

**Operating under the following Legal Entities:** 

Nexteer Automotive Corporation Nexteer Industria e Comercio de Sistemas Automotivos Ltda. Nexteer Automotive (Suzhou) Co., Ltd. Nexteer Lingyun Driveline (Wuhu) Co., Ltd. Nexteer Lingyun Driveline (Zhuozhou) Co., Ltd. Nexteer Automotive Systems (Liuzhou) Co., Ltd. Chongging Nexteer Steering Systems Co. Ltd. Nexteer Automotive Poland Sp. z.o.o **Nexteer Automotive Japan LLC Nexteer Automotive Korea Limited** Nexteer Automotive Luxembourg S.à r.l. Steeringmex S de RL de CV **Nexteer Automotive India Private Limited Nexteer Automotive France SAS Nexteer Automotive Germany GmbH** Nexteer Automotive Italy S.r.I. Nexteer Otomotiv Sanayi ve Ticaret Limited Sirketi Nexteer Automotive Australia Pty Ltd.

# General Terms and Conditions for Information Technology Effective October 7, 2009

#### GENERAL TERMS AND CONDITIONS FOR INFORMATION TECHNOLOGY

#### R ECITALS:

WHEREAS, Customer (Nexteer Automotive and its legal entities) and Supplier have agreed to enter into one or more Purchase Orders, Module Agreements and/or Transaction Agreements contemporaneously with the execution of these Terms and Conditions; and

WHEREAS, Customer (Nexteer Automotive and its legal entities) and Supplier may, from time to time, enter into additional Purchase Orders, Module Agreements and/or Transaction Agreements; and

WHEREAS, Customer (Nexteer Automotive and its legal entities) and Supplier have agreed that these Terms and Conditions shall apply to the entire IT Agreement, as modified, supplemented and amended from time to time.

**NOW, THEREFORE,** in consideration for the mutual promises and covenants set forth herein, the adequacy of which is hereby acknowledged, Supplier and Customer (Nexteer Automotive and its legal entities), intending to be legally bound, hereby covenant and agree as follows:

#### **ARTICLE 1**

## AUTHORITY OF TERMS AND CONDITIONS

**1.1** <u>Hierarchy of Terms and Conditions</u>. These Terms and Conditions rescind, supersede and replace in their entirety the terms and conditions printed on the reverse of any Purchase Order issued in connection with the IT Agreement. Any conflicts within the IT Agreement will be resolved according to the following descending order of precedence: (i) the face of a Purchase Order; (ii) a Transaction Agreement, provided that the conflicts to be governed by the Transaction Agreement are specifically identified in a separate section of the Transaction Agreement; (iii) a Module Agreement; and (iv) these Terms and Conditions.

**1.2** <u>Incorporation into IT Agreement</u>. These Terms and Conditions shall be incorporated by reference for purposes of each portion of the IT Agreement.

### **ARTICLE 2**

### DEFINITIONS

In addition to terms elsewhere defined in the IT Agreement, the following terms shall have the meanings set forth in this Article 2 for all purposes of the IT Agreement.

2.1 <u>"Affiliate"</u> means, with respect to a Party, any legal entity controlling, controlled by or under common control with such Party. For purposes of this definition, "control" means the legal, beneficial or equitable ownership, directly or indirectly of: (i) at least fifty (50%) percent of the aggregate of all voting interests in such entity, or in the event local law restricts the extent of foregoing participation, the maximum percentage ownership permitted by local law; or (ii) at least thirty-five (35%) percent of the aggregate of all voting interest of such entity, combined with management control of such entity.

2.2 <u>"Applicable Federal Tax Rate"</u> of the short-term, mid-term and long-term interest rates computed by the Internal Revenue Service pursuant to Internal Revenue Code Section 1274(d), means the rate for the term which most closely matches the period of time for which the time value of money is being calculated.

2.3 <u>"Charges</u>" means the fees payable by Customer to Supplier under the IT Agreement.

2.4 <u>"Consulting Agreement"</u> means a Module Agreement between Supplier and Customer for consulting services, including without limitation, research, analysis, design, planning, development, implementation, education, training and project management to be provided by Supplier to Customer.

2.5 <u>"Customer"</u> means Nexteer Automotive and of its legal entities.

**2.6** <u>"Date Compliant"</u> means that any software or system will, at all times before, during and after January 1, 2000, accurately accept, process and handle, and unambiguously display, output and/or print, date and time data (including, but not limited to, calculating, comparing and sequencing) from, into and between the twentieth and twenty-first centuries, and the years 1999 and 2000, including leap year calculations.

2.7 <u>"Delivery Date</u>" means the date on which the Product(s) are received at Customer location.

**2.8** <u>"Development Agreement"</u> means a Module Agreement between Supplier and Customer for Developed Software and/or any update, enhancement, improvement or modification of Developed Software to be developed by Supplier and delivered to Customer.

**2.9** <u>"Developed Software"</u> means the software system developed pursuant to a Development Agreement, a Consulting Agreement or during the course of providing services pursuant to a Services Agreement, in object code and/or Source Code forms.

**2.10** <u>"Documentation"</u> means the user guides, training, operating or technical manuals, product descriptions and Specifications, and other information relating to the Products or used in conjunction with the Services, in effect as of the date of the Product or Service is provided to Customer.

**2.11** <u>"Hardware"</u> means the mechanical, electrical and electronic components, including, without limitation, equipment and spare parts intended for the input, output, storage, manipulation, communication, reproduction, transmission and retrieval of information, images and data, whether in print, magnetic, electronic, voice or video format, provided or to be provided by Supplier pursuant to the IT Agreement.

