

**R. H. SHEPPARD COMPANY, INC.**  
**GENERAL PURCHASE ORDER TERMS AND CONDITIONS**

1. **Commitment, Acceptance:** For the goods herein identified, Buyer will buy only the quantities specified herein, if any, or as Buyer releases for shipment on specific shipping dates as set forth in Buyer's releases provided to Supplier or as posted on Buyer's Internet Web-Based scheduling system to which Buyer provides access to Supplier. No less than once per week, Supplier shall review Buyer's Internet Web-Based scheduling system to determine Buyer's volume needs and delivery dates ("Current Volume Needs"). The Current Volume Needs shall be the effective quantity requirements for Buyer's current purchase order ("Order") and shall be deemed accepted by Supplier, unless immediately rejected in writing by Supplier to Buyer. If Supplier only provides services under any order ("Service Order"), Supplier is not required to review Current Volume Needs. Acceptance of this Order or Service Order shall be expressly limited to the terms and conditions contained herein, and this Order or Service Order shall be deemed accepted upon the commencement of performance by Supplier. Buyer rejects any additional or inconsistent terms and conditions offered by Supplier, including Supplier's invoice, at any time and irrespective of Buyer's acceptance of or payment for Supplier's items or services. Time is of the essence as to Supplier's performance of services or delivery of goods hereunder.

2. **Releases, Shipment, Delivery:** Supplier will ship all goods both in quantities and at the times specified for delivery on the applicable due date (at no time more than three (3) days early, and zero (0) days late), and at the location designated on the face hereof or in Buyer's written instructions, or on Buyer's Internet Web-Based scheduling system. Buyer may return or store at Supplier's expense any goods delivered more than three (3) days in advance of the schedule delivery date. If Supplier delivers goods to buyer prior to an applicable due date, then the risk of loss for the goods shall not pass from Supplier to Buyer until the actual delivery date as originally specified by Buyer. If Supplier repeatedly misses delivery dates, Seller shall immediately provide Buyer with detailed corrective actions. Supplier shall report to Buyer upon delivery of goods and shall make continuous delivery improvements. Supplier shall perform all work or services within the time frame as specified by Buyer within any Service Order. Buyer will have no liability with respect to any goods for which no shipping release or schedule was provided to Supplier. Buyer may change both the quantities of, and delivery times for, goods previously scheduled for delivery hereunder, including temporary suspensions and postponements, by written notice to Supplier at any time prior to shipment. If Supplier fails or is unable to deliver any goods at the time herein specified, then unless such failure is due to a cause beyond Supplier's reasonable control and without Supplier's fault or negligence, Buyer will direct Supplier to deliver such goods by the most expeditious method of transport, including air freight, and Supplier will pay or reimburse to Buyer the full cost of such expeditious method of transport. All premium freight that, in the sole discretion of Bendix is the result of Supplier's actions or in-actions ("Premium Freight Event") will be debited from the Supplier eight (8) weeks after the occurrence of the Premium Freight Event. The Supplier has eight (8) weeks from the occurrence of the Premium Freight Event to provide information in writing to Bendix to prevent the debit from occurring. The Supplier must gain agreement from Bendix in writing to prevent the debit from occurring. If no written agreement concerning the cause of the Premium Freight Event is entered into between Bendix and the Supplier, then the full amount of the Premium Freight Event will be debited from the Supplier's account.

3. **Production Approval, Service Parts:** For the production of the goods herein identified, Supplier shall be in compliance with the quality standards required by Buyer from time to time, such as TS16949, QS-9000 or ISO-9000 standards, as set forth in the then-current version of Buyer's QMPP program, which is incorporated herein by reference. Prior to beginning the fabrication of any goods under this Order (except sample parts), Supplier must comply with Buyer's production part approval process ("PPAP") requirements, including submission at the level as required by Buyer to the specified Cpk value,

in accordance with Buyer's QR0010 standard, and Supplier shall obtain Buyer's written confirmation of compliance with such requirements. Supplier, at its own expense, will fabricate from production tooling and furnish to Buyer the number of sample parts which Buyer specifies. Supplier will inspect such samples before delivery to Buyer and certify its inspection results in accordance with Buyer's PPAP requirements. For a period of ten (10) years after the expiration or termination of this Order, Supplier will make and sell to Buyer the goods herein specified and parts thereof for service and replacement purposes.

