GREEN TOKAI CO., LTD. MASTER PURCHASE AGREEMENT

| THIS MASTER PURCHASE AGREEMENT ("Agreement") is made effective as of, 20 ("Effective Date") by and between GREEN TOKAI CO., LTD., a Delaware corporation, having its principal offices and place of business at 55 Robert Wright Drive, Brookville, OH 45309, and referred to herein as ("GTC"), and, a (either a "Limited"). |
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| Liability Company", "Sole Proprietorship", "Cooperative", "Corporation", "Partnership", or "S Corporation") corporation, having its principal offices and place of business at ("Supplier "). GTC and Supplier are sometimes referred to herein individually as a "Party" and collectively as "Parties". |
| The purpose of this Agreement is to set forth the terms and conditions and mutual commitments of the Parties with regard to products that GTC purchases from Supplier and Supplier sells to GTC for use by GTC in its production of parts and products for GTC's customers. Therefore, intending to be legally bound, the Parties agree as follows: |
| 1. <u>Definitions and Interpretation</u> . |
| 1.1 <u>Definitions</u> . In addition to terms defined within other sections of this Agreement, the following capitalized terms when used in this Agreement shall have the respective meanings set forth below, unless a different meaning shall be expressly stated. |
| 1.1.1 "Accepted Order" means an Order accepted by Supplier (i) by written confirmation, (ii) by electronic acknowledgement, (iii) by not being rejected by Supplier, in writing, within three (3) calendar days after receipt by Supplier, (iv) by Supplier undertaking to produce and/or supply the Products, or (v) by such other means as the Parties may agree upon from time to time. |
| 1.1.2 "Agreement" means this Master Purchase Agreement, all exhibits, attachments and schedules referenced herein and attached hereto, and all amendments, supplements and modifications hereto and thereto. |
| 1.1.3 "GTC" means the point of contact at GTC who issues a purchase order. |
| 1.1.4 "Facility" means GTC facility specified in the applicable Accepted Order. |
| 1.1.5 "GTC" has the meaning set forth in the preamble hereto. |
| 1.1.6 "GTC Confidential Information" has the meaning as set forth in Section 13.1 hereof. |
| 1.1.7 "Improvements" has the meaning set forth in Section 11.6. |
| 1.1.8 "Know-How" has the meaning set forth in Section 11.4. |
| 1.1.9 "Manual" means GREEN TOKAI CO., LTD. Supplier Quality Manual (found at http://www.greentokai.com) as modified by GTC from time to time. |
| 1.1.10 "Order" means a contract for the purchase and sale of Supplier's Products entered into by GTC's issuance to Supplier of an order, or purchase order, tooling purchase order, purchase order requisition, tooling purchase order requisition, or verbal orders confirmed via written or electronic order. |
| 1.1.11 "Party" and "Parties" have the meanings set forth in the preamble hereto. |
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- 1.1.12 "Products" and or "Services" ("Products" or "Services"; if referred to individually) means the products/materials/parts and / or services (whether or not complementary) to be supplied by Supplier as described in each Order, and/or Accepted Order
- 1.1.13 "<u>Production Part Approval Process</u>" means the process that is used to establish confidence in component suppliers and their production processes, by demonstrating that all customer engineering design record and specification requirements are properly understood by the supplier and that the process has the potential to produce product consistently meeting these requirements during an actual production run at the quoted production rate.
 - 1.1.14 "Property" has the meaning as set forth in Section 11.1 hereof.
- 1.1.15 "Sample/s" has the meaning as being any example or prototype of Products requested from the GTC through the Order and regardless if provided for a fee or free of charge.

2. Agreement Term.

This Agreement shall begin on the Effective Date and shall continue until terminated by either GTC or Supplier by at least ninety (90) calendar days prior written notice to the other Party, unless otherwise earlier terminated as provided in this Agreement ("Term"). Notwithstanding the giving of any termination notice by one Party to the other and unless otherwise directed, in writing, by GTC, all Accepted Orders in effect prior to the stated termination date of this Agreement shall be completed in accordance with the terms of this Agreement and those of the applicable Accepted Orders.

3. Exclusivity and Specifications.

- 3.1 <u>Exclusivity of Terms</u>. Except only as otherwise specifically provided herein, THE TERMS OF THIS AGREEMENT ARE EXCLUSIVE and none of such terms may be added to, modified, superseded or altered except by written agreement or modification hereof signed by GTC's authorized representative, notwithstanding any terms which may now or in the future appear on Supplier's invoices, quotations, acknowledgements or other forms. Any shipment, delivery, or other tender of performance by Supplier shall be taken as Supplier's assent to and acceptance of the terms hereof, notwithstanding GTC's payment or other acceptance of Supplier's goods or performance.
- 3.2 <u>Specifications</u>. Both parties hereto agree that the following, to the extent transmitted to Supplier by GTC or accepted in writing by GTC as applicable to this Agreement (collectively, the "Specifications"), are incorporated herein by reference and deemed to be a part hereof: models, drawings, specifications (of GTC, and of Supplier if accepted in writing by GTC) and technical processes; quality control standards; forms of Order; and other standards or agreements, for example, confidentiality agreements, and the Manual. Supplier shall not substitute any product for a Product identified in an Accepted Order without GTC's prior written consent.
- 3.3 <u>Specifications Changes</u>. Supplier understands that GTC may need to modify some or all of the Specifications for the Products to address commercial requirements of GTC and/or its customer. Accordingly, GTC may notify Supplier of its intention to change the Specifications for the Products; any such notice shall include the modified Specifications for the Products. If within thirty (30) calendar days of such receipt of notice by Supplier (i) Supplier advises GTC it is unable or unwilling to meet the modified Specifications, or (ii) Supplier and GTC are unable to mutually agree to the pricing and implementation schedule therefore, then in either of such events GTC may terminate the applicable Accepted Order and GTC shall therefor reimburse Supplier the reasonable cost occurred by performing the Accepted Order before the change.

