity regarding this order (including, without limitation, pictures, descriptions or samples) is prohibited except with JAE Oregon's prior written approval.

**25. ASSIGNMENTS**

Seller shall not delegate any duties or obligations, nor assign any rights or claims under this order (including, without limitation, the right to receive moneys due hereunder), without the prior written consent of JAE Oregon. Any purported delegation or assignment, without such consent, shall be null and void.

**26. JAE OREGON FURNISHED PROPERTY**

All tools, drawings, specifications and other materials furnished by JAE Oregon for use in the performance of this order shall remain the property of JAE Oregon (or the Government, as the case may be), shall be used by Seller in the performance of this order only, in accordance with the requirements of the order relating to such use, and shall be returned to JAE Oregon when requested upon the completion or termination of the order to the extent not previously delivered to JAE Oregon. Seller agrees to exercise reasonable care in the safeguarding and preservation of all JAE Oregon furnished property and assumes all responsibility for loss, damage or destruction while such property is within its possession or control.

**27. PATENT LICENSE**

Seller, as part consideration for this purchase order and without further cost to JAE Oregon, hereby grants and agrees to grant to JAE Oregon, and to the extent requested by JAE Oregon an irrevocable, non-exclusive, royalty-free, worldwide right and license to use, import, sell, manufacture and cause to be manufactured, products embodying any and all inventions and discoveries made, conceived or actually reduced to practice in connection with the performance of this purchase order.

**28. GOVERNMENT CONTRACTS**

If this order is issued for any purpose which is either directly or indirectly connected with the performance of a prime contract with the Government or a subcontract thereunder, each of the named clauses, as set forth in the Acquisition Regulations in effect on the date of this order, is incorporated herein by reference. Seller will comply with the requirements of the clauses so incorporated in such manner as will enable JAE Oregon to meet its obligations arising out of the Government prime or subcontract.

**29. FORCE MAJEURE**

In the event of an actual or potential delay or failure of performance because of acts of God, or other causes beyond Seller's control, including but not limited to labor disputes, Seller shall immediately give notice thereof to JAE Oregon. In the event of any of the foregoing, JAE Oregon has the option of either (i) extending time of performance, or (ii) terminating the uncompleted portion of the order at no cost to JAE Oregon.

**30. CHANGES IN PROCESS OR METHOD OF MANUFACTURING**

Seller agrees that it will not invoke any changes in location, process or method of manufacturing affecting form, fit or function as stated in the PPAP or other acceptance documentation submitted by Seller and accepted by JAE Oregon. Seller further agrees that any contemplated changes in process or method of manufacturing affecting form, fit or function will be submitted to JAE Oregon in sufficient time to enable JAE Oregon a reasonable opportunity in which to evaluate such changes. Seller understands that this may include or require recertification of the product, including but not limited to PPAP, and may require up to 24 months for final approval. Seller agrees to reimburse JAE Oregon for all costs incurred by JAE Oregon, including internal and external processing, handling and testing, for any supplier requested changes in location, process or method affecting form, fit or function.

**31. INSURANCE**

Seller will maintain insurance coverage as required by applicable law or as reasonably requested by JAE Oregon with carriers reasonably acceptable to JAE Oregon. With respect to any such insurance coverage, Seller will furnish to Buyer either a certificate evidencing satisfaction of the above-mentioned insurance requirements under this Contract or certified copies of all insurance policies with ten (10) days after Buyer requests. The certificate must provide that Buyer will receive thirty (30) days prior notice from the insurer of any termination or reduction in the amount or scope of coverage. The furnishing of certificates of insurance and purchase of insurance will not limit or release Seller from Seller's obligations or liabilities under this Contract.

**32. JAE OREGON'S RECOVERY RIGHT**

With respect to any monetary obligations of Seller or Seller's affiliates to JAE Oregon or JAE Oregon's affiliates, including without limitation, direct and indirect losses, costs and damages resulting from Seller's failure to timely deliver goods or services, the failure of any goods or service to conform to applicable warranties or other breach by Seller of this Contract, Buyer may at any time, as applicable, recover, recoup or off-set such amounts by deducting such amounts from any sums that are, or will become, owing, due or payable to Seller or Seller's affiliates by JAE Oregon or JAE Oregon's affiliates. In the event that such amounts exceed the amounts owing, due or becoming payable, JAE Oregon may at its sole discretion invoice Seller. Terms on such invoice will be net 30 day.

**33. NOTICE**

Any notice required or permitted under these terms and conditions shall be given in writing and shall be deemed effectively given: (i) immediately upon personal delivery or facsimile transmission to the parties to be notified, (ii) one (1) day after deposit with a commercial overnight courier with tracking capabilities, or (iii) three (3) days after deposit with the United States Postal Service, by registered or certified mail, postage prepaid and addressed as follows, or such other address that JAE Oregon or Seller may advise from time to time.:

To JAE Oregon at:	11555 SW Leveton Drive Tualatin, OR. 97062 Attn: Purchasing Manager
To Seller at:	The address as it appears on the purchase order

**34. SEVERABILITY**

The invalidity in whole or in part of any provision shall not affect the validity of any other provision.

**35. GOVERNING LAW; INTERPRETATION; VENUE**

This order shall be governed, controlled, interpreted and defined by and under the laws of the State of Oregon and the United States, without regard to the conflicts of law's provisions thereof and without regard to the United Nations Convention on International Sales of Goods. This order shall not be modified, supplemented, qualified or interpreted by any trade usage or prior course of dealing not made a part of the order by its express terms. Headings and captions are for convenience only and are not to be used in the interpretation of this Contract. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement will be brought against any of the parties in Washington County Circuit Court of the State of Oregon or, subject to applicable jurisdictional requirements, in the United States District Court for the District of Oregon, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to such venue.

**36. ATTORNEYS' FEES**

In any action or proceeding to enforce the rights under this Contract, the prevailing party will be entitled to recover costs and attorneys' fees.

**37. TRANSLATIONS**

Buyer may provide various translated versions of these Terms and Conditions for informational purposes only. However, the original English language version of these Terms and Conditions will apply in the event of any disagreement over the meaning or construction of any provisions of these General Terms and Conditions.

**38. BATTLE OF THE FORMS NOT APPLICABLE**

The parties hereto have agreed and it is their intent that the battle of the forms section of UCC §2-207 shall not apply to these Terms or to any invoice or acceptance form of Supplier relating to these Terms. It is the parties' intent that these Terms shall exclusively control the relationship of the parties with respect to all Items being purchased pursuant to the Order, and in the event of any inconsistency between any invoice or acceptance form sent by Supplier to TMMNA and these Terms, the Terms shall control.

**SUPPLIER ACKNOWLEDGES THAT ITS SALE IS MADE SUBJECT TO THE TERMS OF THIS CONTRACT AND TO THE TERMS OF ANY OTHER DOCUMENTS REFERRED TO HEREIN, ALL OF WHICH ARE HEREBY INCORPORATED BY REFERENCE, NOTWITHSTANDING THAT SOME TERMS INCORPORATED BY REFERENCE ARE CONTAINED IN DOCUMENTS NOT ATTACHED HERETO.**