**2.12** "<u>Income Taxes</u>" means any: (i) applicable federal, state and local taxes based on net income or profits, net worth, franchise or gross receipts; (ii) income taxes of a kind customarily imposed on the seller, such as the Indiana Gross Income Tax; (iii) the Michigan Single Business Tax; and (iv) interest, penalties and other additions thereto assessed by a Taxing Authority.

**2.13** <u>"IT"</u> means information technology.

**2.14** <u>"IT Agreement"</u> means collectively, these Terms and Conditions, together with any Purchase Orders, Module Agreements, and/or Transaction Agreements (including all exhibits, schedules and other attachments to each such document) between Supplier and Customer.

**2.15** <u>"Laws"</u> means any federal, state or local law (including, without limitation, principles of common law), statute, regulation, a final consent decree judgment, order, award or other determination or requirement of any arbitrator, court, government or governmental agency or other authority binding upon a Party which is not subject to appeal or for which the time for appeal has expired.

**2.16** <u>"Maintenance Agreement"</u> means any agreement between Supplier and Customer for ongoing maintenance services, including, without limitation, enhancements, updates and releases, related to any software or system

2.17 <u>"Malicious Code"</u> means any undisclosed program routine, device or other feature or hidden file, including, without limitation, a time bomb, virus, software lock, trojan horse, drop-dead device, worm, malicious logic or trap door, that is designated to delete, disable, deactivate, interfere with or otherwise harm the software or any of Customer's hardware, software, data or other programs, any transmitting or activating computer program or any hardware-limiting, software-limiting or services-limiting function (including, but not limited to, any key, node lock, time-out or other similar functions), whether implemented by electronic or other means. Notwithstanding the foregoing, within an operating system, files and programs forming an authorized, specified portion of the operating system, that are completely of a non-

malicious nature and contain no hardware-limiting, software-limiting or service-limiting function shall not be considered to be Malicious Code, even if such files and programs constitute hidden files or automatically replicating, transmitting or activating computer programs.

**2.18** <u>**"Module Agreement"**</u> means any Consulting Module, Development Agreement, Maintenance Agreement, Hardware Purchase Agreement, Software License Module or Services Agreement, in each case as signed by each Party's corporate contract manager or Supplier's authorized representative.

**2.19** <u>"Non-Income Taxes"</u> means any: (i) applicable federal, state and local sales, use, excise, utility, consumption, value-added and other similar types of Non-Income Taxes assessed on the provision of goods and services; and (ii) interest, penalties and other additions thereto assessed by a Taxing Authority.

2.20 <u>"Party"</u> means Customer or Supplier.

**2.21** <u>"Procurement Agreement"</u> means any agreement between Supplier and Customer for goods and/or services to be procured by Supplier for Customer.

**2.22** <u>"Products"</u> means, individually or collectively, as appropriate, Software, Developed Software, Hardware, Documentation, Work Products (as may be later defined), supplies, accessories and other commodities, provided or to be provided by Supplier.

**2.23** <u>"Purchase Order"</u> means Customer's purchase order form with which Customer orders goods, software or services from Supplier, together with all exhibits, schedules and other attachments thereto.

**2.24** <u>"Proprietary Information"</u> means any information of a confidential or proprietary nature of the a Party: (i) directly or indirectly delivered to the Supplier or acquired pursuant to the relationship created by the IT Agreement, including, but not limited to, business affairs, data, designs, manuals, training materials and documentation, formulas, ideas, inventions, knowledge of manufacturing processes, mask-works, methods, prices, financial and accounting data, products and product specifications, systems and technical information; and (ii) in the case of Supplier's information, marked with a legend indicating its proprietary or confidential nature. "Proprietary Information" specifically includes the IT Agreement.

**2.25** <u>"Services"</u> means all services provided by Supplier to Customer pursuant to the IT Agreement including, but not limited to, design, planning, implementation, training, management, installation, education, acceptance testing, maintenance, development, consulting, warranty and time and materials services.

**2.26 "Residuals"** means information that is mentally retained in non-tangible form by employees, agents or subcontractors of Customer who have rightful access to the materials provided by Supplier hereunder, including without limitation, any ideas, concepts, know-how, techniques and methods of doing business that may be retained in the memory of such individuals.

**2.27** <u>"Services Agreement"</u> means agreement between Supplier and Customer for ongoing consulting or outsourcing services to be provided by Supplier to Customer.

**2.28** <u>"Software"</u> means the object code (i.e., machine-readable) versions of any applications programs, operating system software, computer software languages, utilities and other computer programs (i.e., any set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result), licensed pursuant to a Software License Module, in whatever form or media, included in the Software or used or developed as a part of or in connection with the provision of the Services, including the tangible media upon which such applications programs, operating system software, computer software languages, utilities and other computer programs and documentation and supporting materials relating thereto are recorded or printed, together with all enhancements, updates and releases thereof.

**2.29** <u>"Software License Module"</u> means an agreement between Supplier and Customer for software to be licensed by Supplier to Customer.