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- 3.4 Samples. During the Production Part Approval Process, the delivery of Samples must take place within the agreed upon timeframes and must comply with the rules of any quality certification systems applied by GTC. Such systems may apply to new components, modification of specifications and changes in procedures affecting dimensions, functions and materials. Any additional costs as well as damages resulting from late deliveries of Samples shall be borne by the Supplier. In the event that the Order covers Samples' quotations, this circumstance shall not imply a duty by GTC to approve such Samples or quotations, neither a duty to cover related expenses by GTC (unless otherwise agreed), nor a duty to enter into a binding agreement concerning the Products and/or Services relating to such Samples.
- 3.5 The Supplier acknowledges and agrees that all components requiring validation tests or which are subject to compliance of safety standards as shown in GTC's drawings and / or specifications must be manufactured accordingly. The Supplier further acknowledges that it shall undertake all mandated testing in addition to all certification requirements and furnish proof of certification by an authorized certification agency. The Supplier acknowledges and agrees that it shall comply with and abide by all rules prevailing in the automotive and automotive component industries.

4. Orders and Accepted Orders.

- 4.1 <u>Orders.</u> ACCEPTANCE OF ANY ORDER IS EXPRESSLY LIMITED TO THE TERMS THEREOF AND HEREOF AND ANY ADDITIONAL OR DIFFERENT TERMS ARE OBJECTED TO WITHOUT FURTHER NOTIFICATION BY GTC.
- Accepted Orders. Each Accepted Order is incorporated by reference in this Agreement, and notwithstanding anything to the contrary in an Accepted Order, no Accepted Order shall include any terms and conditions inconsistent with or in conflict with this Agreement, and each Accepted Order is made a part hereof with the same force and effect as though set forth in full and in writing above the signatures affixed hereto. Each Accepted Order will be a separate and individual contract and any two or more of the various Accepted Orders hereunder shall not be deemed to be parts of an installment contract, but, rather, shall be separate and severable. Supplier shall not substitute any product for a Product identified in an Accepted Order without GTC's prior written consent. Supplier, however, may seek to receive GTC's approval for alternative Products for which substitutions could be made, or for such alternatives, provided that they are fit for GTC's purpose, of equivalent or better quality. The only manner in which any provision of this Agreement may be modified, superseded or overwritten is by a single document signed by both GTC and Supplier specifically identifying and referring to this Agreement and to the number and heading of the provision being modified, superseded or overwritten.
- 4.3 <u>Included in Order</u>. Unless expressly stated on the face of the Accepted Order, Supplier shall supply any and all labor, services, tools, materials, equipment and items necessary or appropriate to produce the Products.
- 4.4 <u>Accepted Order Cancellation</u>. Unless otherwise stated on the front of an Accepted Order, GTC, at any time and without cause, upon notice to Supplier may cancel an Accepted Order. Upon receipt of GTC's notice of cancellation, Supplier unless otherwise directed by GTC, immediately shall discontinue performance of the Accepted Order and immediately cancel all orders or subcontracts given or made in connection with the applicable Accepted Order. In the event of such a cancellation by GTC, GTC shall pay for all Products delivered or produced and other relative cost under the

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applicable Accepted Order through the cancellation date, and such Products so paid for shall become the property of GTC.

- 4.5 <u>Transition</u>. In the event of any termination of an Accepted Order by Supplier other than for cause pursuant to Section 14, Supplier, upon GTC's request, shall cooperate with GTC in the transition of supply of the Product, including Supplier continuing production and delivery of the Product as ordered by GTC, at the prices and other terms stated in the applicable Accepted Order, without premium or other condition, during the entire period reasonably needed by GTC to complete the transition to the alternate supplier(s), such that Supplier's actions or inaction causes no interruption in GTC's ability to obtain Product as needed.
- 4.6 <u>Forecasts Not Binding</u>. This Agreement is not intended to be, nor is it, an exclusive arrangement, firm commitment or purchase requirements contract. Rather, this Agreement is intended to cover only such quantities of the Products GTC elects to purchase from Supplier as specified on each Accepted Order. Any quantity estimates in an Order and/or an Accepted Order are only for planning purposes, and GTC shall not be required to purchase any fixed quantity of Products ("Forecast").
- 4.7 <u>Service Parts.</u> Whether or not this Agreement remains in effect, for a period of fifteen years or such lesser period as to which GTC shall in writing agree, after GTC's termination of mass production of any item or line of the products which it manufacturers, which production incorporates, uses, or installs the Products, Supplier will provide GTC with all necessary service and replacement parts for the Products at a reasonable cost agreed upon by Supplier and GTC.

5. Price and Payment.

- 5.1 <u>Prices and Taxes</u>. GTC shall pay for the Products in accordance with the prices and currencies as set forth in the applicable Accepted Order, which prices may not be changed or adjusted in any manner without the prior consent (written or electronically) of GTC.
- 5.1.1 If at any time GTC receives from another source an offer to supply a Product of like quality to that offered by Supplier at a price which is lower than Supplier's price then in effect, GTC may request Supplier to meet such competitive offer. If within five (5) working days after the date of GTC's request Supplier has not agreed to meet the competitive offer, GTC, at its option, may purchase the applicable Product from the competitive source and the quantity so purchased shall be deducted from any then applicable Accepted Order(s).
- 5.1.2 Except as otherwise expressly specified in an Accepted Order, Supplier shall be liable for and shall pay all taxes, excises, and other governmental charges levied or applicable to the production, transportation, storage, sale, or delivery of any Products or applicable income, profits, or receipts received by Supplier for such Products

5.2 Terms of Payment.

- 5.2.1 Terms of payment and the currency of U.S. dollars thereof shall be net proximo 25.
- 5.2.2 Supplier's invoices shall be in such format and medium, with such pricing and other information breakouts, and with such supporting documentation as GTC may direct from time to time. At minimum, Supplier's invoices shall include the applicable Accepted Order number, release number, line item number, and GTC item ID number for the Products if noted on the Accepted Order.