4. **Receipt, Inspection:** Buyer will have the right to inspect and test all goods delivered to the designated plant or other location under any Order. Buyer may accept and retain, reject and/or revoke acceptance of any or all goods, as Buyer elects, which are delivered at the designated location (1) in a quantity which is either less or more than the authorized quantity, (2) either more than five (5) days prior to or any time following the authorized delivery date, or (3) in a condition or manner that fails to conform to any requirement of this Order. Supplier will pay to Buyer all handling, sorting, packing, transportation and other expenses which Buyer incurs in connection with any goods returned pursuant to this paragraph and, if Buyer elects to retain any goods not conforming to any requirement of this Order, the cost of correcting the non-conforming condition. For purposes of this paragraph, transportation expenses in connection with goods returned to Supplier will include the cost of transport to both the designated Buyer location and then back to Supplier's facility.

5. **Changes:** Buyer may direct Supplier to make changes of any kind by written notice to Supplier, including changes in (1) drawings, designs, and specifications, (2) physical composition and structure, (3) methods of packing and shipment, (4) quantities to be delivered, (5) time and place for delivery, and (6) performance of services. Buyer, at its sole discretion, may make an equitable adjustment in the purchase price, delivery schedule, and any other provision of this Order or Service Order that may be required for such changes. Supplier will not make any change in the design, physical composition or structure of the goods, any specifications applicable to the goods, or any process used to manufacture the goods or perform services, including any component thereof, without Buyer's prior written approval.

6. **Packing, Marking, Shipping:** Supplier will properly pack, mark, route and ship all goods and containers thereof in accordance with Buyer's then-current packaging and barcode specifications (BW5347 and BW5348), and pursuant to Buyer's then-current Supplier Business Manual. Supplier will mark all goods and packaging with the proper country of origin, and shall comply with all Federal Wood Packaging Material (WPM) requirements including heat treatment certified to current International Plant Protection Convention (IPPC) standards with approved international packaging marks. Supplier will reimburse to Buyer all expenses which Buyer incurs as a result of improper packing, routing or shipping, and will indemnify, defend and hold Buyer harmless for all damages, penalties and costs relating to Supplier's alleged or actual failure to comply with any requirements hereunder. Supplier will make no charge for containers, crating, boxing, handling, damage or storage without Buyer's prior written authorization unless otherwise specifically provided in this Order. The mode of transportation and carrier for all Supplier's shipments shall be in accordance with Buyer's release instructions. Domestic shipments shall ordinarily be FOB origin. International shipments shall ordinarily use INCOTERMS FCA (shipping point). Supplier shall provide written notice of shipment to Buyer at the time that Supplier delivers goods to a carrier for transportation.

7. **Pricing, Taxes:** The price for goods or services will be the amount shown on the face hereof. The price includes all charges related to preparation for and actual fabrication and delivery of the goods or performance of services, except as otherwise expressly set forth herein or agreed in writing by Buyer, and any taxes or duties imposed on Supplier and required by law to be paid by Supplier. All prices set forth herein are not subject to increase unless Buyer first approves in writing any such written request for increase from Supplier. Supplier must provide such written request to Buyer at least ninety (90) days prior to the date of such anticipated increase, along with Seller's written supporting justification and rationale, including evidence of actions taken by Supplier to avoid such price increase. The prices for the goods or services shall not exceed the lowest price at which Supplier sells substantially similar goods or

services in like quantities to any other similarly-situated customer as of the date of the Order or Service Order.

8. **Invoices, Payment:** Supplier will provide to Buyer at the location shown on the face of this Order or Service Order an invoice for each separate shipment of goods or performance of services. Each invoice will include all information required by any other provision of this Order or Service Order, including applicable part number and purchase order number. Notwithstanding the foregoing, Orders or Service Orders utilizing Buyer's Evaluated Receipts System ("ERS") do not require Supplier's physical invoice, and Buyer's receipt of the goods or services under ERS will trigger payment process pursuant to established payment terms between the parties. Buyer will pay to Supplier the purchase price of goods and other charges shown in the applicable invoice in full within the time for payment shown on the face hereof. Supplier will not submit an invoice for goods before delivery at the designated location. If Buyer disputes the amount of any invoice, Buyer may deduct the amount in dispute, and additionally, Buyer may deduct from and set-off against any amount due or to become due to Supplier hereunder any amount which Supplier owes to Buyer under this Order, Service Order or otherwise.