2.30 <u>"Source Code"</u> means a copy of the original, human-readable source code corresponding to any Software or Developed Software, plus all pertinent commentary or explanation that may be necessary to render the Source Code understandable and useable by a trained computerprogramming expert who is generally familiar with such systems, although not necessarily those incorporating the software. The Source Code shall include system Documentation, statements of principles of operation and schematics, all as necessary or useful for the effective understanding and use of the Source Code. Insofar as the "development environment" employed by Supplier for the development, maintenance and implementation of the Source Code includes any device, programming or documentation not commercially available to Customer on reasonable terms through readily known sources other than Supplier, the Source Code shall include all such devices, programming or documentation. The foregoing reference to such "development environment" is intended to apply to any programs, including compilers, "work-benches", tolls and higher-level (or "proprietary") languages, used by Supplier for the development, maintenance and implementation of the Source Code.

**2.31** <u>"Specifications</u>" means those specifications relating to the design, function and performance of the Products set forth in Supplier's written Documentation or as agreed to by the Parties in writing in a Transaction Agreement or Module Agreement.

**2.32** <u>**"Taxing Authority"**</u> means any governmental authority or any subdivision, agency, commission or authority thereof, or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or other imposition of Non-Income and Income Taxes.

**2.33** <u>"Transaction Agreement"</u> means an agreement signed by authorized representatives of Supplier and Customer that relate to a Module Agreement and define the scope or statement of work related to a particular project.

#### **ARTICLE 3**

### REPRESENTATIONS AND WARRANTIES

3.1 <u>Mutual Representations and Warranties</u>. Each Party represents and warrants to the other that: (i) it has full power and authority and has taken all corporate or other necessary action to enter into and perform the IT Agreement; (ii) the execution and performance by it of its obligations under the IT Agreement will not violate any laws or constitute a breach of, or conflict with, any other agreement or arrangement, whether written or oral, by which it is bound; and (iii) the IT Agreement is its legal, valid and binding obligation, enforceable in accordance with its terms.

that:

3.2 <u>Supplier Representations and Warranties</u>. Supplier represents and warrants

(a) <u>Compliance with Laws</u>. Supplier shall comply with all Laws where failure to do so would have a material adverse effect on its performance under the IT Agreement or on Customer's business.

(b) <u>Right to Grant Licenses</u>. Supplier has full legal right and authority to grant to Customer the license(s) granted in the IT Agreement.

(c) <u>No Infringement or Misappropriation</u>. Any Software or Developed Software delivered under the IT Agreement does not and will not: (i) infringe upon the patent, copyright, database right, trademark or other proprietary rights of any third party; or (ii) misappropriate the trade secret or intellectual property rights of any third party; provided that the representation and warranty stated in this paragraph will not apply to infringements or misappropriations to the extent that they that result from misuse or modification of the software or systems, as applicable, by or on behalf of Customer, without Supplier's knowledge.

(d) <u>No Malicious Code</u>. As of the time of installation of any Software or Developed Software delivered under the IT Agreement, or any enhancement or update of the Software or Developed Software, does not and will not contain any Malicious Code except as disclosed in writing.

(e) <u>Date Compliance</u>. Any Software or Developed Software delivered under the IT Agreement is fully Date Compliant except as disclosed in writing.

(f) <u>Services Limited Warranty</u>. Supplier warrants, solely for the benefit of Customer, that any Services will be provided in a professional and workmanlike manner consistent with generally accepted industry standards and practices.

(g) <u>Software Limited Warranty</u>. Supplier warrants, solely for the benefit of Customer, that for twelve (12) months following the Delivery Date of any Software or Developed Software, the Software or Developed Software will operate in substantial conformity with the Specifications, and that Supplier, at its own expense, upon receipt of written notice from Customer, shall make all enhancements, updates and other modifications necessary to the Software or Developed Software will so operate.

#### **ARTICLE 4**

#### CUSTOMER PAYMENTS TO SUPPLIER

4.1 <u>Charges.</u> In consideration of the undertakings of Supplier in the IT Agreement, Customer shall pay Supplier the Charges. Customer shall pay such Charges in accordance with the payment terms established by this contract and are from the date the Customer receives the goods or services. In no event shall Customer pay Supplier interest or other late charges on any fees due under the IT Agreement.

4.2 <u>Fee Disputes</u>. In the event Customer disputes, in good faith, all or any portion of an invoice(s) submitted by Supplier pursuant to the IT Agreement: (i) Customer shall pay the undisputed amount when it becomes due and payable in accordance with the IT Agreement; and (ii) Supplier shall continue to provide the Services or otherwise perform its obligations under the IT Agreement. The parties shall resolve the dispute in accordance with the dispute resolution procedures set forth in Article 11. No failure by Customer to identify a contested fee or Charge prior to payment of the invoiced amount shall limit or waive any of Customer's rights or remedies with respect to such fee or Charges. Unpaid fees or Charges that are in dispute shall not be considered a basis for default under the IT Agreement.

**4.3 Expenses.** Supplier shall be responsible for all costs and expenses incurred by Supplier as the result of its performance of Services under the IT Agreement, except for pre-approved travel expenses incurred in traveling to Customer facilities in the course of performing the Services, which shall be reimbursed by Customer. Customer shall determine the reasonableness of Supplier's travel expenses and Supplier shall, in no event, incur travel expenses that would not be approved for any Customer employee.

# 4.4 Taxes, Duties, Levies and Similar Charges:

(a) The Parties agree that this Section 4.4 shall govern all Services provided in the U.S. by Supplier to Customer pursuant to the IT Agreement. The Parties shall mutually agree on the allocation of Non-Income and Income Taxes with respect to the provisions of goods and/or Services to Customer outside the U.S.

