



Terms and Conditions of SA Automotive Purchase Order

1. ENTIRE AGREEMENT: The terms and conditions of this purchase order constitute the sole and entire contract between the Buyer and Seller. No change, modification, extension, renewal, ratification, recession, termination, discharge, abandonment or waiver of this order or any of the provisions hereof or any representation, promise or condition relating to this agreement shall be binding upon the Buyer's purchasing agent or authorized representative. No modification shall be affected by the acknowledgment or acceptance of the purchase order on Seller's forms containing different terms and conditions. Acceptance of work, order(s) or shipment(s) constitute as a binding agreement. Full Terms and Conditions can be found on www.saautomotive.com
2. CHANGE IN SPECIFICATION: Buyer reserves the right to make changes in drawings, designs and specifications as to any material and/or work covered by this order. The price of any item affected by such change thereafter made or shipped shall be increased or reduced to reflect any increase or reduction in the cost of the production of such item resulting from such change and Buyer may amend the shipping schedule accordingly. All changes under this paragraph must be authorized in writing and incorporated into the order by a written purchase order signed by the Buyer.
3. DELIVERIES: Time of delivery is of the essence of this order. Buyer may cancel this order or any unshipped portion without liability or waiver of any other rights and remedies, if delivery is not made in accordance with shipping schedule stated in this order or in accordance with shipping instructions given by Buyer to Seller. Seller shall notify Buyer's purchasing department of any delay and when shipment will be made. Buyer may extend delivery schedules or defer shipment dates of materials ordered herein without additional charge. When deliveries are specified to be in accordance with written release, then and in that event. Seller shall not fabricate or assemble any product nor procure required materials, nor ship any product, except to the extent authorized by said releases. The Seller must conform to the Buyer's special instructions regarding specific mode of transportation.
4. QUANTITIES/QUALITY: This order is not to be filled in greater quantities or at prices higher than shown without the Buyer's written approval. Seller shall be responsible for all PPAP submissions as required under IATF 16949, which is incorporated herein by reference and made part of this agreement. Seller is responsible for the release of parts required for this program as directed by, and in accordance with, the requirements established by SA Automotive. Seller agrees to participate in SA Automotive's Supplier and Quality Development programs. In addition, Seller shall comply with all quality requirements and procedures specified by the Buyer, as such requirements may be modified from time to time, including those applicable to Seller under SA Automotive's Quality Management System requirements aligned with IATF 16949
5. CANCELLATION: In the event of cancellation of this order or any part thereof by Buyer without cause, Buyer's liability, if any, shall not exceed costs for labor and material. Seller incurred at the time of cancellation, less salvage.
6. REJECTIONS: All materials shall be received subject to Buyer's inspection. If any of the materials are found to be defective in material or workmanship, or otherwise not in conformity with this order. Buyer in addition to any other rights which it may have under warranties or otherwise shall have the right to reject and return such materials at Seller's expense, such materials not to be replaced without written consent from Buyer. Seller will reimburse Buyer for all shipping charges incurred by Buyer on all rejected materials.
7. BUYER MATERIALS/SPECIAL TOOLS: Dies, tools, gauges, fixtures, patterns and replacements thereof are furnished at the expense of the Buyer or Seller, are to be kept in first class working condition, and the entire cost of maintenance, repair and replacement shall be at the expense of Seller. Tooling used in the performance of this agreement is the property of SA Automotive or its customer and is intended for the sole use in the performance of this agreement. Said tooling shall not be modified unless authorized by SA Automotive. Seller shall maintain the tools to the latest engineering level, during the term of this agreement for which the tooling is intended. Said maintenance of tools shall continue until such time Seller receives written notice authorizing the movement or scrap of the tools. Seller shall be responsible for insuring that all tooling buyoff procedures are adhere to. Seller expressly agrees that it will not use any of such items owned by Buyer in the production, manufacture or design of any articles or materials of any other Buyer, without first obtaining written consent of Buyer. Any materials, tools or equipment furnished by Buyer on other than a charge basis in connection with this order shall be deemed as held by Seller upon consignment and Buyer shall be entitled to take possession thereof upon completion of this order, or upon cancellation thereof. All such materials, tools and equipment shall be fully insured by Seller against loss by fire or other casualty, and shall be subject at all times to disposition as Buyer may direct, shall not be commingled with property of Seller or to others and, upon demand, shall be delivered/surrendered to Buyer in the same condition as received, barring reasonable wear and tear. For all tooling Purchase Orders, reference the SA Automotive Tooling T&C.
8. NOTICE TO BUYER OF LABOR DISPUTES: A) Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the performance of this order, Seller shall give notice thereof. B) Seller agrees to insert the substance of this clause, including this paragraph (B) in any subcontract hereunder as to which a labor dispute may delay the timely performance of this order; except that such subcontract shall provide that in the event it's timely performance is delayed or threatened by actual or potential labor dispute, the subcontractor shall notify the Seller immediately of all relevant information with respect to such dispute.