9. **Bailed Property, Tooling:** Buyer will be and remain the exclusive owner of any personal property, however denominated, whether or not attached or otherwise affixed to any real property, which Buyer provides to Supplier in connection with this Order or the cost of which Buyer has paid to Supplier. All tooling, either furnished or specifically paid for by Buyer for use in the manufacture of Products ("Tooling"), shall remain wholly the property of Buyer. Such Tooling shall be properly marked by Supplier as "*Property of Bendix Commercial Vehicle Systems LLC*" and shall have an Asset Number assigned by Buyer. Supplier shall sign any forms reasonably requested by Buyer to provide record notice of Buyer's interest in the Tooling. Buyer's Tooling shall be used solely for the production of goods for Buyer and shall not be used by Supplier for any other purpose unless agreed to in writing in advance by Buyer. Supplier will bear the risk of loss of and/or damage to such Tooling, normal wear and tear excepted. Supplier shall maintain property damage insurance adequate to cover the replacement costs of all Buyer's Tooling. Supplier waives all rights of subrogation against Buyer in respect of any injury to or death of any of its employees, which arises in connection with any property of Buyer in its possession. Buyer may agree to allow Supplier to use Buyer's Tooling at locations other than Supplier's premises, provided that Buyer grants this authorization in writing to both Supplier and the outside source prior to the movement and use of such Tooling. The authorization to use Buyer's Tooling is at the sole discretion of Buyer and may be revoked at any time. Should Supplier require Tooling from outside sources to produce Products for Buyer and for which Supplier seeks Tooling funding from Buyer, Supplier shall submit in writing a request for such Tooling funding to Buyer. Upon the termination or expiration of the Order, Supplier's right to the use of any of Buyer's Tooling, Tooling designs, etc., whether internal or external to Supplier's premises, shall immediately terminate, and Buyer's Tooling will be placed immediately by Supplier in a segregated area to await disposition by Buyer. Supplier shall make such Tooling immediately available to Buyer upon Buyer's request.

10. **Plant Inspections:** Supplier will permit Buyer's agents to enter Supplier's premises at reasonable times and after reasonable notice to inspect the fabrication of goods, determine Supplier's compliance with this Order, including use and maintenance of Buyer's property, and inspect any books and records of Supplier which are related to Supplier's performance of this Order or Service Order.

11. **Warranty:** Supplier represents and warrants to Buyer, as of the time of delivery and for the warrantable service life per Buyer's posted documentation (BW2926), that (1) title to all goods will pass to Buyer free and clear of any claim or lien of any third person asserting through or against Supplier; (2) all goods will expressly conform to all applicable drawings, specifications, samples and/or descriptions, whether furnished by Supplier or Buyer, and will be merchantable and both suitable and usable by Buyer for the intended purpose; (3) all goods will be free of any defect in material, workmanship and design if Supplier has designed the goods; (4) all services shall be performed in a workmanlike manner; (5) all goods were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and all orders and regulations issued by the Administrator of the Wage and Hour Division pursuant to Section 14 thereof; (6) Supplier will pay or reimburse to Buyer all

expenses which Buyer incurs in connection with any repair or replacement of (i) any goods delivered hereunder due to any such defect, and (ii) additionally, any product which incorporates any goods delivered hereunder that Buyer sells to any customer and Buyer is required to repair or replace due to any such defect under any warranty made by Buyer in respect thereof. (7) Buyer shall also be entitled to all implied warranties under the Uniform Commercial Code (UCC).

12. **Indemnity:** Supplier will defend, at its own expense, any claim, lawsuit or other proceeding brought against Buyer or any of its customers to the extent based on a claim that Supplier's performance of any service hereunder, or any defect in material or workmanship of any goods (or in the design thereof if Supplier designed same) delivered hereunder, caused or contributed in any way to the death of or injury to any person or damage to or destruction of any property, and Supplier will indemnify, defend and hold Buyer harmless for all damages, attorney fees, and costs incurred or awarded therein. As used herein, a defect includes the failure to affix safety warning to the goods and to provide adequate use instructions. In the event that any of Buyer's products are subject to any recall action or investigation (as required by any governmental agency or authority, or that is required to prevent any unreasonable risk to public highway safety) due to a defect that is attributable to the goods supplied by Supplier, Supplier shall indemnify, defend and hold Buyer harmless for any and all costs and expenses, including administrative expenses, incurred by Buyer or for which Buyer becomes obligated to any third party in connection with such recall or investigatory event. To the extent that Supplier causes or contributes to any delay or damages affecting Buyer, or for which Buyer may be held accountable to any third-party, Supplier shall be obligated to pay to Buyer all actual, consequential, special and/or liquidated damages associated with any such delay or damages hereunder.