(b) Allocation - Non-Income and Income Taxes arising pursuant to or in connection with the terms and conditions of the IT Agreement are allocated as follows:

(1) All charges are exclusive of, and Customer shall be liable for, all Non-Income Taxes; and

(2) Each Party shall be liable for its own Income Taxes.

(c) Supplier shall be responsible for any personal property, sales or use taxes on equipment or property it owns, uses or leases from a third party other than equipment or property sold to Customer pursuant to the IT Agreement. The legal owner of such personal property shall be responsible for filing of tax returns and payment of property taxes imposed on that personal property and for related personal property tax compliance.

(d) Supplier shall invoice and Customer shall pay the taxes Customer is liable for pursuant to Section 4.4(b), unless Customer has provided Supplier with a certificate evidencing

Customer's exemption from the payment of or liability for such taxes. Supplier's invoices shall be in the agreed upon form and shall separately state applicable taxes as required by applicable law.

(e) Supplier and Customer shall cooperate with each other to lawfully minimize their respective liability for Income or Non-Income Taxes payable on the Services provided pursuant to the IT Agreement.

If a Taxing Authority assesses any interest or penalty due to the late payment or underpayment of taxes, the Party responsible for such late payment or underpayment shall bear the costs of such interest or penalty.

4.5 Indemnity and Payment of Damages by Supplier – Tax Matters. Supplier agrees to indemnify Customer from and against any adverse consequences Customer may suffer resulting from, arising out of, relating to, in the nature of or caused by any liability Supplier may have related to any paid or unpaid Income Taxes or Non-Income Taxes associated with this IT Agreement. The Parties shall make appropriate adjustments for tax benefits (net of any associated tax costs) and for the time value of money (using the Applicable Federal Tax Rate as a discount rate) in determining the amount of loss for purposes of this Section 4.5. Supplier shall indemnify Customer from any costs and expenses incurred in connection with the enforcement of this Section 4.5.

#### **ARTICLE 5**

#### WARRANTY DISCLAIMER

**Disclaimer.** EXCEPT FOR THE EXPRESS WARRANTIES AND UNDERTAKINGS SET FORTH IN THE IT AGREEMENT, SUPPLIER DISCLAIMS ALL WARRANTIES REGARDING THE SOFTWARE, SYSTEMS AND SERVICES PROVIDED UNDER THE IT AGREEMENT, INCLUDING ALL IMPLIED WARANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

## **ARTICLE 6**

# USE AND PROTECTION OF PROPRIETARY INFORMATION

6.1 <u>Standard of Care</u>. For three (3) years after disclosure of Proprietary Information, each Party shall protect all Proprietary Information of the other Party with the same degree of care as it uses to avoid the unauthorized use, disclosure, publication or dissemination of its own confidential information of a similar nature, but in no event shall either party be excused for its own negligence.

6.2 <u>Restricted Disclosure</u>. Neither Party shall use, for its own benefit or the benefit of any third party, or disclose, publish, release, transfer or otherwise make available to any third party, any Proprietary Information of the other Party without the other Party's prior written consent. Each of Customer and Supplier, however, shall be permitted to disclose Proprietary Information of the other to its own employees, accountants, attorneys and other agents and its affiliates or subsidiaries to the extent such disclosure is reasonably necessary for the performance of its duties and obligations under the IT Agreement or, with respect to Customer, its use and enjoyment of the software and services; provided, however, that each of Supplier and Customer shall be responsible for any violation of the confidentiality obligations set forth in the IT Agreement by any of such permitted third parties.

6.3 <u>Exclusions</u>. The obligations in this Article 6 shall not restrict any disclosure of Proprietary Information received by one Party (the "**Receiving Party**") from the other Party (the "**Disclosing Party**") where the Receiving Party can demonstrate that:

(a) Such Proprietary Information was independently developed by the Receiving Party prior to its receipt thereof without violating its obligations under the IT Agreement or any of the Disclosing Party's proprietary rights;

(b) Such Proprietary Information is or becomes publicly known (other than through unauthorized disclosure by the Receiving Party);

(c) Such Proprietary Information was already known to the Receiving Party prior to its receipt thereof without any obligation of confidentiality;

(d) Such Proprietary Information is received by the Receiving Party from a third party without any obligation of confidentiality;

(e) The Receiving Party is required to disclose the Proprietary Information pursuant to any applicable law (provided that the Receiving Party shall provide reasonable prior written notice to the Disclosing Party of such disclosure); or

(f) If Customer is the Receiving Party, such Proprietary Information was developed by Supplier at Customer's expense.

**6.3** <u>Limitations on Use</u>. In accordance with Supplier's rights under applicable local copyright law, and except as otherwise provided in the IT Agreement, Customer shall not reproduce, distribute copies, publicly display, perform, disassemble or decompile the Software.

6.4 <u>Proprietary Legends.</u> Customer shall not remove any copyright notice or other proprietary or restrictive notice or legend contained or included in any material provided by Supplier, and Customer shall reproduce and copy all such information on all copies made under the IT Agreement, including such copies as may be necessary for archival or backup purposes.

6.5 <u>Allowable Use</u>. Nothing in the IT Agreement shall be interpreted to prohibit Customer from exercising its rights under the license granted in the Software License Module, or retaining reputable expert third-party entities to maintain the Software and from disclosing to such entities such information as is necessary to allow them to maintain the Software.

6.6 <u>Residual Knowledge</u>. Nothing in this IT Agreement shall be interpreted as precluding employees, agents or subcontractors of Customer from disclosing Residuals to third parties, and using Residuals, in performing other projects on behalf of Customer.