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- 5.2.3 GTC may debit any amount due hereunder from GTC to Supplier from any amounts due to GTC from Supplier under this Agreement or any other agreement between Supplier and GTC.
- 5.2.4 Supplier agrees that all correspondence, books, accounts and other documents and information relating to the Products purchased hereunder and the prices payable hereunder shall be made available to GTC, or its authorized representatives, for inspection during normal business hours at Supplier's office during the Term of this Agreement and for thirty-six (36) calendar months thereafter.
- 5.2.5 Payments to Supplier may be made by wire transfer mutually agreed upon by the Parties from time to time.

6. <u>Performance by Supplier.</u>

6.1 <u>Packing, Shipping and Title.</u>

- 6.1.1 Supplier shall pack, label and prepare the Products for shipment in accordance with GTC's instructions and in a manner so as to prevent its damage, contamination, or deterioration and so as to comply with applicable laws and regulations. Supplier will inspect the equipment of the carrier transporting the Products for safety hazards, and carrier's compliance with applicable laws and regulations, and to prevent damage, contamination, or deterioration of the Products. Damaged Products are subject to refusal by GTC.
- 6.1.2 Supplier shall arrange for shipment of the Products to GTC's destination, provided that GTC may, at its option, arrange for shipment. Payment for freight will be as specified on the Accepted Order. If a carrier selected by GTC is unable to pick up, or tenders a vehicle deemed unsuitable for transportation of the Products, Supplier shall immediately advise GTC and follow the instruction of GTC, provided that Supplier shall, if unable to timely contact GTC, select a competent carrier and route, ship the Products, and immediately advise GTC of the transportation arrangements. GTC will not pay detention or demurrage charges (i) accrued prior to or after GTC's scheduled delivery date or time or, (ii) for time spent resolving quality or quantity disputes which are ultimately resolved in GTC's favor. Supplier will be held liable for any loss or damages arising out of improper packaging, and/or handling of the Products.
- 6.1.3 Except as may be otherwise specified in an Accepted Order, Products are considered delivered and title to and risk of loss of the Products shall pass to GTC as the Products pass the flange at the Facility regardless of the carrier or who selects or pays the carrier.
- 6.1.4 In the case Products come from outside of the United States of America, any import/export permits or authorizations required to export or import such Products shall be of Supplier's responsibility, unless otherwise agreed, as well as the necessary documentation to enable GTC to fulfill the import of any.
- 6.2 <u>Scheduling</u>. GTC will give Supplier reasonable notice regarding, and Supplier shall comply with, GTC's requirements for time of delivery. Supplier understands and agrees that TIME IS OF THE ESSENCE and, further, that Supplier must notify GTC of any delay. Any Products received after the time specified will be held subject to GTC's right to reject all or any part thereof.

6.3 Non-Conforming Products.

6.3.1 GTC may cancel any Accepted Order (in whole or in part) or reject any delivery (in whole or in part) upon GTC's or GTC's designee's determination that any of the Products are defective or nonconforming or that delivery did not conform with the terms of the Accepted Order and,

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in the case of any such rejection, may instruct Supplier as to the means and method(s) of cure. Supplier will deliver (at the earliest possible moment and by the fastest practicable and available means without any increase in any costs to GTC) conforming substitutes or replacements for each defective or nonconforming item or delivery of the Products.

- 6.3.2 All defective or nonconforming Products, which have been rejected due to quality problems may, at GTC's option, be disposed of by GTC or Supplier, as determined by GTC, at Supplier's expense. Any Products rejected because of a failure to comply with specified time, delivery terms, and/or quality will be returned pursuant to Supplier's instruction at Supplier's expense. If Supplier fails to give instructions within a reasonable time, GTC may, in GTC's sole discretion, dispose of such Products at Supplier's expense.
- 6.3.3 In the event of tendered delivery is not in compliance with the times, quality, quantities or other terms contained within the Accepted Order or this Agreement or as specified by GTC (unless Supplier has received notice of rejection or cancellation from GTC) then Supplier will ship conforming Products at the earliest possible moment and by the fastest practicable and available means, without any increase in any costs to GTC. In addition, Suppler shall bear and pay all charges and expenses as may be required by GTC, including those relating to production changes, additional labor, additional transportation charges, and cover, resulting from Supplier's failure to make delivery in conformity with the times, quality, and/or quantities specified by GTC.
- 6.4 <u>Manufacturing Changes</u>. Supplier shall not change the manufacturing location, or process used to produce the Product from that present when the Product was originally approved by GTC except in accordance with the Production Part Approval Process requirements of the Manual.
- **Warranties.** Except as may be otherwise specified in an Accepted Order, Supplier warrants and represents to GTC as to all Products that:
- 7.1 at the time of delivery, as described in 6.1.3, Supplier will pass to GTC clear, marketable title to the Products;
 - 7.2 the Products will conform to all Specifications;
- 7.3 the Products will be merchantable and fit for the particular purpose(s) for which is required by GTC;
- 7.4 the Products will be of new materials and free from defects in manufacture, shipping, handling, material and workmanship;
- 7.5 the Products will conform to the requirements of this Agreement and the applicable Accepted Order;
- 7.6 the Products, its sale to GTC, its resale by GTC, and its use will be in accordance with Specifications and/or marketing materials (or as applicable, that of the manufacturer of the Products if not Supplier);
- 7.7 the Products shall not infringe any patent, trademark, copyright, trade secret or other intellectual property or proprietary rights of any third party;
- 7.8 The Products will be in compliance with all applicable federal, state and local laws, regulations or orders, and agency or association standards or other standards applicable to the manufacture, labeling, transportation, licensing, approval or certification thereof;
 - 7.9 The Products will be free of lawful claims of any party;

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- 7.10 Supplier has obtained, or will obtain, any required approval by any governmental authority with respect to the sale, shipping, handling, packaging, processing, or use of the Products, as applicable from time to time, and Supplier will furnish GTC with copies or other satisfactory evidence of all such approvals; GTC, at its sole option, may obtain, or assist Supplier in obtaining, such approval; and
- 7.11 The warranties contained in this Section are specifically for the benefit of GTC and any person claiming by or through GTC. Furthermore, the Parties agree that the above warranties extend to the future performance of the Products for a period of time equal to the period during which GTC is required to reimburse its customer for consumers' warranty claims, and for such longer period(s) that may be set forth in the specifications for the Products. However, the expiration of warranty on a particular consumer's product is not to be considered an absolute bar to future claims of GTC to Supplier resulting from, by way of example, individual extensions of warranty as a matter of policy or replacement of Products in the event of recall or other safety-related concerns, where the same are attributable to the Products not conforming to Supplier's warranties set forth in this Section.