9. RELEASE OF NEWS INFORMATION/ADVERTISING: Seller shall not, without the written consent of the Buyer: A) Make any news release, public announcement, denial or confirmation of all or any part of the subject matter of this order, or any phase of any program hereunder; or B) In any manner advertise or publish the fact Buyer has placed this order.
10. PATENT, COPYRIGHT AND TRADEMARK INDEMNITY: In consideration of the purchase of the materials described herein Seller agrees to save harmless, indemnify, protect and defend Buyer and customers and the users of its products against all law suits, in equity, and all claims, demands, damages and judgments arising out of or due to actual or alleged infringement of any patent, copyright or trademark, together with all expenses incurred by Buyer in connection therewith by the reason of the sale or use of all the materials or products purchased except those specifically designated by Buyer.
11. WARRANTY: Notwithstanding inspection and acceptance by the Buyer of all material and work furnished under this order or any provision of this order concerning the conclusiveness thereof, the seller warrants that all the material and work covered by this order will conform to the specifications, drawings, samples or other description furnished or specified by the Buyer, and will be fit and sufficient for the purpose intended, and free from defects in workmanship and materials. Seller shall defend Buyer, its subsidiaries, successors, customers and the users of its products against all demands, judgments and actions due to failure of the above described material of any manner whatsoever to comply with this contract.
12. INSOLVENCY: In the event of any proceedings by or against the Seller, voluntary or involuntary, in bankruptcy or Insolvency or for the appointment of a receiver of trustee or any assignee for the benefit of creditors, of the property of Seller, the Buyer may cancel the contract forthwith.
13. ASSIGNMENT: Seller shall not assign the order in whole or in part, nor shall the Seller assign or sell any asset required to perform this order, nor shall the Seller assign any currency due or to become due in the performance of this order without the prior written consent of the Buyer. Any such actual or attempted assignment without the Buyer's approval shall entitle the Buyer to cancel the order upon written notice to the Seller without further obligation to the Buyer.
14. COMPLIANCE WITH LAWS: Seller agrees, in connection with the production of the article(s) and/or the performance of the services specified herein, to comply with the requirements of Section 12 (a) of the Fair Labor Standards Act 1938, as amended. All invoices must carry this certificate in order to be passed on for payment. "Seller represents that with respect to the production of the article(s) and/or performance of the services covered by this invoice, it fully complies with Section 12 (a) of the Fair Labor Standard Act 1938, as amended." To the extent applicable here to Seller shall in the performance of this order comply with all other Federal, State and local laws; and all regulations and orders issued under any applicable law.
15. GOVERNING LAW: The contract resulting from the acceptance of this order is to be constructed according to the laws of the State of Michigan. "The Seller agrees to abide by the terms outlined in Presidential Executive Order 11246, Section 202, Paragraph 1 through 7."
16. INDEMNIFICATION: to the fullest extent permitted by law, the Subcontractor/Supplier/Seller shall indemnify and hold harmless SA Automotive, and its agents, employees, officers and successors from and against all liabilities, claims, causes of action or lawsuits seeking damages on account of personal injury or death to any person, including employees of the Subcontractor/Supplier/Seller, or property damage, including claims of loss of use, which arise out of or result from or are in any way connected with the work covered by this agreement or other operations or acts of commission or omission of the Subcontractor/Supplier/Seller, including those of its agents, employees or officers. The Subcontractor/Supplier/Seller's Indemnity of obligation shall include:
 1. Indemnity even if all damages sought were alleged to be caused in part by the negligence or fault of SA Automotive or any of its employees, agents or officers.
 2. Indemnity for all damages and judgment interest, all costs and fees, including all defense costs, expenses and actual attorney's fees resulting to or arising out of, resulting from or in any way connected with any claim cause of action or lawsuit required Indemnity by the Subcontractor/Supplier/Seller
 3. All expenses including costs, expenses and actual attorney's fees, incurred in securing Indemnity from the Subcontractor/Supplier/Seller If the Subcontractor/Supplier/Seller fails to or wrongfully refuses to fulfill any of the Indemnity obligations specified and assumed under this contract.Subcontractor/Supplier/Seller's obligation to Indemnify shall not include any obligation to Indemnify for SA Automotive's sole negligence or in any case which is prohibited by Michigan MCLA 691.991 or other comparable state law.
17. Seller represents, warrants and covenants that the parts are, and will remain competitive in the areas of price, quality, delivery, design, supplier quality standards and technology. If, at any time, the Buyer determines, in Buyer's sole and absolute discretion that the parts do not remain competitive in terms of price, quality, delivery, design, supplier quality standards and technology, Buyer, to the extent in compliance with any covenants not to disclose third party confidential information, will advise Seller in writing of the areas in which Seller's parts are not then competitive. If within 30 days after Seller's receipt of such written notice, Seller does not agree to sell the part(s) to SA Automotive at all of the more competitive terms of price, quality, delivery, design, supplier quality standards and technology as stated therein, SA Automotive may, at SA Automotive's option, terminate this agreement and purchase parts from any person without any costs, damages, surcharge, back charge, or any other liability to Seller, including, but not by way of limitation, for raw material(s), work in process or inventory not yet received by Buyer.