### **ARTICLE 7**

### INDEMNIFICATION AND INSURANCE

7.1 <u>Indemnification and Payment of Damages by Supplier</u>. Supplier shall indemnify, defend and hold harmless Customer and its Affiliates, its successors and assigns, and its officers, directors, employees, subcontractors, consultants, representatives and agents, from and against any and all losses, damages, injuries (including death), causes of action, claims, liabilities, penalties, interest, additional taxes, demands and expenses, including reasonable legal fees and expenses, of any kind or nature arising out of or resulting from:

(a) Any claim or allegation of a third party that the Services, the Software or Developed Software, or any modifications to the Software or Developed Software performed by Supplier, or any other resources or items provided to Customer by Supplier pursuant to the IT Agreement infringe upon or misappropriate the proprietary rights of any third party (except as and to the extent that the infringement or misappropriation may have been caused by Customer or an agent of Customer without Supplier's knowledge);

(b) The inaccuracy or untruthfulness of any representation or warranty made by Supplier under the IT Agreement;

(c) The death or personal injury of third parties, including agents, invitees or employees of Supplier, arising from Supplier's negligence;

(d) The damage, loss or destruction of real or tangible personal property of Customer or third parties, including invitees or employees of Customer or Supplier, arising out of, or in any way resulting from, performance by Supplier under the IT Agreement, except in each case to the extent caused by the gross negligence or willful misconduct of Customer or Customer's employees or agents; or

(e) The breach of any representation, warranty or covenant by Supplier with any duties or obligations to Customer under the IT Agreement.

Supplier shall indemnify Customer from any costs and expenses incurred in connection with the enforcement of this Section 7.1. Customer shall cooperate in all reasonable respects with Supplier and its attorneys in the investigation, trial and defense of such claim and any appeal arising therefrom; provided, however, that Customer may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such claim and any appeal arising therefrom. If Supplier does not assume full control over the defense of a claim, Customer shall have the right to defend the claim in such manner, as it may deem appropriate, at the cost and expense of Supplier. No settlement of a claim that involves a remedy other than the payment of money by Supplier shall be entered into without the written consent of Customer, which consent shall not be unreasonably withheld or delayed. Any settlement entered into by Supplier shall include a full release of any claims against Customer. If the claim is one of infringement or misappropriation of an intellectual property right of a third party and a court or governmental body of competent jurisdiction finds infringement or misappropriation of such intellectual property right, and/or issues an injunction ordering the cessation of the use of the Software and/or Products/Services, Supplier will, at its option and expense, either: (i) procure for Customer the right to continue using the Software and/or Developed Software uninterrupted on the terms provided in the IT Agreement; or (ii) replace or modify for Customer the Software and/or Developed Software so that it does not infringe or misappropriate, so long as the utility or performance of the Software and/or Developed Software under the terms of the IT Agreement are not adversely affected by such replacement or modification.

### 7.2 Insurance:

(a) During the Term, Supplier shall maintain minimum limits of insurance coverage with industry-recognized carriers as follows: (i) Commercial General Liability -- \$10,000,000 each occurrence; (ii) Business Automobile Liability -- \$10,000,000 each occurrence; (iii) Workers Compensation – statutory limits for all states of operation; (iv) Employers Liability -- \$1,000,000 each employee; and (v) Professional/Errors and Omissions Liability -- \$10,000,000.

(b) All policies of insurance procured by Supplier shall be written as primary policies, not contributing with or in excess of coverage that Customer may carry. If Supplier's liability policies do not contain the standard separation of insured provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage. Supplier shall furnish to Customer a certificate showing compliance with the insurance requirements within ten (10) days of Customer's written request.

### **ARTICLE 8**

### DAMAGES

8.1 <u>No Consequential Damages.</u> EXCEPT WITH RESPECT TO CLAIMS UNDER SECTION 7.1(a) and SECTION 4.5, NEITHER CUSTOMER NOR SUPPLIER SHALL BE LIABLE FOR, NOR WILL THE MEASURE OF DAMAGES INCLUDE, ANY SPECIAL OR CONSEQUENTIAL DAMAGES OR AMOUNTS FOR LOSS OF INCOME, PROFITS OR SAVINGS ARISING OUT OF OR RELATING TO CUSTOMER'S OR SUPPLIER'S PERFORMANCE UNDER THE IT AGREEMENT.

**8.2** <u>Limitation of Liability</u>. EXCEPT WITH RESPECT TO CLAIMS UNDER SECTION 7.1(a), SECTION 4.5, PERSONAL INJURY CLAIMS AND CLAIMS RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CUSTOMER OR SUPPLIER, AS THE CASE MAY BE, NEITHER CUSTOMER NOR SUPPLIER SHALL BE LIABLE TO THE OTHER PARTY FOR ANY DAMAGES ARISING OUT OF OR RELATING TO ITS PERFORMANCE UNDER THE IT AGREEMENT, WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, EQUITY, NEGLIGENCE, TORT OR OTHERWISE, FOR ALL EVENTS, ACTS OR OMISSIONS, IN AN AMOUNT TO EXCEED IN THE AGGREGATE AN AMOUNT EQUAL TO THE GREATER OF: (i) THE AMOUNTS PAYABLE TO SUPPLIER BY CUSTOMER PURSUANT TO THE IT AGREEMENT; OR (ii) \$10,000,000.