8. Safety.

- 8.1 Supplier shall provide to GTC's designated representative before the first shipment of any restricted toxic, hazardous, or controlled substance information sufficient to enable GTC to make appropriate and sound decisions regarding environmental, health and safety impacts of each of the Products to be supplied by Supplier; all of which information shall be updated by Supplier, as appropriate and necessary. Supplier further shall provide to GTC any specific health, safety, or environmental information concerning the Products as may be specified in an applicable Accepted Order.
- 8.2 The following provisions of this Section 8.2 apply to the extent they are applicable to any of the Products as a matter of law, regulation or governmental requirement.
- 8.2.1 <u>TSCA Compliance</u>. Supplier represents that it has reviewed and understands the regulations of the Toxic Substances Control Act ("TSCA") and controlled by 15 C.R.F. 53 relating to the manufacture and importation of chemical substances. In response to GTC's periodic requests, Supplier shall timely provide GTC with complete and accurate information relating to applicable Products (the "Information") to enable GTC to fulfill its TSCA reporting obligations. Supplier understands that GTC will rely on the Information to comply with the requirements of TSCA. Supplier agrees to indemnify, defend and hold GTC harmless from all claims, damages, fines, penalties or other costs which GTC may incur at any time arising out of violations of TSCA, or GTC's inability to process, manufacture or distribute the applicable Products for commercial purposes as a result of such violations, if such violations result, in whole or in part, from inaccurate, incomplete, false or misleading information. The cost of obtaining and supplying Information shall be borne by Supplier.
- 8.2.2 <u>Hazard Communication (MSDS/Labeling)</u>. Supplier will provide GTC with for each Product (included and not limited to hazardous products) that complies with the requirements of U.S. OSHA or the applicable regulatory requirements where the Facility resides. The MSDS and labeling will be in English. Supplier will ensure that all Products covered by this Agreement have a hazard warning label. Supplier is to immediately notify GTC of all MSDS revisions.

9. Indemnity.

9.1 Supplier agrees, at its sole expense, to indemnify, hold harmless and defend GTC, its successors and assigns, parents, subsidiaries, affiliated companies, customers, directors, officers, agents and employees from and against any and all loss, damage, liability, suit, claim, demand, cost

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and expense (including reasonable attorneys' fees) arising out of or in connection with any infringement or alleged infringement of any United States or foreign patent or copyright or misappropriation of any trade name, trademark or trade secret based on the manufacture, assembly, sale or use of the Products, machinery or equipment supplied hereunder or in connection with the performance of work hereunder, including, but not limited to, the supply or use of materials or equipment for or in connection with such work and including, but not limited to claims, demands, or lawsuits based upon unfair competition by reason of the sale or use of the Products by GTC.

- 9.2 Supplier agrees, at its sole expense, to indemnify, hold harmless and defend GTC, its successors and assigns, parents, subsidiaries, affiliated companies, directors, officers, agents and employees from and against any and all loss, damage, liability, suit, claim, demand, cost and expense (including reasonable attorneys' fees) arising out of or in connection with the Products sold hereunder, their possession, use or operation, use or operation by Supplier of the Property, wherever the same may be located, and Supplier's performance hereunder, including, without limitation: (a) any accident, illness, personal injury or death to any employee or agent of Supplier or GTC or to any other person; (b) any damage, loss or destruction to property, whether property of Supplier or GTC or any other party, except to the extent that any such accident, illness, injury, death, damage, loss or destruction is caused by the negligence of GTC or (c) any and all property damage and damages related to personal injury and/or death while Supplier is on GTC's premises. In furtherance of the foregoing, Supplier expressly waives any and all statutory and/or constitutional immunity to which, but for this waiver, Supplier might be entitled as an employer in compliance with the workers' compensation laws or any other employee benefit statute or similar laws of any jurisdiction.
- 9.3 In the event of any claim, threatened claim, or notification of either which may be the subject of indemnification provided for in this Section 9, GTC will give Supplier prompt written notification thereof and provide Supplier such reasonable assistance in the response and prosecution or any defense as Supplier may request, at Supplier's expense.
- 9.4 The provisions of this Section 9, and the indemnity hereunder, shall survive this Agreement and any performance hereunder.

10. Insurance.

- 10.1 Supplier shall procure and maintain insurance, in amounts and coverage reasonable in the circumstances and acceptable to GTC, but in any event not less than \$1,000,000 as to any one occurrence, at Supplier's sole expense, with reputable and financially responsible insurance companies, insuring against any and all public liability and the indemnifications described in Section 9 herein, including injuries or death to persons and damage to property, arising out of or related to the Products or Supplier's performance hereunder and shall furnish to GTC certificates or memoranda of such insurance and renewals thereof signed by the issuing company or agent or other information respecting such insurance prior to each expiration date and at least fifteen (15) days prior to each expiration date and any time promptly upon GTC's request. Such policy shall provide for cancellation only subsequent to thirty (30) days' prior written notice to GTC.
- 10.2 GTC's examination of, or failure to request or demand, any evidence of insurance hereunder, shall not constitute a waiver of any requirements of this Section 10 and the existence of any insurance shall not limit Supplier's obligation under any provision hereof.
- 10.3 Except to the extent of comparable insurance acceptable to, or express waiver by, GTC, Supplier will, or will cause any carrier engaged by Supplier to, insure all shipments of Products for full value.