13. **Insurance:** Supplier will maintain, at its own expense, the following minimum primary and/or excess insurance coverages with the following minimum limits: (i) statutory workers' compensation; (ii) employer's liability of U.S. \$3 million; (iii) commercial general liability (including products/completed operations and contractual liability coverage) of \$3 million bodily injury or property damage per occurrence; and (iv) automotive liability (covering owned, non-owned and hired vehicles) of \$3 million bodily injury or property damage per accident. In addition, Supplier shall maintain (i) all-risk property coverage, including transit and theft coverage for goods, whether or not owned by Buyer, that have been ordered by Buyer and are in the care, custody or control of Supplier, its agents or contractors, and (ii) any other insurance coverages that Buyer deems appropriate. Upon Buyer's request, Supplier will promptly furnish certificates of insurance indicating the foregoing coverage, naming Buyer as an additional insured where deemed appropriate by Buyer, and requiring written notice to Buyer at least thirty (30) days prior to the cancellation, reduction or non-renewal of any such coverages.

14. **Patents, Trademarks:** Supplier will defend, at its own expense, any claim, lawsuit or other proceeding brought against Buyer or any of its customers to the extent based on a claim that the goods specified or designed by Supplier or any part thereof or any device or product resulting from use thereof constitutes an infringement of any applicable patent, and Supplier will pay all damages, attorney fees and costs awarded therein. If any such goods, parts, devices or products are held to constitute an infringement and use thereof is enjoined, Supplier, at its own expense and its option, will either procure for Buyer or its customer the right to continue using same, modify same to avoid infringement, replace same with a non-infringing article, or refund the full purchase price therefor and pay all costs which Buyer and/or its customer incurs in connection with receipt and return thereof. The names and trademarks of each party and its affiliates will remain the sole and exclusive property of that party or its affiliate. A party will not use any name or trademark of the other party or any of its affiliates for any purpose whatever without the owner's prior written authorization. Supplier shall have the limited right and license to use Buyer's trademarks solely for purposes of supplying goods to Buyer hereunder and for no other purpose whatsoever, without the prior written consent of the Buyer. Supplier shall have no right to manufacture and sell to any other person, firm or entity (other than Buyer or its designated affiliates) any goods, products, components or assemblies that bear or contain any of Buyer's trademarks.

15. **Trade Secrets; Confidential Information:** All patterns, designs, drawings, specifications, bills of material, manufacturing documentation, quality control procedures plans and other materials which Buyer

provides to Supplier in connection with this Order or Service Order, whatever the form, whether printed, documentary, electronic media or otherwise, are confidential, will be deemed to contain trade secrets and will be and remain the property of Buyer unless otherwise agreed in writing. Supplier shall keep confidential and not disclose or use (except solely to perform Supplier's obligations hereunder) any such confidential information of Buyer. All work performed or created by Supplier for Buyer, and any material which Supplier delivers to Buyer, hereunder shall be deemed a work made for hire, and all rights thereto shall belong exclusively to Buyer. Upon the termination of the Order or Service Order, or upon the request of Buyer, Supplier shall promptly return to Buyer all Buyer-supplied materials received by Supplier and any copies of those materials.

16. **Termination:** Buyer may terminate this Order or Service Order, in whole or in part, at any time by written notice to Supplier, whether or not Supplier is in default of any obligation hereunder and without regard to the existence of any cause or event specified in any Force Majeure paragraph hereunder. After receipt of a termination notice, unless Buyer otherwise directs, Supplier will immediately terminate all work under this Order or Service Order and, additionally, (1) terminate all orders and subcontracts relating to this Order or Service Order; (2) settle all claims arising out of such terminations, (3) transfer title and deliver to Buyer all completed work which conforms to the requirements of this Order and does not exceed the quantity authorized for shipment to Buyer; and (4) take all action necessary to protect, segregate and ready for return to Buyer all property in Supplier's possession in which Buyer has or may acquire an interest. If Buyer terminates or cancels an Order, Buyer's sole liability to Supplier shall be to purchase from Supplier the following quantities of goods which are usable by Buyer and of good and merchantable quality and on hand at Supplier as of the date of termination or cancellation notice: up to thirty (30) days' supply of finished goods pursuant to Buyer's open order schedules at current pricing levels, up to sixty (60) days' supply of work in process, and up to ninety (90) days' supply of raw materials that are not otherwise usable by Supplier for the production of other goods. Upon termination of a Service Order, Buyer shall pay Supplier for any services rendered to the date of termination notice. Buyer shall have access to Supplier's premises and records prior or subsequent to payment, to verify charges supporting any termination claim. The provisions of this paragraph shall not apply if Buyer cancels this Order or Service Order due to Supplier's default.