**8.3** <u>Punitive Damages</u>. EXCEPT AS PROHIBITED BY LAW, EACH PARTY WAIVES ANY RIGHTS IT MAY HAVE TO CLAIM OR RECOVER ANY EXEMPLARY OR PUNITIVE DAMAGES.

**8.4** <u>Acknowledgement</u>. EACH PARTY ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THE IT AGREEMENT TO WHICH THESE GENERAL PROVISIONS RELATE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND LIMITATIONS IN THIS ARTICLE 8. THE PROVISIONS OF THIS ARTICLE 8 HAVE BEEN FULLY DISCLOSED TO THE PARTIES AND THE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS EXCEPT AS SET FORTH HEREIN. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS ARTICLE 8 WILL NOT BE FULLY ENFORCED IN ALL INSTANCES. THE FOREGOING SHALL NOT LIMIT THE INDEMNIFICATION, DEFENSE AND HOLD HARMLESS OBLIGATIONS SET FORTH IN OTHER MODULES OF THE IT AGREEMENT.

#### **ARTICLE 9**

#### **TERMINATION RIGHTS**

**9.1** <u>Termination for Convenience</u>. Customer may terminate all of the IT Agreement, or any Module, Transaction Agreement or Purchase Order for convenience at any time upon thirty (30) days prior written notice to Supplier, but Supplier will not be obligated to refund to Customer any fees paid, and Customer shall promptly pay Supplier any fees due and owing at the time of termination.

9.2 <u>Termination for Breach</u>. Supplier may terminate any Transaction Agreement or Purchase Order only in the event that Customer fails to pay amounts due and owed thereunder and such breach is not cured within thirty (30) days after Supplier gives Customer written notice of such breach. Notwithstanding the foregoing, the Software License Module will survive Supplier's termination of all or any part of the IT Agreement under this Section. Customer may terminate all of the IT Agreement, or any Module, Transaction Agreement or Purchase Order in the event of a material breach by Supplier that is not cured within thirty (30) days after Customer gives Supplier written notice of such breach.

9.3 <u>Termination for Change of Control of Supplier</u>. In the event of a change in control of Supplier, which, in Customer's sole discretion, creates a substantial uncertainty as to Supplier's continued ability to perform under the IT Agreement or will substantially change Customer-Supplier relationship, Customer may terminate all of the IT Agreement, or any Module, Transaction Agreement or Purchase Order on at least sixty (60) days notice to Supplier, whereby such termination will not be deemed a termination for convenience.

**9.4** <u>Termination for Insolvency</u>. In the event that either Party is unable to pay its debts generally as they come due or is declared insolvent or bankrupt, is the subject of any proceedings relating to its liquidation, insolvency or for the appointment of a receiver or similar officer for it, makes an assignment for the benefit of all or substantially all of its creditors, or enters into an agreement for the composition, extension or readjustment of all or substantially all of its obligations, then the other Party may, by giving written notice thereof to such Party, terminate all of the IT Agreement, or any Module, Transaction Agreement or Purchase Order as of the date specified in the notice of termination.</u>

**9.5** <u>Transition Assistance</u>. Upon the expiration or termination for any reason of all or any part of the IT Agreement, Supplier will continue, upon Customer's request and at Customer's then current cost, to provide the Services, as required by Customer to facilitate the orderly transfer of the Services to a third party or the winding down of Services by Customer, and any additional Services that Customer may request, including the development of a transition plan and third party personnel training.

### **ARTICLE 10**

## MISCELLANEOUS

10.1 <u>Force Majeure</u>. Neither Party shall be subject to liability for failure to perform any of its obligations under the IT Agreement if such failure is due to force majeure, which shall be deemed to include, without limitation, fire, storms, floods, riots, strikes, lockouts and other labor difficulties, freight embargoes, delays of carriers or suppliers, inability to secure fuel or power, acts of God, acts of war or hostilities of any nature, or laws, rules or regulations of the United States of America affecting the conduct of such Party's business, or to any other cause beyond such Party's reasonable control (a "Force Majeure Event"). The Party that is unable to fulfill its obligations due to any such Force Majeure Event shall promptly give notice to the other Party with details of such Force Majeure Event, within a reasonable time after the occurrence of such Force Majeure Event. The obligations of the Party given such notice shall be suspended, insofar as such Party is affected by such Force Majeure Event, but only for so long as the Force Majeure Event and the Party's inability to fulfill its obligations shall continue.

**10.2** <u>No Assignment</u>. Subject to Section 10.3, the IT Agreement shall not be assigned in whole or in part by either Party without the prior consent of the other, and any attempt by either Party to so assign the IT Agreement shall be invalid.

**10.3** <u>Divested Entities</u>. In the event an entity or unit of Customer or part thereof is sold or otherwise divested (the "**Divested Entity**"), with no transfer upgrade or similar fee to Customer or the Divested Entity: (a) Customer may assign all or part of the IT Agreement or any applicable license to the Divested Entity, provided that the Divested Entity either: (i) assumes in writing Customer's obligations under the IT Agreement; or (ii) is willing to enter into a separate license agreement with Supplier on substantially the same terms as apply under the IT Agreement; or (b) the Divested Entity may continue to receive the benefit of the IT Agreement or any applicable license for a reasonable transition period to ensure the orderly, non-disrupted business continuation of the Divested Entity.