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10.4 If the furnishing of the Products involves the performance of work by Supplier's employees at property owned or leased by GTC, Supplier shall furnish such additional insurance as GTC may request in respect thereof, but in any event and without such request, workers' compensation insurance and unemployment compensation insurance as required by applicable state law and public and automotive liability and property damage insurance. In no event shall such employees of Supplier be deemed to be the employees of, or under the direction or control of, GTC for any purpose whatsoever.

11. GTC's Property, Patents, Trade Secrets, Know-How.

- Any tooling, equipment, dies, jigs, raw materials, drawings, Specifications, samples, 11.1 designs, processes, technical or financial information, sources of supply, and other items or materials of every description, tangible or intangible, furnished or paid for by GTC ("Property") shall be held by Supplier as the sole property of GTC. Whenever GTC provides the Supplier with the necessary Property to perform the Order, the Supplier shall review and approve such Property prior to the use of the same. Title to all Property shall at all times be and remain in GTC, whether or not such property is attached to any real or personal property. All such Property, which Supplier acknowledges includes information which GTC has taken and is taking measures designed to prevent from being available in the ordinary course of business to persons other than those selected by GTC, shall be clearly and conspicuously marked or labeled by Supplier to be the Property of GTC, physically segregated from Supplier's property whenever and wherever possible, stored and used in compliance with any instructions of GTC and so as to prevent disclosure inconsistent herewith, used only pursuant to this Agreement or the written instructions of GTC and fully insured, with full fire, any risk for damage or loss (including force majeure or fortuitous cases) of the Property, liability derived from the noncompliance of the Supplier manufacturing obligations, damages that could be caused to and any third party by the Property and extended coverage insurance for the replacement value thereof, by Supplier against loss or damage with reputable and financially responsible insurance companies in policies designating GTC as a named insured. All such Property not in fact used in the manufacture of the Products shall, as directed by GTC and at GTC's expense, be returned or delivered to GTC, and, if not satisfactorily accounted for or so returned, or if damaged by Supplier, shall be paid for by Supplier.
- GTC shall have the right, at such reasonable times as it may choose, to enter Supplier's premises and inspect any and all such Property. GTC shall have the right, in addition to any other remedies provided by law, to enter upon Supplier's premises and remove any or all such Property, with or without the decree or order of any court and Supplier specifically waives, as consideration for this Agreement, any lien or other possessory right with respect thereto. Upon completion or termination of this Agreement, Supplier shall on the request of GTC, properly pack any and all such Property and ship the same F.O.B. place of delivery (destination) as may be designated by GTC. Supplier shall, at its own expense, perform all maintenance work, repairs, and replacements which may be necessary with respect to any Property so that the same may remain suitable for the use(s) contemplated hereby (all such repairs and maintenance being performed pursuant to instructions of GTC after notification from Supplier, which shall be a duty of Supplier hereunder) and may, at the time required by the written instructions of GTC, be returned to GTC in as good condition as when received, except for reasonable wear and tear and for any consumption of materials necessarily resulting from use. Unless Supplier notifies GTC in writing to the contrary within ten (10) days after the delivery of any item of Property to Supplier which is governed by this Section 11, Supplier shall be deemed to have acknowledged such property as being acceptable in all respects and fit for the uses intended for such Property.

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- 11.3 The risk of loss of or damage to any and all Property shall be upon Supplier from the time when the same is delivered to it, or in the case of Property procured or manufactured by Supplier, from the time when title to the same vests in GTC, until such property is returned to GTC in the manner required hereunder. GTC shall not be liable for loss, damage, detention, or delay resulting from causes beyond its control, with respect to any Property to be delivered by it to Supplier, and Supplier's acceptance of any such Property upon delivery shall constitute a waiver of all claims for delays.
- 11.4 Any patented or unpatented knowledge, information, or discovery concerning either Party's products, production or other methods, processes, scheduling, sources of supply, customers, materials, marketing, or otherwise which one Party may disclose to the other attendant or discovered as a result of such disclosure incident to this Agreement ("Know-How"), shall be deemed to have been disclosed as part of the consideration hereunder and shall not be given for other use or gain, shall be retained in confidence by the Party to which disclosed, and, to the extent represented by or in samples, writings, drawings or other tangibles, shall be returned to the disclosing party simultaneously with termination under this Agreement or at any time upon demand. Supplier shall require the same covenants and agreements from third parties to whom any patented or unpatented knowledge or information is disclosed. Supplier will give GTC specific written notice of any such confidential knowledge or information (and of any license or other agreement relating to the use or dissemination thereof) embodied in the Products prior to delivery thereof.
- 11.5 In the absence of GTC's prior written agreement to the contrary, all inventions, products, processes, apparatus or designs, patentable or unpatentable, conceived, invented or originated by either Party prior to the date hereof shall remain the property of that Party.
- 11.6 "Improvements" means any findings, discoveries, inventions, additions, modifications, formulations, or changes made by Supplier during the term of this Agreement. The Parties agree that any Improvements which occur during the joint development/s between GTC and Supplier whether patentable or not, conceived during the term of this Agreement shall be the property of GTC. The rights, title, and interest in and to such Improvements shall not be shared with Supplier nor any third party.
- 11.7 For the purposes only of GTC's manufacture, assembly, distribution and sale of its products, and the parts and accessories therefor (and not the Products themselves as components of those products), Supplier has granted and does grant to GTC, and to its affiliates and subsidiaries, such non-exclusive, paid-up (or royalty free), irrevocable licenses under any applicable patent, copyright or other property right to use, modify, publish or distribute the same or any right therein and necessary incidents thereto.
- 11.8 Within ten (10) days after installation in Supplier's plant of GTC's property, Supplier shall supply at its own cost, an internal checklist for all of GTC's property. Such checklist shall be in a form satisfactory to GTC, and shall be utilized and completed by Supplier on a regular basis commencing immediately upon receipt of GTC's first Accepted Order pursuant to this Agreement. Supplier agrees to retain on file each checklist for at least one (1) year and to furnish GTC with completed checklists upon request.
- 11.9 Supplier agrees to maintain any and all quality control checklists as may be reasonably required by GTC and to furnish GTC with same upon request, and to furnish GTC with copies of same upon request, and to remain in compliance at all times with the Specifications.