17. **Excusable Delays, Force Majeure:** Neither party will be liable for failure to perform any of its obligations under this Order or Service Order during any period in which that party cannot perform due to acts of God beyond the party's control, including, but not limited to, fire, flood, or other natural disaster, war, embargo, or riot (a "force majeure condition"), provided that the party so delayed immediately notifies the other party of the delay, except that Supplier shall not be excused from performance for circumstances relating to Supplier's own labor force, including labor strikes and lockouts. If Supplier's performance is delayed by force majeure conditions for a cumulative period of thirty (30) days or more, Buyer may terminate this Order or Service Order by giving Supplier written notice, which termination will become effective upon receipt of such notice. If Buyer terminates this Order or Service Order under this paragraph, its sole liability under this Order or Service Order will be to pay any balance due for conforming goods, products or services (1) delivered by Supplier before receipt of Buyer's termination notice; and (2) ordered by Buyer for delivery and actually delivered within fifteen (15) days after receipt of Buyer's termination notice. If Supplier cannot deliver goods or services hereunder because of a force majeure condition, Buyer may immediately seek substitute performance.

18. **Further Assurances; NAFTA:** In performance of this Order or Service Order, Supplier will comply with all applicable federal, state and local laws, Presidential Executive Orders, and regulations issued thereunder, including, without limitation, Executive Order No. 11246, the Federal Occupational Safety and Health Act of 1970, Federal Regulated Wood Packaging Material statutory requirements, the Federal Hazardous Material Transportation Safety Act of 1994, and the Federal Toxic Substance Control Act, all as amended. Supplier further assures Buyer that all goods and containers of goods delivered hereunder will conform to the requirements of such laws, orders and regulations. Supplier shall provide annually to Buyer accurate and complete North American Free Trade Agreement (NAFTA) Certificates of Origin for the goods supplied to Buyer hereunder. The NAFTA Certificate of Origin must be completed in accordance with regulations published by the U.S. Department of Treasury in the Federal Register and

any amendments thereto, and in accordance with instructions issued to the Supplier by Buyer. Upon a change in the NAFTA content of any goods supplied by Supplier to Buyer hereunder, Supplier shall immediately provide Buyer with a new NAFTA Certificate of Origin.

19. **Supply Chain Shipment Security.** Supplier accepts responsibility for, and shall implement security measures to ensure, the safe and secure transportation of goods throughout the supply chain and adhere to all applicable security requirements (including but not limited to factory and shipping container security) of the country in which it operates, consistent with the security criteria required under the Customs-Trade Partnership Against Terrorism ("C-TPAT") program sponsored by the United States Border Protection Agency. Supplier shall immediately notify the Buyer upon learning of any compromised container seal. Supplier shall comply with all U.S. Customs laws and security measures required by C-TPAT and promptly notify Buyer upon its formal acceptance into the C-TPAT program and regarding any changes to its status under or identified non-compliance with C-TPAT or its requirements, or any similar security program sponsored by Supplier's country. Supplier shall take no action that adversely affects Buyer's status under the C-TPAT program.

20. **Disputes, Applicable Law:** The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Order or Service Order. Any and all matters of dispute between the parties hereto, whether arising from this Order or Service Order itself or from alleged extra facts prior to, during or subsequent to this Order or Service Order, including, without limitation, fraud, misrepresentation, negligence or any other alleged tort or contract violation, shall be governed by, and in accordance with, the laws of the State of Ohio, regardless of the legal theory upon which such matter is asserted. Any litigation will be brought exclusively in Cleveland, Ohio, and the parties consent to the jurisdiction of the state and federal courts located therein, submit to the jurisdiction thereof and waive the right to change venue. If any provision of this Order or Service Order is in violation of any Federal, State or local statutes or regulations of any countries having jurisdiction of this transaction, or is illegal for any reason, said provision shall be self deleting without affecting the validity of the remaining provisions. Buyer shall be entitled to all remedies in law and equity, including all remedies available under the Uniform Commercial Code (UCC).

21. **Assignment:** Supplier may not assign or transfer any right or obligation hereunder, including the right to money, without Buyer's prior written approval. Any such assignment or transfer made without Buyer's prior approval, whether by operation of law or otherwise, will be void and have no force or effect.

22. **Entire Agreement, Survival:** These terms and conditions constitute the entire agreement between the parties and no change to or modification of this Order or Service Order shall be binding upon Buyer unless signed by an authorized representative of Buyer's procurement or purchasing office at Buyer's place of business issuing this Order or Service Order. The rights and responsibilities of Supplier and Buyer under the provisions hereunder, which by their nature extend beyond any such expiration or termination of the Order or Service Order, shall survive expiration or earlier termination of any Order or Service Order.

rev. 5-03-2018