**10.4** <u>No Advertising</u>. SUPPLIER SHALL NOT, IN ANY MANNER, ADVERTISE OR PUBLISH THE FACT THAT SUPPLIER HAS CONTRACTED TO FURNISH CUSTOMER THE SOFTWARE, DOCUMENTATION OR OTHER GOODS OR SERVICES COVERED BY THE IT AGREEMENT, OR USE ANY TRADEMARKS OR TRADE NAMES OF CUSTOMER IN SUPPLIER'S ADVERTISING OR PROMOTIONAL MATERIALS. EXCEPTIONS MAY BE MADE, BUT ONLY WITH THE WRITTEN CONSENT OF CUSTOMER

**10.5** Notice. All notices or other communications to either Party shall be sent in writing, shall refer specifically to the IT Agreement and shall be hand delivered, sent by express courier or by facsimile or other similar means to the respective addresses of the Parties listed in the first paragraph of the IT Agreement, or such other address as a Party may provide to the other in accordance with the provisions of this Section 10.5. Any notice delivered by facsimile or similar means shall be confirmed by a hard copy delivered as soon as practicable thereafter. The effective date of any notice shall be: (i) the date of addressee's receipt, if delivered by hand or express courier; and (ii) the date of receipt, if received by 5:00 p.m. local time on a business day, or, if not, the first business day after receipt, if sent by facsimile.

**10.6** <u>Cumulative Remedies</u>. Except to the extent provided herein, the remedies provided to Customer and Supplier by the IT Agreement shall be in addition to, and not in lieu of, any other remedies to which the respective Party is entitled at law or in equity for any breach of or noncompliance with the provisions of the IT Agreement by the other Party.

**10.7** Independent Contractors. The Parties intend to create an independent contractor relationship and nothing contained in the IT Agreement shall be construed to establish a partnership, joint venture, employer-employee or agency relationship between the Parties. No officer, director, employee, agent, affiliate or contractor retained by Supplier to perform work on Customer's behalf hereunder shall be deemed to be an employee, agent or contractor of Customer. Supplier shall be responsible for compliance with all Laws applicable to Supplier with respect to its employees, including employment of labor, hours of labor, working conditions, payment of wages and payment of taxes, and Customer shall have no responsibility in relation thereto. Supplier is solely responsible for payment of: (i) all income, disability, withholding and other employment taxes; and (ii) all medical benefit premiums, vacation pay, sick pay or other fringe benefits relating to Supplier's officers, directors, employees, agents, affiliates or contractors.

**10.8** <u>No Waiver</u>. Neither Party shall, by mere lapse of time, without giving notice thereof, be deemed to have waived any breach by the other Party of any terms or provisions of the IT Agreement. The waiver by either Party of any such breach shall not be construed as a waiver of subsequent breaches or as a continuing waiver of such breach.

**10.9** <u>Severability</u>. If any provision of the IT Agreement is held by a court of competent jurisdiction to be invalid, unenforceable or contrary to law, such provision shall be deemed to be deleted and the validity and enforceability of the remaining provisions of the IT Agreement shall in no way be affected thereby.

**10.10 Survival of Terms.** The provisions of Articles 1, 2, 3, 6, 7, 8 and 10 hereof shall survive the expiration or termination of the IT Agreement for any reason.

**10.11** <u>Entire Agreement</u>. The IT Agreement constitutes the entire agreement between Supplier and Customer with respect to the subject matter hereof and supercedes all prior agreements, both written and oral, between the Parties with respect to such subject matter.

**10.12** <u>Governing Law</u>. The IT Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Michigan, without regard to its choice of law rules and excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

**10.13** <u>Binding Effect</u>. The IT Agreement shall be binding on and inure to the benefit of each Party's successors and permitted assigns.

**10.14** <u>Amendments</u>. These Terms and Conditions or any Module Agreement may only be amended in writing signed by authorized representatives of the Parties. In the case of Customer, authorized representative is the Chief Information Officer or Corporate Contracts Manager.

**10.15** <u>Counterpart Execution</u>. The IT Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original document, but all of which taken together shall be one and the same instrument.

**10.16** <u>Headings</u>. The headings used in the IT Agreement are intended for convenience only and shall not be considered part of the written understanding among the Parties and shall not affect the construction of the IT Agreement.

**10.17** <u>Injunctive Relief</u>. Supplier acknowledges that its failure to continue to provide Services under the IT Agreement will result in irreparable harm to Customer, which cannot be adequately remedied by the payment of money damages. Supplier agrees that, in the event it threatens to withhold or stop supplying Services under the IT Agreement, Supplier will consent to the entry of a temporary restraining order requiring that Supplier continue to provide such services. For the purposes of this section, Supplier consents to the jurisdiction of the Circuit Court for Oakland County, Michigan or the U.S. District Court for the Eastern District of Michigan.

**10.18** <u>UCITA Disclaimer</u>. The Parties agree that the Uniform Computer Information Transactions Act, or any version thereof, adopted by any state, in any form ("UCITA"), shall not apply to this IT Agreement. To the extent that UCITA is applicable, the parties agree to opt out of the applicability of UCITA pursuant to the Opt-Out provision(s) contained therein.

### ARTICLE 11

## **DISPUTE RESOLUTION**

**11.1** <u>Project Managers</u>. All disputes relating to the IT Agreement shall initially be referred by either Party to Customer and Supplier Project Managers. If the Project Managers are unable to resolve the dispute within five (5) business days (or such other date agreed upon by the Project Managers) after referral to them, notice shall be given to Customer Contract Manager and Supplier Contract Manager or Supplier's authorized representative.