12. Inspections and Reports.

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- 12.1 <u>GTC Inspection</u>. During the Term of this Agreement and any Accepted Order, GTC's employees and representatives shall have the right:
- 12.1.1 upon reasonable advance notice and during normal business hours, to enter upon the premises of Supplier to observe Supplier's operations thereat for purposes of verifying Supplier's conformance with its obligations set forth in this Agreement and any applicable Accepted Order. . In the event Supplier's action or inaction shall trigger such inspection, the Supplier shall bear all costs of the audit, including the cost of any testing or re-testing regardless if undertaken by GTC, a third party or the Supplier itself, excluding the cost of the Sample approval test itself, if applicable. If Supplier is in compliance with its obligations under this Agreement, the Supplier shall not bear any costs of the audit, including any testing or re-testing conducted by GTC or any third party.

and

12.1.2 to request of and receive financial statements, including balance sheets and income statements, of Supplier in form reasonably acceptable to GTC for purposes of GTC being assured of Supplier's financial condition to perform Supplier's obligations with respect to any and all Accepted Orders.

12.2 Reports.

- 12.2.1 Supplier shall provide such reports at such times as GTC may reasonably request concerning all purchases of the Products hereunder, including without limitation information concerning by Facility purchases, specific projects that have improved the quality of the Products, inventory reductions, buy-back programs, specific accomplishments and internal continuous improvement.
- 12.2.2 With proper government documentation, in the event that a governmental agency subjects GTC to production process inspections and/or inspects production documents, the Supplier shall at all times and at no cost, assist GTC and allow GTC or its designated agent unrestricted access to its facility in order to review and inspect any relevant documents pertaining thereto.
- 12.2.3 The Supplier covenants that if any governmental authority investigates acts committed by the Supplier abroad, the Supplier shall give a timely, accurate and prompt response to the requesting authority. The Supplier covenants to provide to the satisfaction of the authority all the necessary information to support and validate a certificate of origin issued on behalf of GTC regarding the preferential tax treatment to its Products in accordance to the rules of any applicable Free Trade Agreement.
- 12.2.4 Relevant documents shall include, but are not limited to information on registrations, certificates, certifications, manufacturing sites and safety components. The Supplier shall keep the corresponding records for up to according to general accounting practice after the last supply of Products; such records shall be available to GTC, final clients of the Products and governmental agencies for review and inspection.

13. Confidentiality.

Supplier recognizes that by reason of its supplying the Products pursuant to this Agreement and the Accepted Order, Supplier will gain knowledge of and develop on behalf of GTC information relating to and concerned with the past, present and future products, operations and plans of GTC. Supplier

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covenants and agrees on behalf of itself and all employees and personnel under the control of Supplier to the following conditions:

- 13.1 "GTC Confidential Information" means the terms of this Agreement, Order, any Accepted Order, Know-How, and documents of any character and the information contained therein, including but not limited to drawings, designs, plans, specifications, requisitions, instructions, data, manuals, electronic media, (such as computer disk, computer programs, data stored electronically), and the like: (i) provided or disclosed to Supplier by or on behalf of GTC in connection with this Agreement and/or any Order, or Accepted Order; (ii) learned by Supplier in performing or by virtue of this Agreement or any Accepted Order; (iii) produced for or developed by or on behalf of Supplier in connection with this Agreement and/or any Order and/or Accepted Order; or, (iv) access to which is obtained by Supplier through use of a computer system utilized by GTC, or a representative of GTC, and any copies, printout or displays thereof, including any computer programs and data used by GTC, or a representative of GTC, which are stored electronically and any and all security code numbers or procedures for gaining access to a computer system used by GTC, or a representative of GTC. GTC Confidential Information disclosed in documentary or tangible form to the extent practical shall be marked to indicate its confidential nature.
- 13.2 GTC Confidential Information and any rights therein shall be and remain the property of GTC.
- 13.3 Supplier, for itself and on behalf of its officers, employees and agents, agrees: (i) to hold GTC Confidential Information in strict confidence and not to disclose any part of it to others, (ii) not to disclose GTC Confidential Information without GTC's prior written consent to any entity or person other than Supplier's employees who require disclosure to perform the services in connection with this Agreement; (iii) not to allow any persons or entities other than such employees access to GTC Confidential Information, and then only upon execution by the employee of the confidentiality agreement referenced in Section 6.1.7 below; and, (iv) not to make any use not authorized, in writing, in advance by GTC of GTC's Confidential Information. Supplier shall not be prevented, however, from using or disclosing information: (i) which is or becomes published or otherwise publicly available through no breach of this Agreement; (ii) which is already known to Supplier at the time of disclosure by GTC as evidenced in writing; or, (iii) which Supplier later lawfully learns from some source other than directly or indirectly from GTC. The burden of proving that information or data is not GTC Confidential Information shall be with the Supplier.
- 13.4 Supplier shall not attempt to gain unauthorized access to any GTC Confidential Information and in the event access is obtained, Supplier shall immediately report that fact to GTC and to the extent possible explain the details of the procedure used to gain such access.
- 13.5 The obligations of this Section 13 shall continue with respect to any GTC Confidential Information for a period of one hundred and twenty (120) calendar months from the later of the (i) date of termination of this Agreement, or (ii) last Accepted Order to expire.
- 13.6 Within thirty (30) days after termination of this Agreement or upon written request by GTC, whichever is earliest, Supplier shall return to GTC all GTC Confidential Information (including that generated by or on behalf of Supplier which is in the possession of Supplier or its employees or sub suppliers and is in tangible form) and all copies thereof, or with GTC's prior written approval Supplier shall destroy the same and certify in writing, such destruction to GTC.
- 13.7 Supplier shall require the same covenants and agreements from third parties to whom GTC Confidential Information is disclosed upon approval of GTC. Supplier shall inform its employees assigned to performance of this Agreement of Supplier's obligations contained in this

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Section 13, and shall require such employees to sign agreements of confidentiality containing nondisclosure/nonuse obligations as those set forth in this Section 13 prior to giving them access to GTC Confidential Information. Supplier shall review on an annual basis with such employees the obligations of confidentiality that each employee has to GTC.

14. <u>Termination</u>.

Either of the Parties may immediately terminate this Agreement and any and all Accepted Orders upon written notice in the event that:

- 14.1 The other is in default of any performance, warranty or representation hereunder and such default continues uncured for fifteen (15) calendar days subsequent to written notice thereof; or
- 14.2 a Party, in its reasonable opinion, has concern about the financial condition of the other Party causing it concern about the other Party's ability to fully meet its obligations under this Agreement and/or any Accepted Order; or
- 14.3 The other is subject to any administrative or governmental action or measure which suspends or terminates its business; or
- 14.4 The other should make a general assignment for the benefit of creditors, should suspend business or commit any act amounting to business failure, or should make a voluntary assignment or transfer of all or substantially all of its property; or
- 14.5 The other discontinues its corporate existence or merges or consolidates with any other entity without the prior written consent (as to this Agreement) of the Party entitled to terminate; or
- 14.6 An Excusable Delay or any other event(s) enumerated in Section 15 (including industrial disturbances) suspends or substantially or materially impairs the performance hereunder of the other for longer than thirty (30) days.

15. Excusable Delay.

- 15.1 Subject to Section 14 hereof, either Party may suspend performance during an "Excusable Delay", which shall mean any delay not resulting from the fault or negligence of the delayed Party and resulting from acts of God, acts of war, restrictions, prohibitions, priorities, or allocations imposed by governmental authority, acts of the other Party hereto, embargoes, fires, floods, winds, earthquakes, epidemics, unusually severe weather, and delays of similar natural or governmental causes. Excusable Delay does not include any strike, lock-out, shortage of labor, lack of or inability to obtain raw materials, fuel, or supplies (unless caused solely by priorities, restrictions, or allocations imposed by governmental authority), or other industrial disturbance unless Supplier is (i) using its best efforts to cure the cause of such delay, (ii) GTC has approved in writing Supplier's detailed plans for assurance of timely and conforming delivery(ies), and (iii) Supplier is diligently implementing such plans. Nothing contained in this Section 15.1 shall limit GTC's rights under Section 4.3.
- 15.2 If Supplier discovers any fact that could, with the passage of time, result in an Excusable Delay or affect its ability to perform its obligations under this Agreement or any Accepted Orders issued hereunder, Seller will immediately (a) advise GTC of such fact, and (b) use its best efforts to take all measures and precautions to reduce the effect of the Excusable Delay and/or non performance upon GTC's production. In addition, at any time at GTC's request, Supplier will furnish to GTC (a) any such information as GTC may request concerning of which could result in delays and/or non-performance, and (b) assurance or contingency plans, in such form as may be requested by GTC, with respect to those matters.

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- 15.3 During a period of an Excusable Delay affecting Supplier, Supplier shall allocate its available supply of the Products among its external contract customers on a basis no less favorable to the GTC than a pro rata basis based on the percentage GTC's purchases are then of Supplier's sales to its external contract customers.
- 15.4 During a period of an Excusable Delay affecting Supplier, GTC may elect to provide any unavailable raw material, fuel, power or transportation, with an appropriate adjustment to price, and all Products produced using such GTC-supplied elements shall be allocated to GTC.
- 15.5 During any period of an Excusable Delay in which Supplier is unable to deliver Products hereunder, GTC shall have the right to purchase from other sources that portion of GTC's requirements for the Products which GTC otherwise would be obligated to purchase hereunder, and any amounts so purchased shall be deducted from the contract quantity of the applicable Accepted Order for the term thereof. In the event that deliveries have been suspended due to an Excusable Delay, GTC may cancel the affected Accepted Order pursuant to the terms of Section 14.6.

16. <u>Dispute Resolution</u>.

- Except to the extent of a claim to enforce confidentiality obligations or to collect on an undisputed delinquent account, and as a precondition to instituting any legal action permitted by the provisions below, any controversy, claim or dispute between GTC and Supplier arising out of or relating to the provisions of this Agreement or an Accepted Order, or the breach, termination or a validity thereof shall, upon written request of either Party, immediately be referred jointly for resolution to senior executives of each of the Parties who have authority to settle the controversy and who are at a higher level of management than the person(s) with direct responsibility for day-to-day administration of this Agreement. Within fifteen (15) days after delivery of the written request of the Party, the receiving Party shall submit to the other a written response. The request notice and the response shall each include: (i) a statement of the respective Party's position and a summary of arguments supporting that position; and, (ii) the name and title of any other person who will accompany the senior executive. Within thirty (30) days after delivery of the disputing Party's request notice, the senior executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt in good faith to resolve the controversy. The Parties agree to honor all reasonable requests for information. All negotiations pursuant to this provision are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.
- 16.2 Only after exhausting the procedures set forth above, may either Party initiate litigation to resolve the dispute.

17. Notices.

All documents, notices and communications to be given hereunder or in connection herewith shall be in writing, signed (signing may be by an electronic signature) by the Party giving or making the notice or communication and shall be deemed given when: (i) (x) delivered in person or by messenger or (y) sent by facsimile or electronic mail on the date of receipt of a facsimile or electronic mail, provided that the sender can and does provide evidence of successful transmission and that such day is a business day (and if it is not, then on the next succeeding business day) or (z) three (3) business days after being deposited in the United States mail in a sealed envelope with sufficient postage affixed, registered or certified, return receipt requested, and (ii) addressed as set forth below, or to such other addresses or designee(s) as may be hereafter designated by a Party after providing written notice thereof to the other Party:

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| To GTC: | 55 Robert W Brookville, O Attention: | OH 45309 |
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| With a copy to G | | the applicable Accepted Order. |
| To Supplier: | | |
| | | |
| | Attention: Facsimile: | |
| | Email: | |
| 18. <u>Miscellaneous</u> . | | |
| of an independent contrabeing inconsistent with the | ctor. Nothing in that status. Supplied benefits, contribu | upplier's relationship with GTC under this Agreement is that this Agreement or any Accepted Order shall be construed as er shall be solely responsible for its employees, sub suppliers ations and taxes, as applicable and shall indemnify and hold ising there from. |
| Products without the price and the proposed subconform of its duties, obligations, | or written approva tractor therefor. A warranties, liabil ontractors, and sh | may not subcontract any production or processing of the d of GTC, both in respect to that portion to be subcontracted Any such approval by GTC shall not relieve Supplier of any lities or responsibilities hereunder. Supplier shall assure the all require its subcontractors to be bound by the terms and |
| 18.3 <u>Assignment</u> | <u>nt</u> . | |
| prior written consent of t any attempted assignmen void; provided however this Agreement, in whole | he other (which cont without such cont and notwithstanding or in part, without | not assignable by either Party, in whole or in part, without the consent shall not be unreasonably or untimely withheld), and consent, whether by operation of law or otherwise, shall be ing anything herein to the contrary, either Party may assign ut the other Party's consent to any Affiliate or any purchaser ffiliate, business or Facility(s) as to which this Agreement |
| written request by the as will be deemed to have a bind and inure to the ber without limitation, any p business or facility as to which directly or indirect. The term "control" as us voting securities of an e | signing Party for consented to the a nefit of the success urchaser of a sub which this Agree tly controls, is consed above means: ntity; or, (ii) the ne management of | Party fails to respond within twenty (20) business days to a written consent to the assignment, the non-assigning Party assignment. Subject to the foregoing, this Agreement shall ssors and assigns of the respective Parties hereto, including estantial portion of Supplier's or GTC's respective Affiliate, ement relates. As used herein, "Affiliate" means any entity entrolled by or is under common control with another entity. (i) the direct or indirect ownership of the majority of the possession, directly or indirectly, of the power to direct or policies of an entity, whether through the ownership of |

- 18.4 <u>Waiver</u>. The failure of either Party to enforce at any time any of the provisions of this Agreement or of an Accepted Order shall in no way constitute or be construed as a waiver of that or any other provision of this Agreement or of the Accepted Order, nor in any way to affect the validity of this Agreement or of the Accepted Order or any provision thereof or the right of such Party to enforce thereafter each and every provision of this Agreement or of the Accepted Order. No waiver of any provision or breach of this Agreement or of the Accepted Order shall be deemed to be a waiver of any other provision or breach. The remedies herein reserved by the Parties shall be cumulative and additional to any other or further remedies provided in law or equity which the Parties may possess.
- 18.5 <u>Governing Law.</u> This Agreement, each Order, and each Accepted Order and the relations and rights of the Parties hereunder are made under and shall be governed by the local laws of the State of Ohio (without giving effect to the conflict of law principles thereof), and in the previous regard Supplier and GTC mutually agree that the United Nations Conventions on Contracts for the International Sale of Goods does not apply to this Agreement, Order, or Accepted Orders or the sale by Supplier to GTC of the Products. The English version of this Agreement shall control.
- 18.6 <u>Reformation</u>. In the event any provision of this Agreement or of an Accepted Order is determined to be invalid, illegal or otherwise unenforceable for any reason, that provision shall be reformed to the maximum extent permitted to preserve the Parties' original intent, failing which it shall be severed from this Agreement or the applicable Accepted Order, with the balance of this Agreement and of the applicable Accepted Order continuing in full force and effect.
- 18.7 <u>Translation</u>. This Agreement is executed in English. In the event this Agreement is translated into a language or languages other than English, this version in English shall be controlling on all questions or interpretations and performance.
- 18.8 Reproductions. This Agreement, any Accepted Order, and all documents relating hereto and thereto may be stored and/or reproduced by any means or process including electronic or mechanical means. Any reproduction shall be admissible into evidence as the original in any litigation without regard to whether the original is in existence. If a Party signs this Agreement and/or any Accepted Order (whether in writing, by a computer generated signature, or by a signature created, transmitted, received, or stored by electronic means) and then transmits an electronic facsimile or email of the signature page, (including, without limitation, in PDF format), the receiving Party may rely upon such electronic or facsimile as an originally executed signature page without any modification or change to this Agreement, unless such modification or change is noted on such electronic facsimile by the transmitting Party.
- 18.9 <u>Entire Agreement</u>. This Agreement and any Accepted Order, including all documents referenced herein and therein, contain the entire agreement of the Parties with regard to the subject matter hereof and thereof and supersedes any prior communications, commitments, representations or warranty, or contracts between the Parties relating to the subject matter hereof and thereof. No modifications of this Agreement shall be of any force or effect unless reduced to a writing which specifically references this Agreement, states an express intent to modify or amend this Agreement, and is signed by the Parties claimed to be bound thereby.
- 18.10 <u>Execution Authorization</u>: The Supplier representative that executes this Agreement (by written signature or electronically) represents that he or she has full authority to enter into this Agreement on behalf of Supplier and bind Supplier to the terms of this Agreement.

The parties have executed this Agreement as of the Effective Date.

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| GREEN TOKAI CO., LTD. ("GTC") | ("Supplier") | |
|-------------------------------|---------------|--|
| By: | By: | |
| Name (Print): | Name (Print): | |
| Title: | Title: | |
| Date: | Date: | |

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