**11.2** <u>Contract Managers</u>. If Customer Contract Manager and Supplier Contract Manager or Supplier's authorized representative are unable to resolve the dispute within ten (10) business days (or such other date agreed upon by the Contract Managers) after referral of the matter to them, the Parties shall notify their respective senior management of the dispute.

**11.3** <u>Senior Management</u>. Upon notification to senior management, senior management **may**, if both Parties agree, meet to resolve the dispute, but if senior management is unable to resolve the dispute then (whether or not such a meeting takes place), within ten (10) business days of referral (or such other period as the Parties may agree), the Parties may pursue available legal and equitable remedies or, if mutually agreeable, an independent dispute resolution mediator.

# ARTICLE 12

#### **PROFESSIONAL SERVICES**

<u>Services in General.</u> In connection with the performance of any Services by Supplier pursuant to the IT Agreement:

(a) Supplier warrants that employees shall have sufficient skill, knowledge and training to perform Services, and shall perform such Services in a professional and workmanlike manner. Further, Supplier warrants that it will provide sufficient employees to complete the Services ordered within the applicable time frames established pursuant to the IT Agreement or as set forth in a Purchase Order.

(b) Supplier warrants that all employees utilized by Supplier in performing Services are under a written obligation to Supplier, requiring employee: (i) to maintain the confidentiality of information of Supplier's customers; and (ii) to assign all of employee's right, title and interest to Supplier in and to any work product that is created, developed, prepared, conceived, made or suggested by such employee while providing Services on behalf of Supplier.

(c) Supplier shall provide for and pay the compensation of employees and shall pay all taxes, contributions and benefits (such as, but not limited to, workers' compensation benefits and invention fees) which an employer is required to pay relating to the employment of employees. Customer shall not be liable to Supplier or to any employee for Supplier's failure to perform its compensation, benefit or tax obligations. Supplier shall indemnify, defend and hold Customer harmless from and against all such taxes, contributions and benefits, and will comply with all associated governmental regulations, including the filing of all necessary reports and returns.

(d) Employees performing Services in the United States must be United States citizens or lawfully admitted in the United States for permanent residence or lawfully admitted in the United States holding a visa authorizing the performance of Services on behalf of Supplier.

(e) If Supplier intends to provide an employee performing Services in the United States, Canada and/or Mexico with unescorted access to a Customer location, Supplier shall allow Customer or its designated third party to conduct a background investigation and drug screening ("**Investigation**") of such employee. In connection with such Investigation, Customer shall provide to Supplier a standard form authorizing the Investigation and Supplier shall promptly secure the completion of such form by the employee. Any and all information obtained in connection with an Investigation of any employee or acquired or made known during such Investigation shall be deemed confidential and shall not be revealed to persons without a bona fide need to know. If, after reviewing the results of an Investigation, Customer elects not to accept an employee for performance of Services under the IT Agreement, Supplier agrees to not utilize such employee in the performance of Services. Customer may waive the Investigation for an employee if Supplier provides Customer with written confirmation that: (i) Supplier has conducted a background and drug screening investigation of such employee with satisfactory results; or (ii) the employee has been employed with Supplier for at least five (5) years in good standing.

(f) If available from Supplier, Customer may obtain Services on a time and materials basis from Supplier (excluding maintenance and support Services which are provided pursuant to other sections of the IT Agreement), as may be mutually agreed upon by the Parties.

(g) During the course of performance of Services, Customer may request replacement of an employee or a proposed employee. In such event, Supplier shall, within five (5) working days of receipt of such request from Customer, provide a substitute employee of sufficient skill, knowledge and training to perform the applicable Services. If, within the first ten (10) days after an employee's commencement of Services, Customer notifies Supplier: (i) such employee's level of performance is unacceptable; (ii) such employee has failed to perform as required; or (iii) such employee, in Customer's sole opinion, lacks the skill, knowledge or training to perform at the required level, then Customer shall not be required to pay for Services provided by such employee during such period and Supplier shall refund to Customer all amounts paid for such employee's Services. If Customer requests replacement of an employee for the above-referenced reasons after such ten (10) day time period, or at any time for a reason other than the reasons indicated above, Customer shall not be required to pay for, and shall be entitled to a refund of, any sums paid to Supplier for such employee's Services after the date of Customer's requested replacement of such employee.

(h) Supplier shall not replace, without Customer's consent, an employee then currently performing Services until the governing Purchase Order expires or is terminated; however, Supplier may replace, without Customer's consent, an employee for reasons relating to the employee's termination with Supplier, promotion, illness, death or causes beyond Supplier's control.

(i) Supplier may request that Customer reimburse Supplier for reasonable out-ofpocket travel expenses incurred by Supplier's employees in the performance of Services (if requested by Supplier in advance and approved by Customer) which are related to out-of-town transportation, lodging and meals; such expenses shall be reimbursed in accordance with Customer's guidelines for its own employees.

(j) Supplier shall require employees performing Services at a Customer location to comply with applicable Customer security and safety regulations and policies.

(I) Supplier shall establish and retain, for a period of three (3) years following the performance of time and materials, Services, records which adequately substantiate the applicability and accuracy of Charges for such Services and related expenses to Customer. Upon receipt of reasonable advance notice from Customer, Supplier shall produce such records for audit by Customer.

**IN WITNESS WHEREOF,** Customer and Supplier have caused these Terms and Conditions to be executed by their duly authorized representatives as of the day and year first above written.

# CUSTOMER:

#### SUPPLIER:

Ву:	By:
Print:	Print:
Title:	Title:
Date:	Date: